



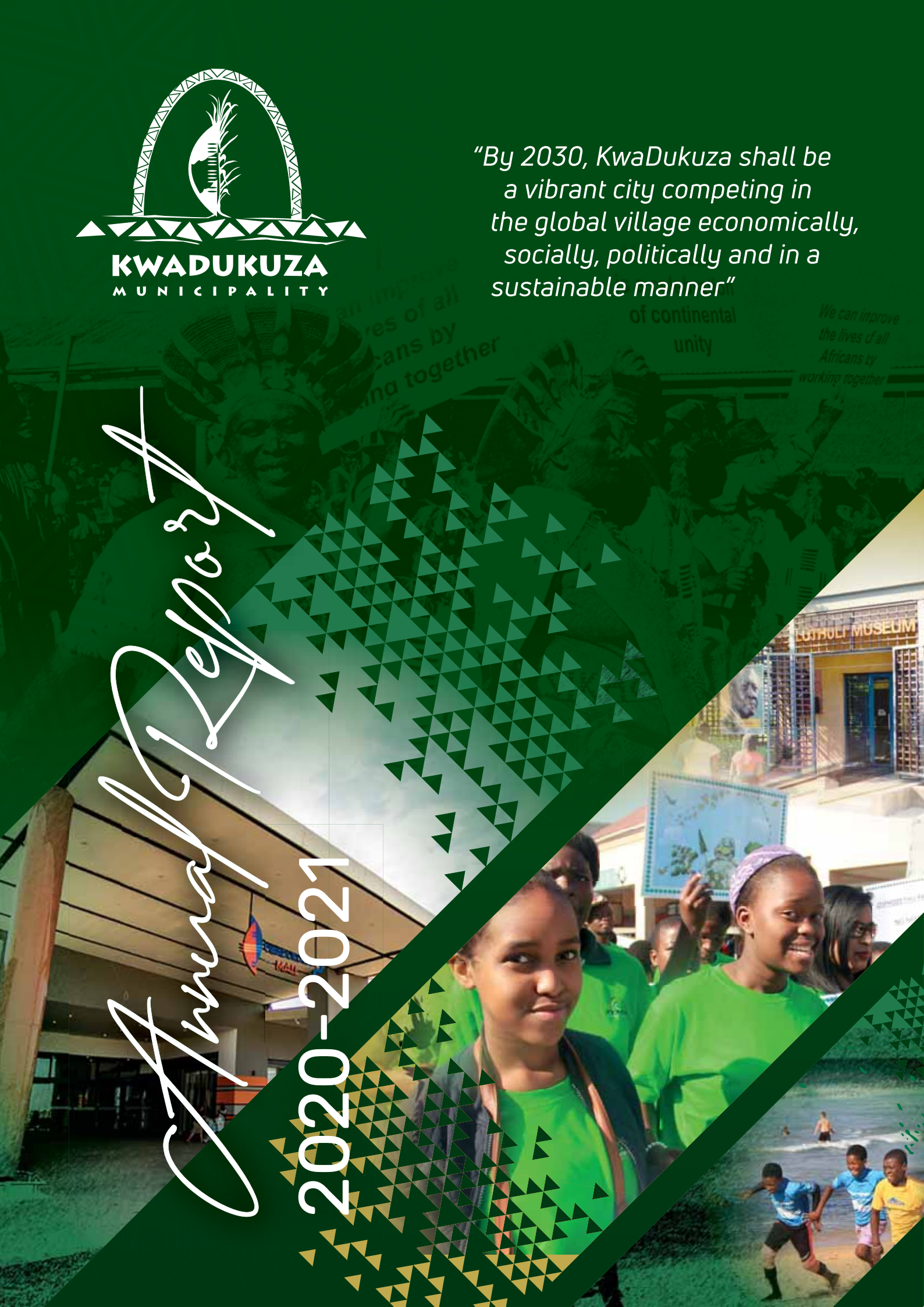
"By 2030, KwaDukuza shall be a vibrant city competing in the global village economically, socially, politically and in a sustainable manner"

of continental unity

We can improve the lives of all Africans by working together

Annual Report

2020-2021



A Tribute to Our Fallen Colleagues

The year under review, 2020/2021, is a year that most of us in KwaDukuza will never cease to forget due to losing many of our loved ones including dedicated civil servants and councillors especially due to COVID-19. In short, the year was marked with hurt and pain.

As we conduct our daily activities, we, the KwaDukuza Municipality family still feel a void in our hearts left by our fallen Fathers, Mothers, Brothers and Sisters.

In our endeavour to make KDM a better place for all, the spirit of our fallen colleagues lives on, we still tread on their vast contributions. You may be gone but your spirits live on and your contributions that changed KDM will forever be cherished.

There are no words that can ever express how your heartfelt contributions moulded the municipality. Days may go, years may pass, but the nourishment that you provided for a better KDM will live forever.

We thank your families for affording us the opportunity to have your journey with us in our commitment to service delivery.

Asphelelanga siwumndeni wa KwaDukuza,
Rest well dear Colleagues and Councilmen, you will forever be missed!!



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CHAPTER 01

COMPONENT A: Mayor's Foreword
COMPONENT B: Executive Summary

Mayor's Foreword

Mayor of KwaDukuza Municipality,
Cllr. Govindammal "Dolly" Govender

Dear residents and stakeholders of KwaDukuza Municipality, it is my privilege to present to you the 2020/2021 Annual Report of the aspirant city of KwaDukuza. As we reflect on the past year, I must say there is much to be proud of and this in turn has strengthened our sense of purpose as we continue to work with our residents and stakeholders towards the fulfilment of KwaDukuza's vision and mission statement. Moreover, we can be very proud of achieving an unqualified audit report for the 16th consecutive year.

It has taken great effort to achieve this accolade and I congratulate all role players for this outcome of the audit. Despite the obstacles and challenges brought by COVID-19, KwaDukuza Municipality is still committed to deliver on its mandate and ensure uninterrupted quality services to all our communities.

Over the years, our collection rate has been more than 90%. Our budget has increased from R1.9 billion to over R2 billion in the current financial year. This achievement could not be possible without the unwavering support and commitment of the residents of KwaDukuza.

Through your co-operation, we have managed to keep our financial ratios above Treasury norms. We are very proud to have our residents and stakeholders as partners in developing communities and creating a better life for all.

KEY SERVICE DELIVERY IMPROVEMENTS:

Some of the key service delivery improvements and achievements for the year under review included:

- ♦ 3000 households benefited through Bulk Electricity supply.
- ♦ 545 households have benefited through Main Low Voltage upgrades.
- ♦ R7 million invested towards municipal fleet.
- ♦ R31.8m invested towards internal roads with 14 000 beneficiaries.
- ♦ R6.0m towards the construction of Etete Sports field in Ward 07.
- ♦ R7.6m Invested towards the rehabilitation of Townview Road in Ward 19.
- ♦ R4.0m towards Tinley Manor Roads.

Our focus as an institution has been guided and driven by the Integrated Development Plan (IDP). We were able to translate the strategic goals and priorities into the meaningful operational plans for all directorates and related employee scorecards. Doing this has ensured that every effort at any point in time is constantly being made to achieve the required targets and desired outcomes.

As a local government we will always be evaluated by our ability to meet the growing needs of our residents through rendering quality services, promoting economic development, fiscal discipline, ensuring that we govern effectively and facilitating the growth of our municipality.

I would like to express my gratitude to the Mayoral Committee and all the Councillors for their contribution and commitment towards realising the vision and making a difference in the lives of all in KwaDukuza.

I would also like to thank the management team and staff members for their support during the year, without your commitment and loyalty, these achievements would not have been possible.

Yours sincerely,



Cllr. Govindammal "Dolly" Govender
Her Worship, the Mayor of KwaDukuza Municipality



1.1 MUNICIPAL VISION AND MISSION

VISION

"By 2030, KwaDukuza shall be a vibrant city competing in the global village economically, socially, politically and in a sustainable manner".

MISSION

The mission of KwaDukuza Municipality is to achieve the highest economic status through:

- ◊ Driving local economic development;
- ◊ Delivering a high standard of essential services;
- ◊ Encourage public participation; and
- ◊ Overcoming debt and achieving cost recovery on services provided.

1.2 CORE VALUES OF KWADUKUZA

- ◊ Ethical behavior
- ◊ Respect
- ◊ Honesty and Integrity
- ◊ Accountability to each other and the public
- ◊ Team work
- ◊ Initiative and Innovation
- ◊ Fiscal responsibility
- ◊ Excellent customer service
- ◊ Hard work and timeliness
- ◊ Care & protection of resources
- ◊ Flexibility and cooperativeness
- ◊ Compliance with all set regulations
- ◊ Loyalty
- ◊ Unity
- ◊ Efficiency
- ◊ Professionalism
- ◊ Cost effectiveness
- ◊ Discipline
- ◊ Diligence
- ◊ Openness and Transparency
- ◊ Non discriminatory

1.3 KEY DEVELOPMENT OBJECTIVES

Below is the table showing KwaDukuza's Strategic Plan aligned to National KPAs, KZN Provincial Development Growth Strategy, iLembe Strategic Objectives as well as National Outcomes:

KDM GOALS	DGDS - GOALS	PGDS - GOALS	NDP - GOALS	SDG - GOALS
Goal 1: Improve good governance, audit outcomes and consequence management.	6	6	3,8	16
Goal 2: Strengthen public participation, complaint management system and accountability.		3	4	16
Goal 3: Promote radical socio-economic transformation agenda to address inequality, unemployment and poverty.	1, 3, 5	1, 7	1, 2, 3, 4	1, 2, 5, 6, 7, 8, 9, 10,11
Goal 4: Create and promote a culture of enhanced service delivery, innovation and excellence through capable cadres of local government.		2, 3, 4	3, 4, 7	4, 5, 6, 9
Goal 5: Enhance municipal financial sustainability.			3, 8	
Goal 6: Develop comprehensive response to rapid urbanization, low carbon development and environment sustainability.	4	5	2	13, 14, 15

1.3 KEY DEVELOPMENT OBJECTIVES...continued

Below is the table showing KwaDukuza's Strategic Plan Aligned to National KPAs, KZN Provincial Development Growth Strategy, iLembe Strategic Objectives as well as National Outcomes...continued

KDM GOALS	DGDS - GOALS	PGDS - GOALS	NDP - GOALS	SDG - GOALS
Goal 7: Expand and maintain the provision of quality basic services and the integrated human settlements.	5		2, 3, 4, 7	6, 7, 11
Goal 8: Ensure mainstreaming and meaningful participation of vulnerable groups (i.e. youth, women, and disabled people) in all development programmes.		3	4, 5	4, 5, 8, 10, 16
Goal 9: Create a safer and crime free municipal area through community-public private partnerships.	5		7	11, 16
Goal 10: Build the capacity and systems for the 4 th Industrial Revolution and the integrated E-government services.		2, 3, 4	5, 7	4

Table 1: KDM 5 Year Strategic Objectives aligned to the National Outcomes

1.4 STRATEGIC ALIGNMENTS TO PGDS

NO.	PGDS STRATEGIES GOAL	ALIGNMENT THEREOF
1	Inclusive Economic Growth	<ul style="list-style-type: none"> Promote radical socio-economic transformation agenda to address inequality, unemployment and poverty.
2	Human and Community Development	<ul style="list-style-type: none"> Build the capacity and systems for the 4th Industrial Revolution and the integrated e-government services; and Create and promote a culture of enhanced service delivery, innovation and excellence through capable cadres of local government.
3	Strategic Infrastructure	<ul style="list-style-type: none"> Expand and maintain the provision of quality basic services and the integrated human settlements.
4	Responses to Climate Change	<ul style="list-style-type: none"> Develop comprehensive responses to rapid urbanisation, low carbon development and environment sustainability.
5	Governance and Policy	<ul style="list-style-type: none"> Build the capacity and systems for the 4th Industrial Revolution and the integrated e-government services; Create and promote a culture of enhanced service delivery, innovation and excellence through capable cadres of local government; Improve good governance, audit outcomes consequence management; Strengthen public participation, complaints management system and accountability; and Ensure mainstreaming and meaningful participation of vulnerable groups (i.e. Youth, women, disabled people) in all developmental programmes.
6	Spatial Equity	<ul style="list-style-type: none"> Develop comprehensive response to rapid urbanisation, low carbon development and environment sustainability; and Expand and maintain the provision of quality basic services and the integrated human settlements.

Table 2: Provincial Growth and Development Strategy vs KDM Municipal Interventions

1.5 PUBLIC PARTICIPATION

As a way to keep in touch, promote transparency and ensure constant communication through applicable public participation avenues with local communities, Ward Councillors are mandated to host a series of Community Meetings in order to touch base with local communities. This promotes much-needed communication between the local communities and local political leaders. It also allows for a space to get clear status updates on Municipal projects taking place per ward.

It is important to note that effective communication, through public participation, especially with local communities, which is reliant on local communities, leads to effective communication which results in transparency, being in the know about one's area and effectively prevents service delivery riots from taking place as everything is clear. It should also be noted that the Municipality also relies on Ward Committees to ensure that Public Participation take the central role in the development of local communities. Each municipality is expected to prepare its Ward Committee as Assessment Report on a quarterly basis with a file consisting of a functionality calculator and/or a portfolio of evidence against each of the six (6) functionality indicators. COGTA conducts verification of results based on evidence against each indicator as presented by the municipality and compiles a consolidated provincial quarterly report.

Where a municipality has failed to submit its assessment results, it will be regarded as an indication that its ward committees are non-functional. The verification process is conducted in each district in the presence of municipal officials responsible for public participation in a municipality. Verified results are communicated to municipalities through different structures, such as District Public Participation Forum, PPPSC meetings, Speakers' Forum meetings, etc.

Output 5 of the Outcome 9 Delivery Agreement is about deepening democracy through a refined ward committee model, and commits the sector to strengthening the ward committee system, and ensuring the functionality of ward committees. Furthermore, in terms of Section 73(4) of the Municipal Structures Act, the municipality is expected to make administrative arrangements to enable ward committees and ward sub-committees to perform their functions and exercise their powers effectively.

1.5.1 PARTICIPATION IN THE IDP PROCESS IDP

(a) Public Participation Context

In terms of the provisions of Chapter 4 of the Municipal Systems Act (Act 32 of 2000), a municipality must encourage and create conditions for the local community to participate in the affairs of the municipality, including the preparation, implementation and review of its Integrated Development Plan. Accordingly, KwaDukuza Municipality has maintained its commitment to a participatory process of IDP review whereby the community would play a meaningful role.

There are four major functions that can be aligned with the public participation process vis-à-vis:

- ◊ Needs identification;
- ◊ Identification of appropriateness of proposed solutions;
- ◊ Community ownership and buy-in; and
- ◊ Empowerment.

(b) Mechanisms for Participation

The following mechanisms for participation were utilised:

1.5.2 IDP STEERING COMMITTEE

The Steering Committee is a technical working team consisting of Departmental Heads within the Municipality. This committee is chaired by the Municipal Manager and the IDP Unit is responsible for coordinating meetings. The invitation to attend the working sessions is usually extended to middle managers. These are all the representatives who are involved in the preparation of technical reports and information, formulation of recommendations as well as the preparation of any other pertinent documents during the compilation of the IDP processes. IDP Steering Committee meets every Monday in the form of Manco and Extended Manco where all issues related to the IDP are attended to.

1.5.3 WARD COMMITTEES AND COMMUNITY DEVELOPMENT WORKERS

Ward Committees and Ward Councillors are formal structures established as per the provisions of the Municipal Structures Act. Accordingly, these structures are utilised as a link between the Municipality and Communities, for the purposes of obtaining information pertaining to the IDP implementation.

WARD COMMUNITY BI-MONTHLY

During the 2020/2021 financial year there were only two meetings that took place, this is due to the COVID-19 regulations on public gatherings which hindered the municipality from having public meetings on IDP review processes.

DATE	VENUE	TIME
05 March 2020	KwaDukuza Town Hall	09h00
05 December 2020	KwaDukuza Town Hall	09h00

Table 3: Ward Community Bi-Monthly Meetings

1.5.4 THE PRINT MEDIA (NEWSPAPERS)

Local newspapers (i.e. North Coast Courier, Stanger Weekly, Express Times, Dolphin Coast Mail) were used interchangeably to publish and/or inform the local community of the progress on the IDP, PMS and Budget Processes. The table below represents the print media/newspapers, activities and dates published:

PRINT MEDIA/NEWSPAPER	ACTIVITY	DATE PUBLISHED
HEADING	DATE	NEWSPAPER
◊ Adoption of the 2021/2022 Integrated Development Plan (2)	14 June 2021	Express time and North Coast Courier
◊ Invitation to register as IDP stakeholder	05 August 2020	North Coast Courier and Dolphin Coast Mail
◊ KwaDukuza draft IDP, PMS and Budget process plan 2021/2022	14 April 2021	North Coast Courier and Dolphin Coast Mail
◊ Final IDP, PMS & Budget process plan 2021/2022	31 August 2021	North Coast Courier and Dolphin Coast Mail
◊ Mayoral Izimbizo in preparation for 2021/2022 financial year, IDP and SDF review process	20 April 2021	Express Times
◊ Invitation to the KwaDukuza Municipality IDPRF	No information as yet	

Table 4: Newspapers used in Publishing IDP/PMS/Budget Activities

1.5.5 MUNICIPAL WEBSITE

The KwaDukuza Municipality Website was utilized for uploading public information regarding the IDP and general municipal information which ordinarily entails the IDP and budget adverts. The following documents were uploaded on the municipal website:

TENDERS	COMPLIANCE DOCUMENTS	OTHER
Tender and Close Quotes (CQs) Awards	IDP	Notices
Tender Registers	Budget	Bylaws
Latest Tenders and Extended Tenders	SDBIP	Contracts
Cancelled Tenders	Adjusted Budget	Evaluation Roll
Archived and CQs Tenders	Policies	Agendas and Minutes

Table 5: Uploaded Documents on the Website

1.5.6 MUNICIPAL NOTICE BOARDS

The Municipal Notice Boards are placed at various municipal buildings. The Municipal Notice Boards were used to inform the stakeholders about critical IDP meetings to be attended as well as important notices.

1.5.7 COMMUNITY ROADSHOWS, IZIMBIZO AND SECTORAL STAKEHOLDERS' CONSULTATIONS

In compliance with Chapter 4, Section 16(1) of the Municipal System Act 32 of 2000, KwaDukuza Municipality in collaboration with iLembe District Municipality conducted the IDP, PMS and Budget Roadshows which were scheduled as follows:

CLUSTER/STAKEHOLDER	DATE	VENUE	TIME
Ward 5	15 April 2021	Lindeleni Hall	09h00
Ward 6	22 April 2021	Nokukhanya Building	18h00
Ward 1	23 April 2021	Sokesimbone Hall	09h00
Ward 7	28 April 2021	Velani Community Hall	09h00
Ward 17	28 April 2021	Stanger Manor Community	17h30
Ward 15	28 April 2021	Chris Hani Hall	09h00
Amakhazi and Izinduna	30 April 2021	KDM Council Chambers	10h00
ILembe Chamber of Commerce	30 April 2021	Ballito Business Park	13h00
Ward 4	01 May 2021	Shakashead Community Hall	09h00
Ward 23	01 May 2021	Shayamoya Community Hall	13h00
Ward 22	04 May 2021	Salt Rock Library	18h00
Ward Committees	05 May 2021	KDM Town Hall	09h00
Ward 2	06 May 2021	Zamani Community Hall	09h00
Ward 20	06 May 2021	Snyman Community Hall	09h00
Ward 27	07 May 2021	Madundube Community Hall	09h00
Ward 18	09 May 2021	Mbozamo Hall	13h00
Ward 13	09 May 2021	Glenhills Multi – Purpose	09h00
Ward 19	10 May 2021	KDM Town Hall	17h30
Ward 16	10 May 2021	Mdoniville Hall	17h30

Table 6: Community Roadshows and Izimbizo

1.6 SHARING OF FUNCTIONS WITH SECTOR DEPARTMENTS

DEPARTMENT OF HUMAN SETTLEMENTS PROJECTS

WARD NO.	PROJECT NAME	PROJECT STAGE	HSDG 2020-2021 ALLOCATION
7 & 20	Etete	Construction	R13 140 639.00
1	Sakhamkhanya	Construction	R7 669 020.00
19	Rocky Park	Construction	R19 000 000.00
3	Nonoti	Planning	R2 475 994.00
13, 16 & 26	Steve Biko	Construction	R13 637 700.00
26	Ntshawini	Construction	R7 446 362.10
15	Chris Hani	Construction	R10 512 511.20
14	Lloyds	Construction	R7 446 362.10
9	Mgigimbe	Construction	R8 803 400.00

Table 7: KwaDukuza HSDG 2021-22 Budget Allocation Planning Projects

DEPARTMENT OF TRANSPORT PROJECTS

FINANCIAL YEAR	ROAD CHAINAGES	DESCRIPTION/ ACTIVITY	LOCAL MUNICIPALITY	CONTRACT STATUS	NATURE OF INVESTMENT
2020-21	18	Construction of earthworks, layer works & surfacing	KZN292 KwaDukuza	Gate 6 Design Documentation	Road Upgrade
2020-21	24	Construction of earthworks, layer works & surfacing	KZN292 KwaDukuza	Gate 3 Feasibility Report	Road Upgrade

Table 8: Department Of Transport Projects

SCHOOLS STORM WATER PROJECTS

PROJECT NAME	SUB PROGRAMME	PROJECT STATUS	BUDGET ALLOCATION 2019-20 R'000-245M	ESTIMATE ALLOCATION 2020-21 R'000	ESTIMATE ALLOCATION 2021-22 R'000
Aldinville Primary School	Storm Damage	Design	4 507	104	178
Amandlalathi Primary School	Early Childhood Development	Feasibility	915	315	332
Banguni Secondary School	Storm Damage	Design	0	723	1 673
Banguni Secondary School	Upgrade and Additions	Practical Completion - 100%	200	0	0
Banguni Senior Secondary School	Water and Sanitation	Practical Completion - 100%	310	0	0
Bongimfundo Primary School	Storm Damage	Design	0	53	91
Chief Albert Luthuli Sivananda Secondary School	Upgrade and Additions	Practical Completion - 100%	452	0	0
Darnall Primary School	Storm Damage	Project Initiation	0	529	0
Darnall Secondary School	Storm Damage	Project Initiation	0	325	343
Dr B W Vilakazi Junior Primary School (Groutville)	Renovations, Rehabilitation or Refurbishments	Design	0	1 741	882
Dr B W Vilakazi Junior Primary School (Groutville)	Storm Damage	Project Initiation	0	560	0
Gledhow Primary School	Storm Damage	Design	0	560	0
Imbuyiselo Secondary School	Water and Sanitation	Construction 1% - 25%	3 639	0	0
Imbuyiselo Secondary School	Storm Damage	Project Initiation	0	560	0
Iziphozethu Primary School	Storm Damage	Project Initiation	0	723	1 960
Kwadukuza Priamary School (Grammar St)	Storm Damage	Project Initiation	0	723	257
Lethithemba Secondary School	Storm Damage	Project Initiation	0	601	0
Lloyd Primary School	Upgrade and Additions	Construction 1% - 25%	5 649	5 388	357
Lloyd Primary School	Storm Damage	Project Initiation	1 209	0	0

SCHOOLS STORM WATER PROJECTS...continued

PROJECT NAME	SUB PROGRAMME	PROJECT STATUS	BUDGET ALLOCATION 2019-20 R'000-245M	ESTIMATE ALLOCATION 2020-21 R'000	ESTIMATE ALLOCATION 2021-22 R'000
Lubisana Primary School	Water And Sanitation	Tender (PSP)	0	0	0
Lubisana Primary School	Storm Damage	Planning	0	0	360
Maguyana Primary School	Storm Damage	Project Initiation	0	723	858
Mbekamusi Intermediate School	Upgrade and Additions	Practical Completion -100%	0	0	4 156
Mbekamusi Primary School	Storm Damage	Project Initiation	0	500	0
Mgigimbe Primary School	Water and Sanitation	Ready for Tender	310	262	0
Mgqwabagqaba Primary School	Storm Damage	Project Initiation	0	723	0
Mgqwabagqwaba Primary School	Water and Sanitation	Design	310	0	0
New Guelderland Primary School	Storm Damage	Design	0	560	0
New Stanger District Circuit Offices	Renovations, Rehabilitation or Refurbishment	Project Initiation	0	1 707	846
Nyakana Primary School	Storm Damage	Design	0	560	0
Osizweni Primary School	Storm Damage	Design	0	361	0
Osizweni Primary School	Water and Sanitation	Design	311	0	0
Prospect Farm Primary School	Storm Damage	Project Initiation	0	560	0
Qoqulwazi Secondary School	Storm Damage	Project Initiation	0	723	2 519
Radha Roopsingh Primary School	Storm Damage	Project Initiation	0	560	0
Ramlakan Primary School	Storm Damage	Project Initiation	0	4 954	4 860
Shakaskraal Primary School	Upgrade and Additions	Design	0	5 514	12 166
Shakaskraal Sa Primary School	Storm Damage	Project Initiation	0	723	1 986
Shekembula High School	Water And Sanitation	Practical Completion -100%	595	0	0
Stanger High School	Storm Damage	Project Initiation	0	3 000	3 878
Stanger M L Sultan Secondary School	Storm Damage	Project Initiation	0	500	0
Stanger Manor Secondary School	Learners with Special Educational Needs	Design	0	7 796	10 145
Stanger Secondary School	Renovations, Rehabilitation or Refurbishments	Design	0	1 728	1 464
Stanger South Secondary School	Storm Damage	Design	0	0	0
Stanger Training Centre	Learners with Special Educational Needs	Design	0	7 763	3 904
Themebni Primary School	Storm Damage	Planning	0	0	620
Tshelabantu Primary School	Water and Sanitation	Ready for Award	1 147	415	0

SCHOOLS STORM WATER PROJECTS...continued

PROJECT NAME	SUB PROGRAMME	PROJECT STATUS	BUDGET ALLOCATION 2019-20 R'000-245M	ESTIMATE ALLOCATION 2020-21 R'000	ESTIMATE ALLOCATION 2021-22 R'000
Tshelabantu Primary School	Storm Damage	Design	0	723	1 206
Tshelenkosi Secondary School	Storm Damage	Planning	0	0	75
Umhlali Prep Primary School	Storm Damage	Project Initiation	0	500	0

Table 9: Schools storm water projects

ESKOM PROJECTS


ILEMBE DM - INFRASTRUCTURE PLAN AND PROGRESS				
				
	PROJECT DESCRIPTION	PROJECT STATUS	CONSTRUCTION START DATE	SCHEDULE COMPLETION DATE
1	Mandini 132/11kV 20 MVA Transformer Upgrade	Finalised		
2.	Mangethe 8km 132kV Kingbird Loop in/ Loop out	Finalised		
3.	Mangethe 132/11 kV 20 MVA SS est	Finalised		
4.	Ndwendwe-Appelsbosch 132kV line establishment	Conceptual Stage	Beyond 2025 (project not funded)	
5.	Glendale 132/22kV substation Capacity Increase from 7.5MVA to 20MVA	Finalised		
6.	Glendale NB30 Sewer Line Upgrade	Finalised		
7.	Ocheni 132/122 kV 20 MVA Substation Establish	Design Stage	Partially Funded	Beyond 2015
8.	Glendale - 2 Additional MV feeders to split Glendale NB30	Finalised		
9.	Mandini-Amatikulu 132kV line - Customer project	Conceptual Stage	The project will be triggered by the Amatikulu's commitment to co-generate and will be initiated as a DIRECT CUSTOMER project.	
10.	Appelsbosch 11-22kV Conversion	Finalised	Partial Conversion Finalised	

Table 9a: iLembe District Municipality Infrastructure Plan and Progress

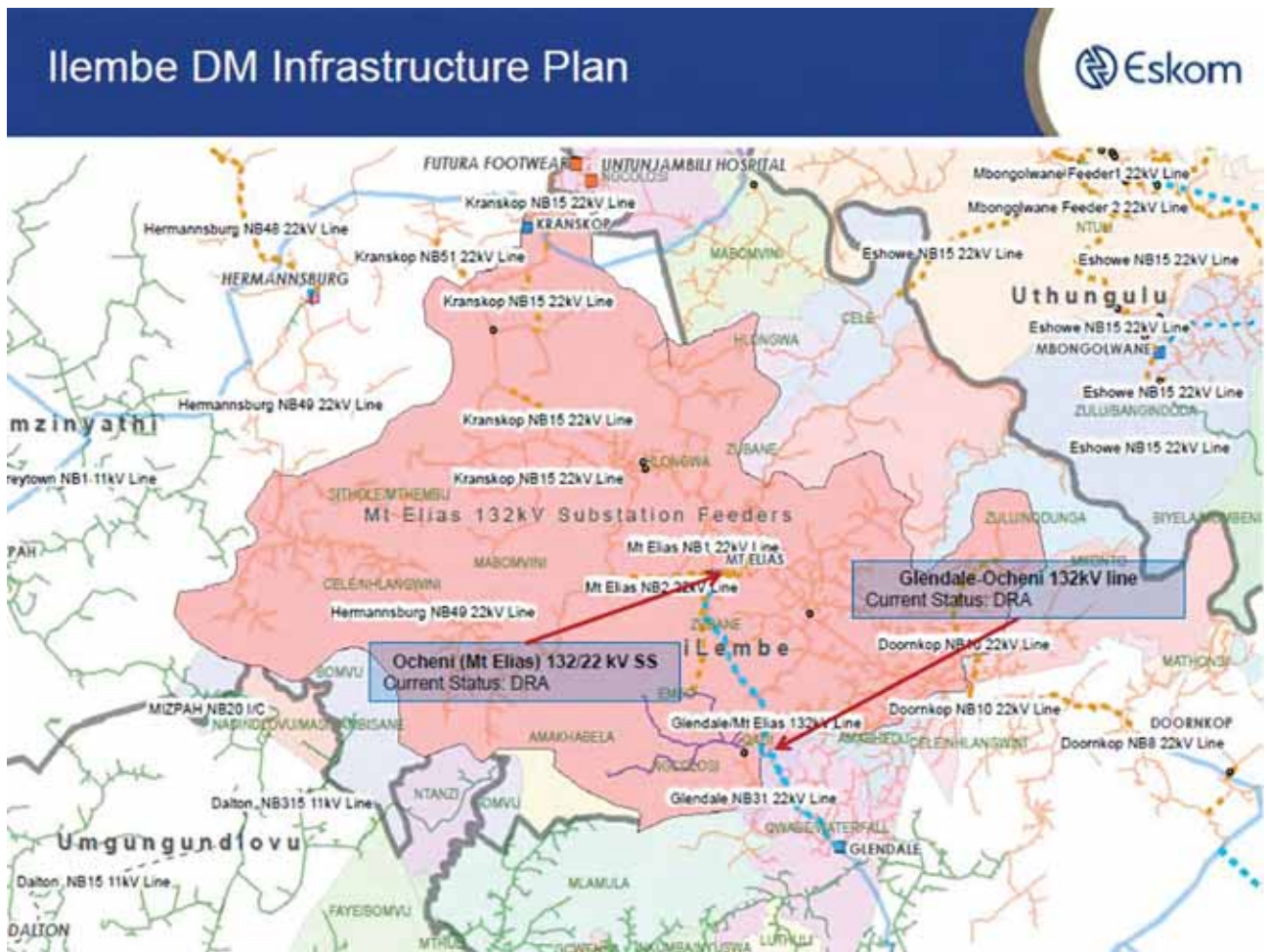


Figure 01: iLembe District Infrastructure Plan

DEPARTMENT OF HEALTH PROJECTS

2018/19 - 2020/21 MULTI-YEAR CAPITAL BUDGET - DETAILED PROJECT LIST PER WARD						
MUNICIPALITY	WARD NO.	PROGRAMME & PROJECT DESCRIPTION	PROJECT STAGE	BUDGET	BUDGET	BUDGET
				YR 2	YR 2	YR 2
				2018/19	2019/2020	2020/2021
	10	Groutville Clinic - Construction of a new extra-large Clinic with maternity, 3 double residential units, gate house, public toilets, 2 carports (fenced & gated)	Complete	41 000 000	23 815 000	2 200 000
	19	Stanger Hospital - new Labour and Neo Natal Wards	Implementation	14 000 000	300 000	-
	19	Stanger Hospital - Replacement of Theatre/Wards Chillers- COMPLETION PROJECT	Complete	360 000		

Table 10: Department of Health Projects

DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM ELECTRICAL

PROJECT NAME	DESCRIPTION OF PROJECT	PROJECT VALUE	BUDGET 2019/2020	DISTRICT	IOP INDICATOR FROM PROVINCIAL PRESENTATION
Mthandeni Eskom	Connection of Eskom Fees	R200,000	R50,000	iLembe	Infrastructure Projects Facilitated
Mthandeni Extension Irrigation	Construction of Irrigation Scheme	R42,316,976	R555,400	iLembe	Infrastructure Projects Facilitated
Injobo Ithungelwa Ebandla Irrigation Scheme	Construction of Irrigation Scheme	R8,575,174	R343,007	iLembe	Infrastructure Projects Facilitated
PSP Vukuzenzele Co-op Irrigation (Jikijela - Vukuzakhe)	Design and Construction Monitoring	R2,087,808	R500,000	iLembe	Infrastructure Projects Facilitated
Construction Vukuzenzele Co-Op Irrigation (Jikijela - Vukuzakhe)	Construction	R24,917,154	R12,000,000	iLembe	Infrastructure Projects Facilitated
Re Advert Ilembe & Umgungundlovu Livestock Diptanks Southern Region	Crush Pen and 22 Diptanks	R6,221,508	R248,860	iLembe & Umgungu Ndlovu	Infrastructure Projects Facilitated
Umgungundlovu & Ilembe Boreholes - Readvertisement	Construction of Boreholes for Stock Water	R841,151	R33,646	Ugu & iLembe	Infrastructure Projects Facilitated
Ugu & Ilembe Earth Dams Readvertisement	Construction of Earth Dams	R2,921,393	R1,337,114	Ugu & Ilembe	Infrastructure Projects Facilitated
Ilembe packhouse cooperative	Construction of packhouse	R 850 000,00	R 850 000,00	Ilembe	Infrastructure Project
Sofoco Fish Farming CC	Construction, erect and installation of new 2 plastic tunnels and minor refurbishment work to the exiting tunnels	R 500 000,00	R 500 000,00	Ilembe	Infrastructure Project
Maphumulo Sub Tropical Fruit Growers Cooperative	Fencing of 13.2km and avocado trees	R2 440 000	R2 440 000,00	Ilembe	Infrastructure Project
Mshibe Hydroponic (PTY) Ltd	Storage Shed with cold room, VIP Latrines, Pach Shed with basic equipment, specialized Equipment and material requested	R1 785 000,00	R1 785 000,00	Ilembe	Infrastructure Project
Benzeleni Primary Cooperative Limited	Construction of 2000 layers with sorting shed, VIP Latrines, 2000 Pullets, Feeds (64 tons), Medication and vaccine, Egg Trays	R2 000 000	R2 000 000,00	Ilembe	Infrastructure Project

Table 11: Department of Rural Development and Land Reform Electrical

STATUS OF MGENI WATER PROJECTS

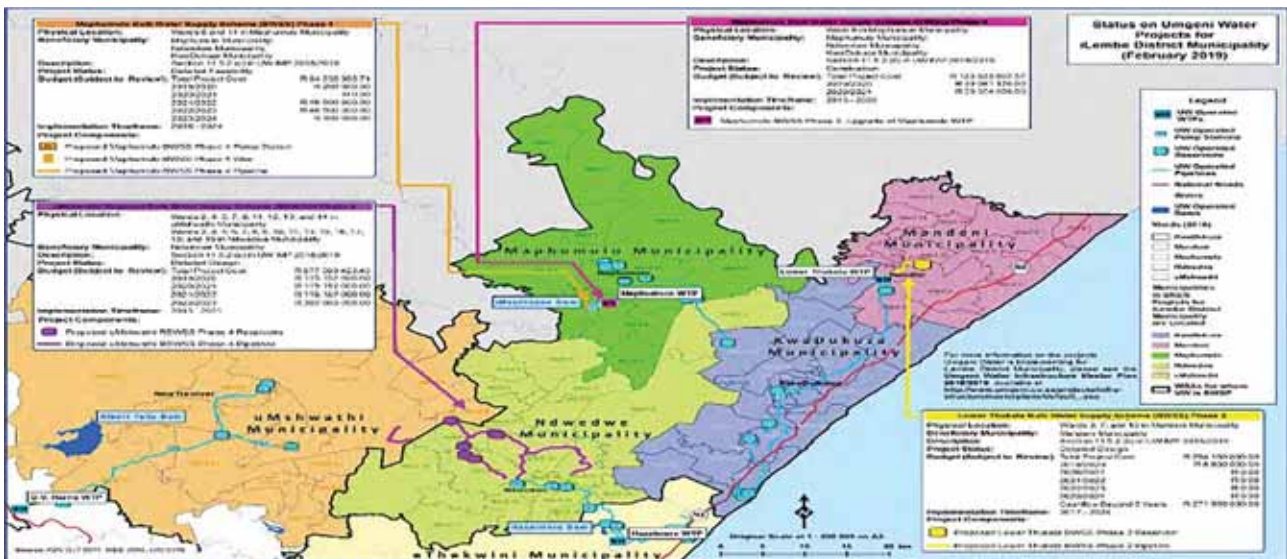


Figure 02: Status of Mgeni Water Projects

1.7 ELECTRICITY DISTRIBUTION

The KwaDukuza municipality's predominant source of energy for lighting is electricity followed by

MUNICIPALITY	ELECTRICITY	GAS	PARAFFIN	WOOD	COAL	ANIMAL DUNG	SOLAR	OTHER
KwaDukuza	82,70%	3,00%	5,40%	8,00%	0,30%	0,10%	0,10%	0,10%

Table 12: Electricity distribution

DISTRIBUTION OF HOUSEHOLDS WITH ACCESS TO ELECTRICITY

DISTRIBUTION OF HOUSEHOLDS WITH ACCESS TO ELECTRICITY BY ELECTRICITY SUPPLIER	NUMBER OF HOUSEHOLDS	%
Municipality prepaid	55 279	67,89%
Municipality - receive bill from municipality	10 021	12,31%
Eskom prepaid	11 100	13,63%
Eskom - receive bill from Eskom	20	0,02%
Other suppliers (secondary meters)	5 000	6,14%

Table 13: Distribution of Households with Access to Electricity

ENERGY MOSTLY USED FOR COOKING

MUNICIPALITY	ELECTRICITY	GAS	PARAFFIN	WOOD	COAL	ANIMAL DUNG	SOLAR	OTHER
KwaDukuza	85.20%	3.50%	5.90%	4.90%	0.10%	0.00%	0.20%	0.20%
Ward 1	60.70%	2.80%	8.30%	27.70%	0.20%	0.10%	0.00%	0.10%
Ward 2	90.40%	2.90%	6.00%	0.40%	0.00%	0.00%	0.30%	0.00%
Ward 3	68.50%	5.40%	12.50%	13.30%	0.20%	0.00%	0.10%	0.10%
Ward 4	90.30%	1.10%	8.30%	0.20%	0.00%	0.00%	0.10%	0.00%
Ward 5	90.80%	0,70%	4.30%	3.70%	0.10%	0.00%	0.30%	0.00%
Ward 6	85.70%	10.70%	0.10%	1.00%	0.00%	0.00%	0.10%	2.40%
Ward 7	83.80%	1.70%	5.80%	8.30%	0.10%	0.10%	0.10%	0.00%
Ward 8	96.00%	0.50%	2.60%	0.70%	0.10%	0.00%	0.10%	0.00%
Ward 9	89.20%	0.50%	4.20%	5.90%	0.10%	0.00%	0.10%	0.00%
Ward 10	92.80%	1.30%	4.30%	1.40%	0.10%	0.00%	0.10%	0.00%
Ward 11	80.30%	4.00%	10.40%	5.10%	0.10%	0.00%	0.00%	0.00%
Ward 12	86.00%	6.60%	6.30%	0.80%	0.10%	0.00%	0.20%	0.00%
Ward 13	77.90%	3.10%	15.90%	2.60%	0.10%	0.00%	0.30%	0.20%
Ward 14	96.60%	0.20%	2.00%	0.80%	0.10%	0.00%	0.20%	0.10%
Ward 15	87.70%	1.90%	8.90%	1.40%	0.10%	0.10%	0.10%	0.00%
Ward 16	86.90%	3.80%	5.30%	3.60%	0.10%	0.00%	0.00%	0.30%
Ward 17	87.80%	5.90%	0.90%	4.90%	0.10%	0.00%	0.20%	0.30%
Ward 18	93.50%	0.20%	5.90%	0.20%	0.00%	0.00%	0.20%	0.00%
Ward 19	93.90%	2.30%	1.90%	0.40%	0.10%	0.00%	0.20%	1.10%
Ward 20	85.70%	1.40%	6.80%	5.30%	0.20%	0.10%	0.40%	0.00%
Ward 21	60.00%	2.50%	13.40%	23.70%	0.00%	0.00%	0.20%	0.00%
Ward 22	82.70%	13.40%	1.20%	2.20%	0.10%	0.00%	0.20%	0.30%
Ward 23	96.60%	0.20%	1.60%	1.00%	0.00%	0.10%	0.40%	0.10%
Ward 24	87.90%	6.10%	4.60%	0.90%	0.30%	0.00%	0.20%	0.00%
Ward 25	74.90%	2.30%	5.10%	17.50%	0.10%	0.00%	0.10%	0.00%
Ward 26	86.40%	0.50%	9.50%	3.30%	0.10%	0.00%	0.20%	0.00%
Ward 27	66.40%	2.60%	7.00%	23.60%	0.10%	0.00%	0.30%	0.00%

Table 14: Energy Mostly Used for Cooking (stats SA Census, 2011)

BELOW IS AN ANALYSIS OF THE KEY FINDINGS IN THE 2019/20 AUDIT OPINION

It is with great pride that we make mention that KwaDukuza Municipality has received its **15th** consecutive unqualified audit report for the 2019/20 financial year with findings on the following matters:

UNCERTAINTY RELATING TO THE FUTURE REIMBURSEMENT OF BULK ELECTRICITY SUPPLY COSTS

As disclosed in Note 38 to the financial statements, the municipality entered into service level agreements with property developers to reimburse them for the cost of bulk electricity supplies. The reimbursements are dependent on the developers meeting future targets as set out in the service level agreements. The timing and outcome of the reimbursement cannot currently be determined and no provision for any liability that may result had been made in the financial statements of the municipality, at and for the year ended 30 June 2020.

MATERIAL LOSSES – ELECTRICITY

As disclosed in note 52 to the financial statements, material electricity losses of 137 297 1 68 kwh (2018-19: 122 149 967 kWh) amounting to R152,56 million (2018-19: R1 15,10 million) were incurred, which represents 20,94% (2018-19: 18.05) of total electricity purchased. The losses were due to transmission/distribution losses and illegal connections.

UNDERSPENDING OF CAPITAL BUDGET

As disclosed in the statement of comparison of budget with actual information, the municipality materially underspent on its' capital budget by R82,05 million, which represents 32% of the total capital budget. The main reason for this underspending was as a result of delays in construction activities due to the nationwide lockdown.

EXPENDITURE MANAGEMENT

Reasonable steps were not taken to prevent irregular expenditure amounting to R155.53 million as disclosed in note 49 to the annual financial statements, as required by section 62(1) (d) of the MFMA.

PROCUREMENT AND CONTRACT MANAGEMENT

Some of the goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by Supply Chain Management(SCM) regulation 19(a) . Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM regulation 36(1) . Similar non-compliance was also reported in the prior year.

CONSEQUENCE MANAGEMENT

Some of the irregular expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2) (b) of the MFMA.

CURRENT FINANCIAL HEALTH OF THE MUNICIPALITY

It is of vital importance that the municipality has adequate sources of revenue, from both its own operations and intergovernmental transfers, to enable it to carry out its functions. The Division of Revenue Act (DORA) has laid out the level of funding from National Government that will be received for the 2020/2021 to 2022/2023 MTREF. The financial health of the municipality is discussed in further depth according to the below categories:

◇ CASH/LIQUIDITY POSITION

Cash management is crucial for the short and long-term survival and good management of the organization. To assess the liquidity of the municipality, a current ratio will be used; this ratio expresses the current assets as a proportion to current liabilities. A current ratio of 2:1 and greater is considered to be healthy. KwaDukuza's audited current ratio for the 2019/2020 financial year is 2.50:1. The acid test ratio (which excludes inventory from the current ratio) is 2.49:1. These ratios are within the norm

and are indicative of a good liquidity position. However, it must be stressed that certain expenses and income are cyclical in nature and a reduction of this ratio is generally experienced in the first and second quarter of the financial year.

◇ SUSTAINABILITY

The municipality must ensure that the budget is balanced, funded and credible. Revenue must exceed expenditure. Services provided at all levels should be affordable. However, subsidies need to be made available to the indigent households who cannot afford to pay for basic services. Total assets exceed the total liabilities of the municipality and the municipality is a going concern.

◇ ACCOUNTABILITY, TRANSPARENCY AND GOOD GOVERNANCE

The budget process and other financial decisions are open to public participation. It is critical that accurate information is produced within acceptable time-frames. KDM remains accountable to the community who provides the financial resources through either payment of rates and tariffs, or services. The actual in year outcomes are reported to the Finance Portfolio Committee, Budget Steering Committee and Council on a monthly and/or quarterly basis to ensure adequate oversight. These reports are published on the municipal website and also subject to continuous engagements by Provincial Treasury.

◇ EQUITY AND REDISTRIBUTION

KwaDukuza Municipality must treat people fairly and equitably when it comes to the provision of services, just as KwaDukuza Municipality expects to be treated equitably by the national and provincial government when it comes to inter-governmental transfers. KwaDukuza Municipality must ensure that redistribution is in line with the IDP. Detailed consultation occurs via various IDP and Budget platforms to ensure the budget is not only funded but also meets the needs of the community.

REVENUE TREND BY SOURCE INCLUDING BORROWINGS

Long term loans bear interest at 6.83% to 9.73%. The costs of borrowings have a definite impact on the budget. **It is expected that regular marginal increases in rates can be expected throughout 2021/2022 to 2023/2024 MTREF.** Of the adopted capital budget for 2021/2022 of R321 401 054.00, R5 M is to be funded by borrowings. Cost of borrowings has been provided for in the municipal budget in the Medium-Term Revenue and Expenditure Framework.

KwaDukuza Municipality must honour all its loan obligations timeously. Failure to effect prompt payment will adversely affect the raising of future loans at favourable interest rates. Failure to pay any loan instalment will have severe repercussions, and may jeopardize the municipality's credit rating. In addition to the timeous repayment of the loans, the municipality should adhere to the covenants stipulated in the loan agreements and the under-mentioned are some examples of typical covenant requirements:

- ◊ Furnish audited annual financial statements timeously
- ◊ Reporting of material changes in the financial position of the municipality
- ◊ Material changes in the functions, power and duties of the municipality

The municipality has developed a Borrowing Framework Policy and Guidelines. The objective of the policy is to limit interest rate and credit risk exposure; to maintain debt within specified limits; ensure adequacy for the repayment of debt and to ensure compliance with all Legislation and council policy governing borrowing of funds. The primary goal in the borrowing of funds is to leverage finance at the lowest possible interest rates at minimum risk, within the parameters of authorized borrowings.

The scope of the policy includes:

- ◊ **Risk** -The need to manage interest rate risk, credit risk exposure and to maintain debt within specified limits.
- ◊ **Cost of Borrowings** - should be structured to obtain the lowest possible interest rate, on the most advantageous terms and conditions.
- ◊ **Prudence** - Borrowings shall be made with care, skill, prudence and diligence.
- ◊ **Ownership** - All loans must be in the name of KwaDukuza Municipality.

In accordance with the above, KwaDukuza has met all loan obligations and covenants in a timely manner.

1.8 ASSESSMENT BY THE ACCOUNTING OFFICER ON ARREARS

TOTAL DEBTORS AS AT 30 JUNE 2021 ARE MADE UP AS FOLLOWS:

DESCRIPTION	TOTAL DEBT	PROVISION FOR IMPAIRMENT	NET DEBT
	R'	R'	R'
Long term receivables	3 704 218	3 084 565	619 652
Current portion of long-term receivables	22 313	0	22 313
Receivables from Exchange Transactions	175 572 050	69 670 460	105 901 590
Receivables from Non-Exchange Transaction	318 620 735	212 556 294	106 064 441
Total	497 919 315	285 311 320	212 607 996

Table 15: Total Debtors by end 30 June 2021

Total net debtors amount to R212 607 996 as at 30 June 2021 representing a 7.51% decrease since 2020 (R229 882 193 restated).

The decrease in debtors of approximately R17.2m over the reporting period is attributable to the following:

- ◊ Handing over of debtors to the new Debt Collection Panel of Attorneys.
- ◊ The implementation of an ongoing strategy to have debtors' statements e-mailed and completion of debit order forms.
- ◊ Arrear debtors who utilizes prepaid electricity are partially blocked from buying electricity.
- ◊ Reports on recovery of arrear debtors through disconnection and meter inspections are interrogated at Energy Loss Task Team in order to address any challenges experienced and expedite debt recovery.
- ◊ Vigorous disconnection of electricity and meter inspections of electricity has commenced in August 2020 by a newly appointed Service Provider.

- ◇ Council approved a COVID-19 debt relief scheme for the period 01 July 2020 to 17 June 2021. This scheme aimed to provide some relief for Consumers as well as to ensure that the municipality is able to operate sustainably in an attempt to ensure debt collection and achieve collection rate targets. A total of 673 applications were received of which 342 Customers fully met their obligations and an amount of R40 006 341 was received towards the capital debt and approximately R 5 513 660.32 was written off in respect of interest, penalties and admin charges.

Council will maintain efficient debt collection and credit control systems and procedures to further reduce the outstanding debt. The importance of this function is heightened when one considers the challenging economic climate facing the country.

1.9 ASSESSMENT BY THE ACCOUNTING OFFICER ON PERFORMANCE OF REVENUE COLLECTION

PERCENTAGE DEBT COLLECTION RATES AS AT 30 JUNE 2021

% DEBT COLLECTION RATE	PERFORMANCE TARGET	BILLING	PAYMENTS	COLLECTION	VARIANCE
ELECTRICITY	90%	737,453,819.66	737,008,232.31	99.94	9.94%
RATES	90%	68,722,165.03	67,818,323.11	98.68	8.68%
REFUSE	90%	531,993,121.81	540,257,004.35	101.55	11.55%

Table 16: Percentage debt collection rate

1.10 RISK ASSESSMENT

Risk assessment including development and implementation of measures to mitigate the top 10 risks

RESIDUAL RISK EXPOSURE	RISK ACCEPTABILITY	PROPOSED ACTIONS	RISK VALUE
Critical	Unacceptable	Take action to reduce risk with highest priority, accounting officer/chief executive officer and executive authority/accounting Authority attention.	> 60
Major	Unacceptable	Take action to reduce risk with highest priority, accounting officer/chief executive officer and executive authority/accounting Authority attention.	> 35 ≤ 60
Moderate	Unacceptable	Take action to reduce risk, inform senior Management.	> 20 ≤ 35
Minor	Acceptable	No risk reduction - control, monitor and inform management.	> 10 ≤ 20
Insignificant	Acceptable	No risk reduction - control, monitor and inform management.	≤ 10

Table 17: Risk Values to Risk Exposures

DETAILS OF TOP 10 KDM RISKS

NO.	REF.	RISK NAME	RISK DESCRIPTION	RESIDUAL RISK RATING	ACTION PLAN	ACTION OWNER	STATUS
1.	EE1	Electricity: Illegal connections	Energy losses.	Critical	To conduct a meter audit.	Director Planning	Achieved
					To install the vandal proof equipment to safeguard electronic equipment.	Director Planning	Achieved
					To install the Smart Meters.	Director Planning	Achieved
2.	CH1	Civil engineering: Fleet Management	Poor Fleet Management	Major	To review C-track reports and implement consequence management.	Director: Civil Engineering	Ongoing
					To conduct awareness on Fleet Management Policy.	ED: Electrical and Manager Fleet	Achieved
					To procure an additional vehicle (Crew- Cab 4x4).	Director: Civil Engineering	Achieved
					Establishment of panel for hiring of plant and vehicles.	Director: Civil Engineering	Partially Achieved
3.	CH2	Infrastructure: Storm water Management Planning	Inadequate storm Water management	Major	To issue flyers to the community (awareness campaigns) on the impact of illegal dumping.	Director: Civil Engineering	Achieved
					To develop and approve the Storm Water Management Plan.	Director: Civil Engineering	Not Achieved
					To procure additional equipment for maintenance of storm water drainages.	Director: Civil Engineering	Achieved
					To develop the Storm Water Management Policy and By-laws.	Director: Civil Engineering	Achieved
4.	OMM 1	Governance: Risk Management	Ineffective risk management processes	Major	To appoint the Risk Manager.	Chief Operations Officer	Achieved
					To request Risk management support from Provincial Treasury (Review of Risk registers).	Asst. Manager Risk	Ongoing
					To appoint Risk Champions with Terms of Reference.	Asst. Manager Risk	Achieved
					Annually development of the Risk Management Implementation Plan.	Asst. Manager Risk	Achieved
5.	OMM 2	Business Support: Service Level Agreement	Inability to enforce conditions of service level agreement in the event that the developers are unable to adhere to the obligations of the service level agreements (e.g. electricity, roads, refuse).	Major	To develop the standard Operating Procedure for service level agreements.	Director Legal Services	Achieved

DETAILS OF TOP 10 KDM RISKS...continued

NO.	REF.	RISK NAME	RISK DESCRIPTION	RESIDUAL RISK RATING	ACTION PLAN	ACTION OWNER	STATUS
					To propose for centralization of monitoring of Service Level Agreements.	Director Legal Services	Not Achieved
					To develop the standard Operating Procedure for repayments of developers contributions in respect of service level agreements.	Director Legal Services	Achieved
6.	F1	Financial Management: Budget and Compliance	Inability to compile credible Annual Financial Statements that are compliant to the General Recognised Accounting Practice timeously.	Major	Annual AFS office activity plan to be drafted and submitted to Control Meeting by October 2020 detailing key activities for the year ahead.	Director: Budget and Compliance	Achieved
					Motivation for additional staff.	Director: Budget and Compliance	Achieved
7.	CS1	Facilities Management: Municipal Buildings	Fragmented administration accommodation	Critical	Finalization of the purchase and sale agreement.	Director: Council, admin and property management	Not achieved
					Relocation of staff into new building.	Director: Council, admin and property management	Not achieved
8.	CS2	Human Resources: Leave Management	Failure to manage leave	Major	Implement automated Leave Management System.	Director HR	Not achieved
					To train user on the new Electronic Leave Management System.	Director HR	Not achieved
					Change Management engagements among HR Payroll and SAGE.	Director HR	Not achieved
9	C. SAF1	Community Safety: Testing operation	Inadequate testing operational management	Major	To appoint a manager to monitor motor licensing and Testing Centre.	Asst. Director Motor licensing and testing operations	Achieved
					To appoint a supervisor.	Asst. Director Motor licensing and testing operations	Achieved
					To acquire land for construction of the new Testing Centre.	Asst. Director Motor licensing and testing operations	Not Achieved
10.	C. SAF2	Community Safety: Disaster Management	Inability to respond timeously in the time of an emergency.	Major	To review Municipal By- laws.	Chief Fire	Partially achieved
					To appoint a Manager for Disaster Management Unit.	Chief Fire	Achieved

Table 17a: Top 10 Risk

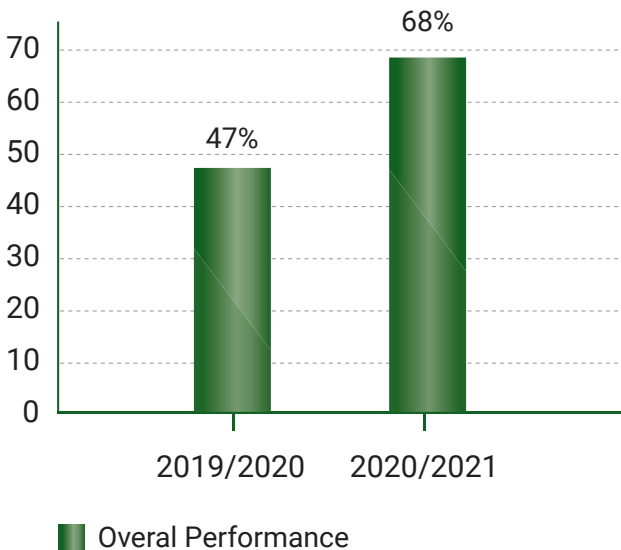
TOP 10 MUNICIPAL RISKS PROGRESS

2020/2021 TOP 10 RISKS			
Number of Action plans identified per Top 20 risk register	Total Number of action plans	Achieved actions	Not Achieved/ Partially Achieved
	30	20	10
% -age of performance	100%	67%	33%

Table 18: Top 10 Risks progress as at 30 June 2021

COMPONENT B: EXECUTIVE SUMMARY: OVERALL PERFORMANCE FOR 2020/2021

Performance over two years



When taking a broad overview of the report, it is evident that the municipal performance has increased by 21% when compared to the previous financial year which was 47%. This was due to management taking broader approaches and mitigation strategies to improve service delivery which had been affected by national pandemic in the previous financial year.

There is still a challenge with the increase in energy losses, the municipality has established a Debt Reduction Steering Committee to intensify measures to reduce energy losses by conducting inspections on bigger consumers every Thursdays

on a monthly basis. Consultants have been engaged to audit MD meters including other mechanisms that have been identified by the Council's approved Revenue and Debt Steering Committee (RDSC).

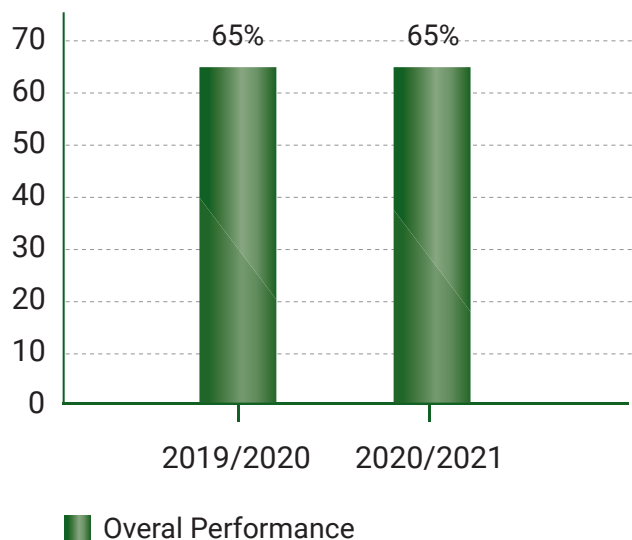
Measures have also been put in place to deal with the repairs and maintenance of existing streetlights and also measures to deal with installation of new streetlights in the new financial year 2020/2021. The municipality has also been dealing with repeated findings on irregular expenditure.

On a quarterly basis, the Section 57 Managers are required to develop an action plan for all the issues raised by the Performance Evaluation Committee to ensure that all issues raised by Internal Audit and the Performance Evaluation Committee are addressed.

FINANCIAL MANAGEMENT AND VIABILITY

The overall score for the KPA is 65%.

Performance over a two year period



OVERVIEW

The overall performance in financial management and viability remained the same at 65% in both financial years 2019/20 and 2020/21. The effects of COVID-19 has had a great impact in the collection of revenue due to many business being closed and many residents losing their jobs. The municipality had to come up with interventions to help struggling businesses and residents in the collection of tariffs. These interventions included the COVID-19 debt relief scheme which was tailored to benefit both the municipality, business and residents at large. The following provides a broader overview of the financial management highlights, challenges and corrective action.

PERFORMANCE HIGHLIGHTS

- ◆ Implemented the Council approved COVID-19 debt relief scheme;
- ◆ Initiated the process of looking at systems to improve of revenue generation - GIS based systems - One Map;
- ◆ 100.52% collection rates as at June 2021;
- ◆ Implemented the Consumer portal for e-services and consumer statements;
- ◆ Initiated the process of procuring electronic handheld meter reading devices and implemented with effect from May 2021;
- ◆ Improved controls to deal with meters billed on estimates;
- ◆ Ensured meetings with the panel of attorneys on debt collection matters;
- ◆ Conducted adhoc meter reading audits through the use of appointed temporary Meter Readers;
- ◆ Reduced the number of indigent applicants by appointing a service provider to verify indigent applicants;
- ◆ Improved revenue collection by the appointed Service Provider conducting regular disconnections;
- ◆ Revised SOP's in respect of deeds returns and update of property Ownership to ensure that this is processed timeously;
- ◆ Consistent payments of Creditors within 30 days;
- ◆ A significant decrease on Irregular Expenditure; and
- ◆ Consistent payment of salaries and allowances on time.

CHALLENGES

- ◆ IT challenges;
- ◆ Load shedding;
- ◆ High vacancy rate; and
- ◆ Challenges on implementation of Municipal Standard chart of Accounts (MSCOA) on creditors and payroll due to system development complexity.

CORRECTIVE ACTIONS

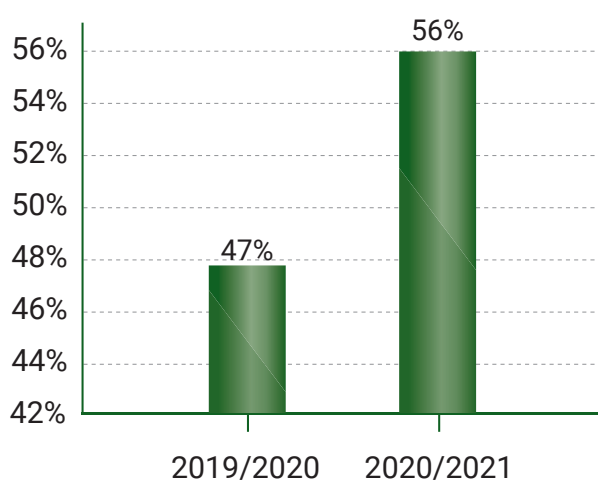
- ◆ There is an on-going strategy to have debtors statement

- e-mailed and completion of debit order forms;
- ◆ Arrear debtors who utilize prepaid electricity are partially blocked from buying electricity;
- ◆ Reports on recovery of arrear debtors through disconnection and meter inspection are interrogated at energy loss task team in order to address any challenges experienced and expedite debt recovery; and
- ◆ Vigorous disconnection of electricity and meter inspections of electricity has commenced in August 2020 by a newly appointed Service Provider.

BASIC SERVICE DELIVERY

- ◆ The overall score for the KPA is 56%.

Performance over two year period



OVERVIEW

In the 2020/21 financial year Service delivery improved by 9% when compared to the previous financial year of 2019/2020. The effects of COVID-19 and the lockdown regulations were one of the stumbling blocks to achieving a higher percentage in basic service delivery due to the limitation of services in the construction and supply sectors. However, the below are the highlights achieved in the 2020/21 financial year.

PERFORMANCE HIGHLIGHTS

- ◆ Completion of Housing Electrification Project;
- ◆ Completion of KwaDukuza Mall Bulk Supplies;
- ◆ Completion of the project, KwaDukuza Peoples Pak formerly known as "Theunissen Road Park";
- ◆ Procurement of concrete street bins;
- ◆ Refurbishment of Nkobongo sport field and an ablution block; and
- ◆ Construction of an ablution facility for a combo court in ward 13.

- ◊ Construction for a combo court in ward 10;
- ◊ 8997 m² Chief Albert Luthuli street;
- ◊ 5086 m² Hysom & Smithers street rehabilitated;
- ◊ 1664.08m² Stanger Heights of in ward 16;
- ◊ 3031.945m² Stanger Heights and moola industrial in ward 16;
- ◊ Completed KwaDukuza Yellow Wood Waste Transfer station;
- ◊ KwaDukuza had its Integrated Waste Management Plan endorsed by the Minister of Economic Development Tourism and Environmental Affairs;
- ◊ The Business Unit procured one skip loader truck; and
- ◊ Renovation of the KwaDukuza Crematorium.

PERFORMANCE CHALLENGES

- ◊ Budget Cut-/Constraints;
- ◊ Unavailability of Funds for Land Acquisition;
- ◊ Illegal Sale of Council plan;
- ◊ Unavailability of burial space in the Northern area of KwaDukuza;
- ◊ Unprecedented economic decline and closure of businesses due to COVID-19;
- ◊ Land and completed house invasions;
- ◊ Landowners not willing to release their land for the proposed development; and
- ◊ There is still a challenge with the increase in energy losses.

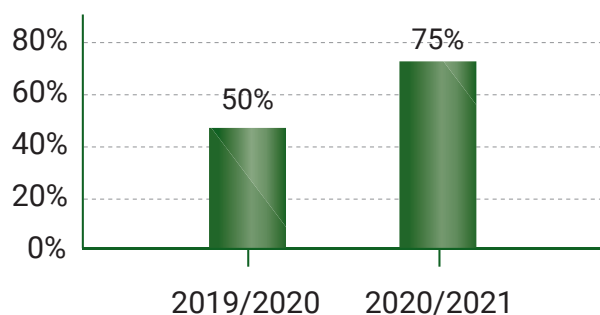
CORRECTIVE ACTIONS

- ◊ For projects that have tenders that have not been awarded, the service providers will be appointed in the first quarter of the 2020/2021 financial year.
- ◊ Land negotiations are in place with land owners for the acquisition of land.
- ◊ The legal route has been taken for those that sell Council land.
- ◊ A task team has been developed to help in reduction of electricity losses through disconnections of businesses and households who have been illegal connected.
- ◊ A new procurement process for the appointment of a service providers has been completed in the first quarter of the 2020/21 financial year.

INSTITUTIONAL TRANSFORMATION AND MUNICIPAL DEVELOPMENT

- ◊ The overall score for the KPA is 75%.

Performance over two year period



OVERVIEW

There has been a huge improvement in the 2020/21 financial year when compared to the previous 2019/20. The increase or improvement of this key performance indicator is 25%. Despite challenges that the municipality faces in the appointment of women, there have been a number of improvements in the organisation. There below gives an overview of all the highlights that have occurred in the 2020/21 financial year.

PERFORMANCE HIGHLIGHTS

- ◊ Reviewed and adopted council policy as per the 2020-21 policy register;
- ◊ Appointed 41 interns and 8 in-service learners;
- ◊ Finalized 77% of the disciplinary cases reported to HR;
- ◊ Kept the staff turnover at 3.25 % (34 out of 1043); and
- ◊ Kept the staff vacancy rate at 6.6%

PERFORMANCE CHALLENGES

- ◊ Less appointment of women;
- ◊ Lack of training the targeted staff audience; and
- ◊ Lack of communication tools under COVID-19

CORRECTIVE ACTIONS

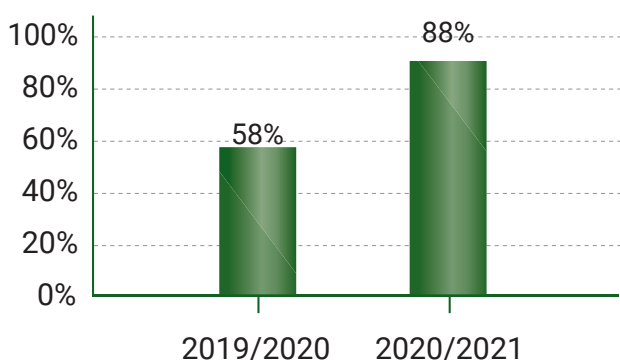
- ◊ The KDM selection committees shall in the 2021-22 year ensure that out of all vacancies available per business unit, 60% of those shall be filled by women and HR shall advise the Municipal Manager regularly prior to approving of appointments per interview conducted;

- ◊ The Budget for Training was reduced from R2.5 Million to R620 000 due to COVID-19 which only allowed for partially implementation of Mandatory training; and
- ◊ The support function is executed in consultation with stake holders the lack of communication equipment such as screen and network has been identified as a challenge. Council has to review its cell phone policy and allocation of data bundles to staff members.

SPATIAL PLANNING & ENVIRONMENTAL MANAGEMENT

- ◊ The overall score for the KPA is 88%.

Performance over two year period



OVERVIEW

There has been a major improvement of 30% in performance when compared to the previous financial year. COVID-19 has been one of the stumbling blocks in tourism and other events in the previous financial year. In 2020/2021 financial year the municipality has performed significantly well when it comes to spatial planning and environmental management activities, which include the approval of plans, outdoor advertising, traffic management, fire and disaster mitigation interventions. The municipality has had many interventions to keep this key performance area at 88%, the below provides a guideline of interventions conducted:

PERFORMANCE HIGHLIGHTS

- ◊ Enforcement of COVID-19 regulations in terms of the Disaster Management Act;
- ◊ Multi Agency Operations;
- ◊ Income received through traffic offences – R316 000.00;
- ◊ Income received from all traffic licences issued – R5 054 700.00;
- ◊ More than six (6) Fire Safety Awareness Campaigns (school visits and special programs) were conducted;

- ◊ The department was also involved in the Child Protection Campaign which was coordinated by Department of Education and Ilembe District Municipality;
- ◊ Daily safety and beach information on local radio station Life & Style 88.0 FM - Monday to Saturday performed by the Beach Manager;
- ◊ Conducted 10 Learn to Surf programmes;
- ◊ A total number of 157 Relaxation, Special Consents and Site Development Plan Applications has been processed between the months of July 2020 and June 2021;
- ◊ The municipality contributed towards 14.2% (R1 871million) of the value of total building plans approved in KZN (R13 213 million);
- ◊ The total number of 768 building plans were submitted during the 2020/2021 financial year which was a significant increase of 13.8% (652) in comparison with the 2019/2020 financial year;
- ◊ The total number of building plans approved for the 2020/2021 financial year was 578 plans; and
- ◊ A total of 499 occupation certificates were issued for the 2020/2021 financial year.

PERFORMANCE CHALLENGES

- ◊ All essential services employees have been working overtime during the national disaster, and this has resulted in exceeding the overtime threshold and has strained the overtime budget;
- ◊ Continuous illegal advertising within the jurisdiction on Municipal verges and public open spaces, especially over weekends when there is no monitoring;
- ◊ The increase in the illegal advertising has resulted in advertising clutter;
- ◊ Lack of Public Awareness of the Outdoor Advertising By-law;
- ◊ Complaints are being received for the new Outdoor Advertising street lamp pole advertising;
- ◊ Marine Safety Power Craft (Jet ski/Boats) are aging and of the 5 jet ski's, all 5 need to be replaced as they are over 5 years old; and
- ◊ Marine Safety has 5 boats - 3 are operational and 2 are out of service. All 5 need to be replaced as they are over 5 years old.

CORRECTIVE ACTIONS

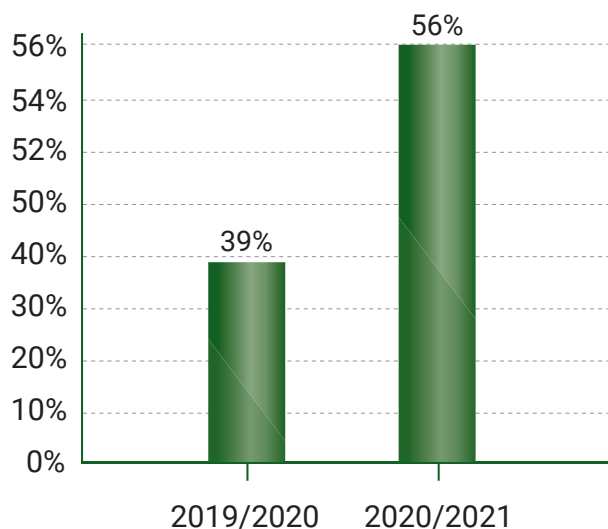
- ◊ Most Businesses were inspected and had consequently formalised applications to Economic Development Planning unit for occupational certificate as well as trading licence;
- ◊ Prohibition notices were issued to persons/owners to curb non-compliance with Regulations pertaining to Disaster Management Act;

- ◆ Applications to carry out vehicle testing is done via an appointment system;
- ◆ Driving license tests are carried out on Tuesdays and Thursdays;
- ◆ Awareness campaigns will be conducted on public awareness of the Outdoor Advertising By-Law;
- ◆ Engagements meetings with the service provider on streetlamp pole advertising complainants will be initiated in the new financial year; and
- ◆ The municipality has issued a correspondences for the removal of signage on private property.

LOCAL ECONOMIC DEVELOPMENT & SOCIAL DEVELOPMENT

- ◆ The overall score for the KPA is 56%.

Performance over two year period



OVERVIEW

The Local economic development KPA increased in the 2020/21 financial year by 17%. There was a huge improvement when compared to the previous financial year. Although COVID-19 regulations had a great effect in local economic development especially in the tourism sector which limited the number of people in venues or social gatherings. The tourism sector was the most affected as this had a negative outcome on events, open trade markets, weddings and ceremonies. Although there were a number of constraints; the municipality has had many successes in ensuring that it

provides sound initiatives to overcome unemployment and empower youth and women.

PERFORMANCE HIGHLIGHTS

- ◆ Successful licensing of efficient processing of forty-one (41) new and sixteen (16) renewals business licenses applications within the prescribed time frames which includes renewals and new issues.
- ◆ Total number of ten (10) new and renewal of three (3) pre-scheme areas business licence approval for taverns and other liquor selling businesses
- ◆ A total number of 271 permits issued to informal traders during 2020/21.
- ◆ 170 informal traders received R1500 (each) once-off stipend to be utilised for buying stock and COVID-19 PPE's sanitisers and gloves. Total amounts spend was R255 000.00. This was part of the KDM Socio-Economic Recovery Plan deliverables as adopted by KDM Council
- ◆ 14 traders allocated with trading space at Shakashead Business Hive and 9 traders in Groutville Market.

PERFORMANCE CHALLENGES

- ◆ High risks of investor leaving the area because of intimidation and violent takeover of construction site by the business forums.
- ◆ Lack of local employment pact,
- ◆ Lack of tourism product in the inland area,
- ◆ Lack of diversified investment in our area,
- ◆ Lack of affordable business facilities for SMME,
- ◆ No clear policies and strategies to manage the SMME Development and the economy,
- ◆ Lack of tourism sector transformation and tourism spread,
- ◆ Lack of Community Tourism organization,
- ◆ Lack of big vacant agricultural land to be used by cooperatives or for communal agriculture.
- ◆ Lack of land to build incubation centres and other facilities for business,

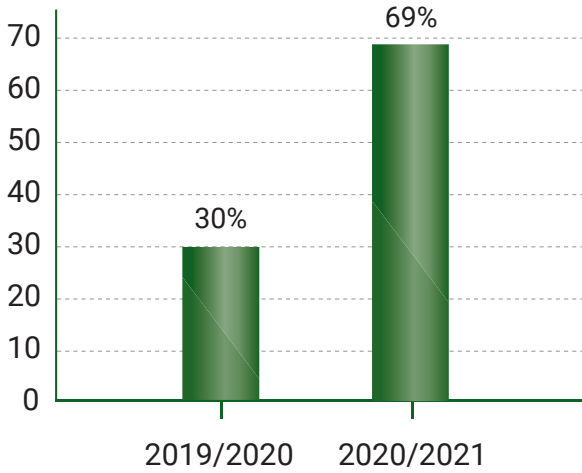
CORRECTIVE ACTIONS

- ◆ Conduct capacity building session for cooperatives; once Lockdown restrictions are permitted,
- ◆ An informal traders permit awareness and compliance campaign will be done before end of September 2021,
- ◆ Focus will be put on ensuring that Informal trading permits are extended in the areas that were outside the town planning scheme.

GOOD GOVERNANCE & PUBLIC PARTICIPATION

◆ The overall score for the KPA is 69%.

Performance over two year period



OVERVIEW

There has been a significant increase in the Good Governance & Public Participation KPA by 39%. This increment comes after the COVID-19 regulations were eased for social gatherings. The public participation unit under the Chief Operations Office (COO) works entirely with ward committees to bring about change and improvement in issues that are of high significance to the community. It also ensures that there are participatory meetings that are organised for the development of the Integrated Development Plan (IDP). Such meetings help the unit to capture all community needs which in return the municipality has to make them into a reality. Such needs are actioned and ward projects are then developed and implemented. Inter-governmental relations (IGR) and Operations Sukuma Sakhe is also housed under the COO which play a major role in working closely with sector departments to help improve services and community needs.

The Communications unit also under the COO has made it easy for communities and the municipality to interact with the public through its initiative of regularly being on radio to outline KDM's goals and missions as well as to improve services through live engagements with the public.

PERFORMANCE HIGHLIGHTS

- ◆ Rural Women Celebration Phila Mntwana and Breast Cancer Awareness Campaign celebrated by handing over of hoes and watering cans and different Seeds for Rural women Clubs;
- ◆ Disability International Celebration through handing over 10 Wheelchairs;
- ◆ KwaDukuza Gender Women Caucus hand overed Sanitary towels as an Outreach Program for Girl learners;
- ◆ Senior Citizens COVID Awareness campaign led by Department of Social Development, SASSA, Department of Health, Love Life and Department of Sports and Recreation who handed over Sports Equipment; and
- ◆ Developed an online streaming service for the participation of the public during Council meeting.

PERFORMANCE CHALLENGES

- ◆ There is still some challenges with regards to establishment of Anti-fraud Hotline for the Municipality, however the municipality is currently using National Anti-fraud Hotline services;
- ◆ Implementation of internal and external audit recommendations; and
- ◆ Lack of IT audit capacity

CORRECTIVE ACTIONS

- ◆ Anti-fraud and Ethics policy developed;
- ◆ Whistle Blowing policy developed;
- ◆ Anti-fraud and Corruption strategy developed; and
- ◆ Fraud Risk register developed.





MUNICIPAL MANAGER'S FOREWORD

Municipal Manager: **NJ. Mdakane**

“The 2020/2021 Financial Year Annual Report has been compiled in accordance with Section 121 of the Local Government Municipal Finance Management Act, No. 56 of 2003 as well as accompanying circulars, templates and guidelines.”

This report captures the performance and progress made by the KwaDukuza Municipality in fulfilling its strategic objectives as outlined in the Integrated Development Plan (IDP) as well as in the Service Delivery and Budget Implementation Plan (SDBIP) for the year under review.

During this reporting period, the municipality experienced a myriad of challenges and has recorded resounding successes on a number of set targets towards creating a better life for all. Further to this, the municipality continued to accelerate the delivery of quality services in a sustainable manner with more emphasis on its core functions focusing on improving infrastructure provision and maintenance, access to electricity and roads, improving local economy, implementation of amnesty scheme programmes amongst others.

In the year under review, the municipality continued to roll-out its key infrastructure programmes primarily in roads and electricity as service delivery that defines the very existence of a municipality. Furthermore, the municipality has made considerable strides in terms of providing the necessary support towards Small Towns Revitalisation Programme, extended job opportunities to individuals through Extended Public Works Programme (EPWP) and embarked on poverty reduction programmes with emphasis SMME projects.

As the municipality, we operated under stringent financial resources due to a shrinking public purse. We have therefore identified a need for the development of a revenue enhancement strategy, determination of cost reflective tariffs,

data cleansing and billing rollout. These programmes are in the pipeline for implementation in the 2021/2022 financial year as financial viability and sustainability is key to our municipality's existence.

Identification of strategic and operational risks plays an integral part in ensuring the attainment of our strategic objectives. This is why we have also prioritised the development and implementation of a risk management strategy which is being closely monitored.

The municipality was able to ensure strengthened intergovernmental relations with all spheres of government and this has greatly improved planning and cooperative governance. In the coming financial year various campaigns and hearings will be undertaken across the KwaDukuza to raise public awareness on programmes and projects being implemented by the municipality.

All this sterling work could not have been achieved without the concerted effort of our political leadership. A special gratitude to all employees of KwaDukuza Municipality for the hard work and commitment they have demonstrated throughout the year under review. The support and cooperation from our community and relevant stakeholders is truly appreciated.

A handwritten signature in black ink, appearing to read 'Nhlanhla Mdakane', is positioned above a horizontal line that serves as a separator between the signature and the typed name below.

Yours sincerely,
Mr. Nhlanhla Mdakane
Municipal Manager

ORGANISATIONAL DEVELOPMENT OVERVIEW

ORGANISATIONAL STRUCTURE

The Municipal Manager heads the administrative structure of KwaDukuza Municipality and is assisted by 9 Heads of Business Units (Executive Directors/ ED's). Each Directorate is further divided into a particular number of sub-directorates headed by Directors and are as follows:

1. **Chief Operations Office** which operates under the Office of the Municipal Manager responsible for good governance, incorporates Corporate Communications, Performance Monitoring and Evaluation, IDP & Public Participation, IGR & Protocol, Internal Audit, Legal Services and Special Projects
2. **Finance Business Unit** incorporates Budget and Compliance, Supply Chain, Expenditure, Creditors and Direct Payments, Revenue, Rates/Housing/Sundry Debtors and Salaries.
3. **Corporate Services Business Unit** incorporates Human Resources- Recruitment and Selection, Labour Relations, Employee Benefits, EAP, Health and Safety, Property Management, Council Support and Administration, Skills Development, ICT & ICT Governance.
4. **Electrical Engineering Business Unit** incorporates Electrical Engineering, Mechanical Workshop, Electricity Planning and Customer Care and Fleet Management Services.
5. **Civil Engineering Services and Human Settlements Business Unit** incorporates Human Settlements, Roads and Storm Water management, Project Management, Buildings and Maintenance.
6. **Economic Development and Planning Business Unit** incorporates Local Economic Development, Tourism, Heritage & Museum, Development Enforcement, Outdoor Advertisement, Environmental Management and Climate Change, Development Planning, Development Control and Building Control.
7. **Community Services Business Unit** incorporates, Parks and Gardens, Beaches, Waste Management and Removal, Cemeteries & Crematoria and Community Facilities.
8. **Community Safety Business Unit** responsible for community safety in Traffic, Crime Prevention, Testing and Motor Licensing Administration, Fire and Emergency Services, Operations Control Emergency and Disaster Management.
9. **Youth Development Business Unit** responsible for Youth and Sports development.



CHAPTER 02

**Political, Administrative Governance
and Basic Service Delivery**

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.1 POLITICAL GOVERNANCE

KwaDukuza Council meets on a monthly basis while the EXCO meets twice a month. Members of the public and media are also encouraged to attend some Council meetings. KwaDukuza Council's Portfolio Committees set policies and guidance towards the implementation of all KwaDukuza Council delivery.

These Portfolio Committees are structured as per the national guidelines. Each Portfolio Committee meets once per month. Their core function is to look at specific issues that relate to each Portfolio Committee, research those issues and find all the necessary facts before these issues are discussed by Councillors that sit in each of the portfolio committees. The portfolio committees deliberate issues and then make recommendations to EXCO and the full Council, for the latter to take decisions. The five Portfolio Committees, as gazetted, are as follows:

- ◊ Local Public Administration and Human Resource Portfolio Committee;
- ◊ Economic Development, Planning, Community Development and Housing Portfolio Committee;
- ◊ Municipal Services Portfolio Committee;
- ◊ Finance Portfolio Committee;
- ◊ Infrastructure and Technical Portfolio Committee; and
- ◊ Youth, Sports and Gender Portfolio Committee (YSG).

GOVERNANCE FRAMEWORK IS AS FOLLOWS:



2.1.1 THE POLITICAL STRUCTURE

COUNCIL SITTINGS

The Council of KwaDukuza Municipality consists of 57 Councillors, 27 of whom were directly elected to serve on the Council. Membership of the Council is made up of: -

- a) 36 African National Congress Councillors;
- b) 4 Inkatha Freedom Party Councillors;
- c) 11 Democratic Alliance Councillors;
- d) 2 Economic Freedom Fighter Councillors;
- e) 2 Independent Party Councillors;
- f) 1 AIC Councillor; and
- g) 1 Al Jah Mah Councillor.

TOTAL: 57 COUNCILLORS

To ensure compliance with the legislative requirement the Council meets at least quarterly. However, in order to meet compliance requirements in relation to such issues as Budget approvals, mid-term Budget Reviews, Adjustments Budgets, IDP Reviews, Annual Report and Annual Report Oversight reviews, the Council effectively meets almost once every month. In order to optimise efficiency of operation the Council has reserved to itself decision making powers on certain critical and strategic matters - such as considering the results of the provincial government's monitoring of the Municipality, deciding whether to provide security for any of the Municipality's debt obligations and deciding to recover unauthorised, irregular or fruitless and wasteful expenditure from the person liable for that expenditure. It has otherwise delegated to its Executive Committee power to exercise all powers of the Council in respect of matters not specifically excluded from delegation in terms of Section 160 (2) of the Constitution and Section 59 of the Systems Act.

In order to facilitate maximum participation by Councillors in the decision-making processes of the Council and its Committees, all Councillors are provided with copies of the agenda and minutes of all meetings of the Council, its Executive Committee, its Portfolio Committees and its Sub-Committees and Task Teams.

EXECUTIVE COMMITTEE

KwaDukuza Municipality has established an Executive Committee consisting of 9 Councillors. Although the manner in which the composition of the Executive Committees should be determined is not prescribed by legislation, when establishing the Executive Committee, the Council was mindful of the provisions of Section 160(8) of the Constitution of the Republic of South Africa, which requires that:-

"Members of a Municipal Council are entitled to participate in its proceedings and those of its committees in a manner that: -

- a) Allows parties and interests reflected within the Council to be fairly represented;
- b) Is consistent with democracy; and
- c) Maybe regulated by national legislation."

In keeping with the requirements of that Section of the Constitution, the Executive Committee was constituted on the basis of proportional representation, giving the following membership:-

- ♦ African National Congress=6 Councilors
- ♦ Inkatha Freedom Party=1 Councilor and
- ♦ Democratic Alliance=2 Councilors.

The Executive Committee holds ordinary meetings twice per month with additional special meetings being convened as and when necessary. The Terms of Reference of the Executive Committee require that, amongst other things, it: -

Performs the functions of an Executive Committee set out in the Local Government: Municipal Structures Act, 1998; Takes such action as may be necessary to ensure compliance by the Council with all legislation relating to or affecting local government. Receives reports from other committees, and then forwards those reports, with its recommendations, to Council Performs the functions of an Executive Committee set out in the Local Government: Municipal Structures Act, 1998; Takes such action as may be necessary to ensure compliance by the Council with all legislation relating to or affecting local government.

PORTFOLIO COMMITTEES (SECTION 80)

KwaDukuza Municipality has established five Portfolio Committees to assist the Executive Committee, these being: -

- a) Finance Portfolio Committee;
- b) Infrastructure and Technical Portfolio Committee;
- c) Economic Development and Planning Portfolio Committee;
- d) Municipal Services Portfolio Committee;
- e) Local Public Administration and Labour Relations Committee; and
- f) Youth, Sports and Gender Portfolio Committee (YSG).

Each of the Committees has defined terms of reference covering the whole range of the functions of the Municipality. The Portfolio Committees meet once per month and the recommendations of the Portfolio Committees are submitted to the meeting of the Executive Committee following the meeting of the Portfolio Committee. They are established in terms of Municipal Structures Act, section 80. Committees are established by Council, and members are appointed by Council, but do not report to Council. Portfolio Committees report to the Mayor or Executive Committee.

SUB COMMITTEES (SECTION 79)

They are established in terms of Municipal Structures Act, section 79. They are established by, and are responsible to Council. They may include members from outside the Council. Their functions and procedures are determined by Council.

The Council has also established Sub-Committees, including: -

- a) Budget Steering Committee;
- b) Local Labour Forum;
- c) Ethics Committee;
- d) Youth Sub-Committee;
- e) Gender Sub-Committee;
- f) Street Naming;
- g) Human Resource Development Sub-Committee;
- h) IT Steering Committee; and
- i) Audit, Risk and Performance Audit Committee.

These meet on a regular basis to develop strategies and approaches to address challenges in connection with their specific areas of expertise.



FUNCTIONS OF THE SPEAKER



The Speaker: Cllr. RZP. Zulu
(from 2016-2021)



New Speaker: Cllr. L. Nhaca
(from 29th April 2021-Present)

Councillor RZP. Zulu was elected as the Speaker of KwaDukuza Municipal Council in accordance with Section 36 of the Municipal Structures Act, and Section 160(1) (b) of the Constitution for the 2017 to 2021 electoral term. She resigned as the Speaker in April 2021 and Councillor Nhaca was nominated as from the 29th of April 2021 as the new Speaker. Her legal obligations are, amongst other duties:

- ◆ To provide at meetings of the Council;
- ◆ Perform duties and exercises the powers delegated to the Speaker in terms of Section 59 of Local Government Municipal Systems Act;
- ◆ Ensure that the Council meets on a monthly basis;
- ◆ Ensure compliance of the Council and Council Committees with the Code of Conduct for Municipal Councillors;
- ◆ She must maintain order during Council meetings;
- ◆ She must ensure that Council meetings are conducted in accordance with Standing Rules and Orders;
- ◆ In line with the Municipal Structures Act Section 60 (1) (a) (b) (c); a municipal council that has more than nine members, its Mayor
 - a) Must appoint a mayoral committee from among the councillors to assist the Mayor;
 - b) May delegate specific responsibilities to each member of the committee; and
 - c) May delegate any of the Mayor's powers to the respective members. All full-time councillors, except the Speaker and the Chief Whip, are members of the Mayoral Committee, with the Mayor as its chairperson. Members of the Mayoral Committee are the various Section 80 Committee Chairpersons.



Mayor: Cllr. G. Govender

The Mayor is elected by Council to co-ordinate the work of Council.

She is the Political Head of Council. The mayor performs her functions and duties as set out in the legal framework for Municipalities. She also performs duties as delegated to her by Council. The deputy Mayor assumes the delegated duties of the mayor in her absence.



Chief Whip: Cllr. DW. Ndimande

The functions and duties of the Chief Whip amongst other things are to:

- ♦ Ensure that Councillors attend to their duties and are accountable to their constituencies;
- ♦ He assists Council with the deployment of councillors to various Council Committees;
- ♦ He gives political management of Council meetings.



Cllr. L. Makhathini - EXCO Member



Cllr. NR Khumalo - Exco Member



Cllr JA. Vallan - Exco Member



Cllr. TV. Ntuli - Exco Member



Cllr. JS. Phahla - Exco Member



Cllr. MS. Sing - Exco Member



Cllr. JLT. Sibiyi - Exco Member
(2016-21 January 2021)



Cllr M. Motala
(Appointed 11 March 2021)

2.1.2 LEADERSHIP AND GOVERNANCE

The Council continued its role as a strong and effective advocate, lobbying on behalf of our community for action on important local issues and continues to receive grants from other spheres of government and external bodies. The following high-level goals and strategic objectives would guide the direction to be taken by the Council of KwaDukuza during the duration of their term of office.

KWADUKUZA HIGH LEVEL STRATEGIC OUTCOMES

KEY PERFORMANCE AREA	KZN PGDS	OUTCOME 9	B2B	KDM GOALS	STRATEGIC OBJECTIVE
Municipal Transformation and Institutional Development	Governance and Policy	An efficient, effective and development oriented public service Human Resources Development	Building capable local government institutions Skilled and capable workforce to support an inclusive growth path	Build the capacity and systems for the 4 th Industrial Revolution and the integrated e-government services, Create and promote a culture of enhanced service delivery, innovation and excellence through capable cadres of local government	To invest in skills development To enhance organisational performance (2)
Good Governance and Public Participation	Governance and Policy	An efficient, effective and development oriented public service Deepen democracy through a refine ward committee model	Building capable local government institutions Putting People First	Improve good governance, audit outcomes and consequence management Strengthen public participation, complaints management system and accountability Ensure mainstreaming and meaningful participation of vulnerable groups (i.e. Youth, women, disabled people) in all developmental programmes Create a safer and crime free municipal area through community - public-private partnerships	To ensure co-ordination and alignment of developmental programmes of the municipality with other spheres of government To involve local communities in matters of local government To ensure effective and efficient integrated legal and advisory Legal Services for Council To provide effective and efficient Internal Audit services for Council To ensure compliance with the laws and regulations To enhance organisational performance To identify, assess and manage key risks of which organisation is exposed to To perform follow-ups on implementation of action plans To address oversight requirements of risk management and institution's performance with regards to risk management To ensure co-ordinated effort for the implementation of positive impact towards behaviour change To streamline empowerment and development of vulnerable groups (10)

KWADUKUZA HIGH LEVEL STRATEGIC OUTCOMES ...continued

KEY PERFORMANCE AREA	KZN PGDS	OUTCOME 9	B2B	KDM GOALS	STRATEGIC OBJECTIVE
Local Economic Development	Inclusive Economic Growth	Creation of a conducive and enabling environment for economic growth and development	Delivering Basic Services	Promote radical socio- economic transformation agenda to address inequality, unemployment and poverty	<p>To use capital infrastructure and social investment to provide poverty and income relief through temporary work for the unemployed</p> <p>To develop a prosperous, inclusive, transformative and diverse local economy (2)</p>
Basic Service Delivery & Infrastructure Development	Infrastructure Development	<p>Improved Access to Basic Services</p> <p>Ensuring access to adequate Human Settlements and quality basic services</p>	Delivering Basic Services	Expand and maintain the provision of quality basic services and the integrated human settlements	<p>To involve local communities in matters of local government</p> <p>To facilitate provision of formal housing through construction of high quality houses.</p> <p>To ensure fair, transparent and compliant housing beneficiary management system</p> <p>To restore human dignity through asset ownership</p> <p>To ensure that all citizens have an electricity service connection</p> <p>To ensure that energy losses are reduced within legislated guidelines</p> <p>To maintain and upgrade existing municipal infrastructure</p> <p>To ensure that all households have access to roads</p> <p>To ensure safety to road users</p> <p>To ensure that the community has access to functional public amenities</p> <p>To provide access to basic municipal services to all citizens</p> <p>To provide access to basic solid waste services to all citizens</p> <p>To ensure that the community has access to licenced burial facilities (13)</p>

KWADUKUZA HIGH LEVEL STRATEGIC OUTCOMES ...continued

KEY PERFORMANCE AREA	KZN PGDS	OUTCOME 9	B2B	KDM GOALS	STRATEGIC OBJECTIVE
Financial Management and Viability	Human and Community Development	An inclusive and responsive social protection system	Putting People First Sound Financial Management	Enhance municipal financial sustainability	To contribute to a safe and secure environment
	Governance and Policy	Responsive, accountable, effective and efficient developmental local government system			<p>To ensure municipal budget complies with MFMA and Treasury regulations</p> <p>To improve expenditure on Municipal Infrastructure Grant (MIG) allocation</p> <p>To improve expenditure on Capital Budget</p> <p>To ensure that the revenue of the municipality is collected and accounted for by improving Credit Control and Debt Collection processes</p> <p>To ensure that the revenue of the municipality is collected and accounted for</p> <p>To ensure proper Asset Management in line with prevailing accounting standards</p> <p>To ensure that at least of 45% of procurement is awarded to designated sectors i.e. Youth, Women and disabled</p> <p>To ensure financial viability of the municipality (9)</p>
Spatial Planning and Environmental Management	Human and Community Development Environmental Sustainability Spatial Equity	<p>An inclusive and responsive social protection system</p> <p>Sustainable human settlements and improved quality of house hold life</p> <p>Protect and enhance our environmental assets and natural resources.</p> <p>An efficient, effective and development oriented public service</p>	Putting People First	Develop comprehensive response to rapid urbanisation, low carbon development and environment sustainability	<p>To contribute to a safe and secure environment</p> <p>To prevent and reduce the impact of disasters within KDM jurisdiction</p> <p>Developing and sustaining the spatial, natural and built environment</p> <p>Promote and support Low Carbon Development Path</p> <p>To promote economic growth by creating an enabling environment for SMME</p> <p>To provide educational guidance to local citizens development</p> <p>To involve local communities in matters of local government (7)</p>
KPAs:	6	11	5	10	43

Table 19: KDM Strategic Outcomes

MUNICIPAL CHALLENGES AND PROPOSED INTERVENTIONS

NO.	CHALLENGES/COMMUNITY NEEDS IDENTIFIED	IDP INTERVENTIONS
KPA -1: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT		
1.1	Lack of skills required by the municipality and local economy.	<ul style="list-style-type: none"> ◊ Expedite efficient operational and relevant courses as offered by Chief Albert Luthuli Skills Centre and uMfolozi FET college; ◊ Emphasis on scarce skills development utilizing both KDM's External and Internal Bursaries programmes; ◊ Co-ordinate and facilitate the placements of learners who are partaking in learnerships with various host employers; ◊ Implement KDM's Internship programme by ensuring that each business unit essentially hosts a minimum of five (5) graduates per annum; ◊ Facilitate and co-manage various government skills development initiatives such as tourism safety monitor etc.; and ◊ See to the implementation of Council Retention Programme.
1.2	Low figures of women appointed into managerial positions and non-compliance with equity targets.	<ul style="list-style-type: none"> ◊ Adhere to the implementation of gazette Employment Equity Plan; ◊ Embark on target recruitment so as to accomplish equity targets for less represented groups within Council including those from the coloured and white communities; ◊ Provide a dedicated programme to develop and benefit women talent.
1.3	An abundance of overtime worked, unproductivity and unsupervised municipal staff.	<ul style="list-style-type: none"> ◊ Introduce and implement shift systems with a view to curb overtime and enhance productivity; ◊ Fast-track the filing of vacant, new and/or attrition posts. ◊ Ensure compliance with the overtime management plan per BU as well as adherence to the Basic Conditions of Employment Act (BCEA); and ◊ Cascade performance management to lower positions of Council.
1.4	Poor ICT network, support and continuous use of manual systems to process certain applications by BU.	
KPA-2: FINANCIAL VIABILITY AND MANAGEMENT		
2.1	Limited revenue sources and poor collection of debts, which in turn leads to budgetary constraints that adversely impact the financing of various interventions.	<ul style="list-style-type: none"> ◊ Implement Debt Incentive Scheme.
KPA-3: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT		
3.1	Poor public street lighting.	<ul style="list-style-type: none"> ◊ Roll-out maintenance of streetlights using the panel of service providers and internal staff;
3.2	Poor waste collection services in the semiurban areas and northern area of KwaDukuza.	<ul style="list-style-type: none"> ◊ Finalize and implement the recommendations of section 78 study (PPP); ◊ Provide additional skips; ◊ Promote community waste management initiatives using utilizing programs i.e. CWP and Good Green Deeds; ◊ Ensure public education on waste management and impact of illegal dumping; and ◊ Extend the roll-out of recycling bins in the municipal's area of jurisdiction.
3.3	Poor capital expenditure and negative impact on communities.	<ul style="list-style-type: none"> ◊ Establish and use a panel of contractors to implement capital expenditure; and ◊ Increase capacity to monitor performance of contractors. ◊ Curb red tape and delays on SCM processes through forward planning,

MUNICIPAL CHALLENGES AND PROPOSED INTERVENTIONS

NO.	CHALLENGES/COMMUNITY NEEDS IDENTIFIED	IDP INTERVENTIONS
KPA-4: GOOD GOVERNANCE AND PUBLIC PARTICIPATION		
4.1	Dysfunctional Ward Committees and lack of public meetings	<ul style="list-style-type: none"> ◊ Provide on-going support to Ward Committees to improve their performance through training and ward committee meetings, ◊ Ensure that all Ward Councilors conduct their quarterly meetings with the members of the public; ◊ Ensure that stakeholder forums i.e. (IDP Rep Forum, LED Forum, OSS/ War Rooms, Youth Forums, Gender and Disability, HIV-Aids Local Council etc.) are functioning properly and report to Council on quarterly basis; and ◊ Strengthen the use of communication platforms (e.g. websites, social media and municipal publications) to communicate and receive feedback from the community.
4.2	Deal with the perception of corruption and stagnant audit outcomes.	<ul style="list-style-type: none"> ◊ Build capacity of Internal Audit to provide on-going assurance services to Council; ◊ Ensure that Anti-fraud hotline is working and known by the public; ◊ Conduct ongoing staff and community awareness on fraud and corruption policies of Council; ◊ Implement consequential management against those who breach Council policies and laws of the Republic of South Africa; and ◊ Encourage the public to attend Council meetings and participate in Annual Oversight report processes.
KPA-5: LOCAL ECONOMIC DEVELOPMENT		
5.1	High unemployment rates amongst youth and women in KwaDukuza. Propensity of Local businesses to employ people from outside KwaDukuza.	<ul style="list-style-type: none"> ◊ Expedite the establishment of NYDA District Office; ◊ Expedite the establishment of YES Office within KwaDukuza; ◊ Expedite and enter into social compact agreements with Investors/Developers to priorities appointment of KwaDukuza residents when there are job opportunities; and ◊ Ensure that all projects adhere to EPWP principles and the implementation thereof.
5.2	Untransformed economy and few business opportunities made available to local emerging businesses. This challenge has led to the formation of business forums which violently demand work opportunities.	<ul style="list-style-type: none"> ◊ Focus on the promotion of direct investment through minimizing development approval red-tape and provision of incentive (rates rebate); ◊ Provide start-up support to SMMES/Cooperatives involved in the manufacturing sector; 17 Implement Nokukhanya Luthuli tourism prescript business plan; ◊ Implement emerging Contractor's Development Programme; ◊ Promote and support SMMEs that are involved in the innovation and technology business; ◊ Promote green economy; ◊ Implement Target Procurement and enforce meaningful sub-contracting in all municipal contracts exceeding R4 million in value; and ◊ Review and adopt KwaDukuza LED Plan.
5.3	Increased crime which threatens community safety and investment to the area. Increased crime which threatens community safety and investment to the area.	<ul style="list-style-type: none"> ◊ Partner with private sector and community-based organizations for the installation of vehicle identification cameras; ◊ Partner with private security companies and SAPS to fight crime by undertaking joint enforcement blitz and sharing crime intelligence; ◊ Develop and adopt KwaDukuza Crime Strategy; ◊ Strengthen the functioning of Community Policing Forums; ◊ Focus targeting school crime awareness programs; ◊ Ensure the implementation of Council by-laws; and ◊ Improvement on the functioning of Council CCTV camera's project.

MUNICIPAL CHALLENGES AND PROPOSED INTERVENTIONS

NO.	CHALLENGES/COMMUNITY NEEDS IDENTIFIED	IDP INTERVENTIONS
KPA-6: CROSS CUTTING INTERVENTIONS		
6.1	Delay in approving building plans and town planning applications.	<ul style="list-style-type: none"> ◊ Finalize the implementation of Development and Building Plans application reforms with assistance of World Bank/Vuthela LED Programme; ◊ Enter into SLA with all BUs ED who have a responsibility to comment on applications; ◊ Ensure proper functioning of the Development Assessment Committee; ◊ Attend to all public complaints regarding delays within 7 days of receiving such complaints. ◊ Hasten the implementation of all EDRMS Modules and the introduction of Plan Tracking System; and ◊ Continue to have sessions with professionals /agents on a quarterly basis to deal with issues of common interest.
6.2	Poor enforcement of environmental laws and inadequate knowledge on climate change effects to our communities.	<ul style="list-style-type: none"> ◊ Increase staff members who are trained and designated as Environmental Management Inspectors by the MEC; ◊ Provide on-going community awareness programmes on climate change and environmental management; ◊ Implement approved KwaDukuza Green buildings guidelines and KwaDukuza Low Carbon Emission Strategy; and ◊ Identify and implement community resilience projects; 17 Partner with Green Scorpions/ Department of Minerals Resources to enforce against illegal sand miners along Umvoti River; ◊ Encourage mainstreaming of green/climate proof projects by all municipal business units; and ◊ Provide support and guidance to internal departments to comply with applicable legislation when implementing their projects.

Table 20: Challenges and Interventions

IMPLEMENTATION OF KWADUKUZA MUNICIPALITY GOALS

KEY PERFORMANCE AREAS	KWADUKUZA MUNICIPALITY GOALS
Municipal Transformation & Institutional Development	<ul style="list-style-type: none"> ◊ Build the capacity and systems for the 4th Industrial Revolution and the integrated e-government services, ◊ Create and promote a culture of enhanced service delivery, innovation and excellence through capable cadres of local government
Basic Service Delivery and Infrastructure Development	<ul style="list-style-type: none"> ◊ Expand and maintain the provision of quality basic services and the integrated human settlements
Good Governance & Public Participation	<ul style="list-style-type: none"> ◊ Improve good governance, audit outcomes and consequence management, ◊ Strengthen public participation, complaints management system and accountability ◊ Ensure mainstreaming and meaningful participation of vulnerable groups (i.e. Youth, women, disabled people) in all developmental programmes <p>Create a safer and crime free municipal area through community- public-private partnerships.</p>
Financial Viability and Management	Enhance municipal financial sustainability,
Local Economic Development	Promote radical socio-economic transformation agenda to address inequality, unemployment and poverty.
Cross-Cutting Interventions	Develop comprehensive response to rapid urbanization, carbon development and environment sustainability,

Table 21: Implementation of KDM Goals

ADMINISTRATIVE GOVERNANCE

The Municipal Manager heads the administrative structure of KwaDukuza Municipality and is assisted by eight Heads of Business Units (Executive Directors/ ED's). Depending on each Business Unit, each is further divided into a particular number of Departments headed by Directors. The ED headed departments are Finance, Corporate Services, Chief Operations Office- Corporate Governance, Economic Development and Planning and Development Facilitation, Community Services, Community Safety, Civil Engineering & Human Settlements and Electrical Engineering Service.



Municipal Manager: Mr N.J. Mdakane

Mr Mdakane is responsible for the performance in the following areas:

- ◊ Setting up effective and sound local administration;
- ◊ Coordination and compilation of the Integrated Development Plan (IDP);
- ◊ Performance management system of the Municipality;
- ◊ Oversees the management of internal audit;
- ◊ Overall responsibility for finances of the Municipality;
- ◊ Advise Political Office Bearers and Council on various issues;
- ◊ Responsible for compliance of the Municipality with various pieces of legislation; and
- ◊ Ensures community participation in the affairs of the Municipality.



Chief Operations Office: Mandla Manzini

Mr Manzini is responsible for providing strategic direction for the following areas:

- ◊ Ensures compliance to all governance prescripts;
- ◊ All legal matters of the KDM, compilation of legal reports, legal opinions and comments, drafting of loan and service agreements;
- ◊ Functionality of Performance Management of the municipality;
- ◊ Administrative management of Internal Audit and Risk Management;
- ◊ Management of Corporate Communications and IGR;
- ◊ Administrative management of the IDP and Public Participation;
- ◊ Internal Audit; and
- ◊ Special Projects.



Chief Financial Officer: Shamir Rajcoomar

The CFO is responsible for the performance in the following areas:

- ◊ Financial Planning and Treasury;
- ◊ Supply Chain Management;
- ◊ Expenditure Control;
- ◊ Credit Control and Debtors;
- ◊ Revenue Control;
- ◊ Asset Management;
- ◊ Budget and Compliance;
- ◊ Revenue; and
- ◊ Income and Expenditure.



ED: Corporate Services: Sithembiso Kubheka
(Vacant from October 2020)

Mr Kubheka is responsible for the following areas:

- ◊ Maintenance and promotion of healthy labour relations and HR management of staff with regard to matters such as staff recruitment, personnel development, personnel administration and employment equity;
- ◊ Controlling of statutes and all government and provincial gazettes;
- ◊ Controlling of archives and records of council;
- ◊ Building administration for the KDM and the Mayor's house; and
- ◊ The provision of secretariat services for all Committees of the KDM as well as for Council meetings.



ED: Community Safety: Cecil Viramuthu

Mr Viramuthu is responsible for the strategic performance of the following key basic service delivery areas:

- ◊ Disaster Management;
- ◊ Law Enforcement/Traffic Policing;
- ◊ Crime Prevention;
- ◊ Social crime prevention;
- ◊ Motor Licensing and Testing Services;
- ◊ Fire and emergency services; and
- ◊ Disaster Management.



ED: Community Services: Siyabonga Khanyile

Mr Khanyile is responsible for the strategic performance of the following key basic service delivery areas:

- ◊ Community Services;
- ◊ Waste Management Services;
- ◊ Beach maintenance and Marine Safety;
- ◊ Cemeteries and Crematorium;
- ◊ Parks and Gardens;
- ◊ Maintenance of Community Facilities;
- ◊ Management of Community Halls and Multi-Purpose Community Centre (MPCC); and
- ◊ Libraries, Museums and Heritage.



ED: Electrical Services: Sibusiso Jali

Mr Jali oversees the Electrical Engineering Services Business Unit, responsible for ensuring basic service delivery and performance in the following key performance areas:

- ◊ Electrical Engineering Planning and Customer Care;
- ◊ Electricity Operations;
- ◊ Mechanical Workshop;
- ◊ Electricity Planning; and
- ◊ Fleet Management.



ED: Civil Engineering Services: Muzi Sithole

Mr Sithole is responsible for ensuring basic service delivery and performance in the following key areas:

- ◊ Civil Engineering Services including, construction, maintenance, upgrading and expansion of municipal built assets;
- ◊ Road and storm water drainage;
- ◊ Project Management Unit (PMU);
- ◊ Building Maintenance;
- ◊ Infrastructure planning;
- ◊ Delivering of sustainable and integrated Human Settlements; and
- ◊ Expanded Public Works Programme (EPWP).



ED: Economic Development & Planning:
Mr. SV. Hlongwane

Mr Hlongwane is responsible for ensuring basic service delivery and performance in the following key areas:

- ◊ Local Economic Development and Tourism;
- ◊ Development Planning and Building Control;
- ◊ Heritage and Museum Services;
- ◊ Business Licensing;
- ◊ Building Control;
- ◊ Development Enforcement;
- ◊ Outdoor Advertisement;
- ◊ Environmental Management; and
- ◊ Geographic Information Systems (GIS).



ED: Youth Development (Vacant)

The ED: Youth Development is responsible for the following basic service delivery functions in the following areas:

- ◊ Youth Development;
- ◊ Youth career and entrepreneurship advisory services;
- ◊ Sports Development;
- ◊ Mass Sports Participation; and
- ◊ Creative Industry /Arts and Culture Development.

2.2 COMPONENT B: INTERGOVERNMENTAL RELATIONS (IGR)

The role of KDM IGR is to plan and evaluate Inter-governmental relationship initiatives, interventions and monitors procedural applications ensuring efficient relations and sharing models of good practice with other municipalities. Considering short- and long-term objectives, action plans, operating standards and performance targets of inter- government functions referring to Integrated Development Plan and Service Delivery Strategies. Monitoring and assessing the applicability and appropriateness of specific inter-government programmes to the broader objectives of the Municipality, referring to programme plans and outcomes. Providing guidance and support to the organization's functional areas on the alignment of policies and procedures regulating inter-governmental relationships and evaluates projects/programme conformity with the critical integration requirements. In order to ensure internal structures, methods and procedures support the objective of integration and, the contributions and roles required to sustain relationships defined and understood.

The IGR systems should add value in effective service delivery, development and good governance across the three spheres of government. Further to this, the plan was to coordinate meetings between the municipality and relevant stockholders. Such meetings had started but due to the president declaring the state of National Disaster Act, meetings were subsequently suspended.

There has been gradual improvement around the understanding of the role of the IGR from other business units, in terms of service delivery issues/concerns, within the. There is still some work to be done when it comes to external stakeholders. The proposal in dealing with the above is to hold a workshops/ meetings with the external stakeholders, which will help them understand the importance of IGR unit in assisting with fast tracking service delivery, through creating and sustaining relationships as required by the Constitution of the Republic.

Some of the challenges we have, are that we have a poor alignment of IDP within its cycle of development. The absence of early warning systems within municipalities leads to us identifying problems at an advance stage. Lack of streamline and support of one sphere by another makes it extremely difficult to try and resolve concerns on time. Reduced communication and information sharing between stakeholders is another challenge. The issue of budget constraints and cost containment measures within the municipality makes it difficult for the unit to plan and deliver programs within the municipality. Such programs could place the municipality at the world stage and also assist in show casing our municipality to the much-needed foreign investment.

Meetings do sit at a district level to deal with these challenges. The process is as such that, each municipality would submit challenges to the IGR unit at the district municipality. The matters are then discussed and possible solutions are agreed upon for actioning and monitoring. The below table provides the number of interventions conducted through the IGR office:

DATE	VENUE	NATURE OF EVENT
06 November 2020	Impumelelo Clinic	Rural Women Celebration Phila Mntwana and Breast Cancer Awareness Campaign celebrated by handing over: <ul style="list-style-type: none"> ◆ 10 hoes ◆ 10 watering cans ◆ Different Seeds for Rural women Clubs
24 November 2020	iLembe Auditorium	Women in Leadership Program
27 November 2020	Chris Hani Community Hall	March from KwaMbambo stop to Chris Hani Community Hall people demonstration saying NO to Sexual Abuse, NO to Drugs
03 December 2020	KwaDukuza Town Hall	Disability International Celebration through handing over 10 Wheelchairs: <ul style="list-style-type: none"> ◆ 6 were given to the needy ◆ 2 were for Basketball and ◆ 1 was for Athletics.
04 -16 December 2020	Different wards: ward 03, 04, 08, 23, 29	Her Worship the Mayor celebrating Christmas with Vulnerable kids issuing Goodies and groceries

DATE	VENUE	NATURE OF EVENT
06 April 2021	Maguyana Primary School	KwaDukuza Gender Women Caucus had Sanitary Dignitary Outreach Program for Girl learners.
07 April 2021	Osizweni Primary School	
08 April 2021	L. Bodasign Primary School	
	Nyakana Primary School	
	Ensikeni Primary School	
22 April 2021	Ashville Primary School	
22 April 2021	Melville Ground	Senior Citizens COVID-19 Awareness campaign led by DSD, SASSA, DOH, Love Life and Dept. of Sports and Recreation who handed over Sports Equipment.
25 May 2021	Tshelenkosi Secondary School, Stanger Secondary	Child Protection Campaign held in partnership with different departments: Dept. of Education, Dept of Health, Dept. of Environment, Dept. of Sports and Recreation, DSD, Dept. of Economic Development, KwaDukuza Social Crime, KwaDukuza Fire etc. SAPS, Thuthuzela Centre.
26 May 2021	Groutville High School Mbekamuzi Secondary,	
27 May 2021	Shekembula Secondary Banguni Secondary	
17 August 2021	Vulamehlo Hospice	KwaDukuza Gender Women Caucus and Senior Citizens Forum visit people living at Vulamehlo Hospice to celebrate Life of Nelson Mandela: they were given Cleaning Detergents: Sunlight Bar Soap, Sunlight Powder Soap, Sunlight Liquid Soap, Handy Andy, Jik, Masks, Sanitizers and Groceries.
18 August 2021	Shakashead Community Hall	KwaDukuza Women Caucus sub-committee had a prayer in Ward 4 (Shakashead) as according to stats shows that there is a high crime rate due to women being stabbed by their loved ones. High rape crisis and the abuse of women and children.
20 August 2021	Stanger High School Grounds	KwaDukuza in partnership with Sports and Recreation hosts Learn and Play for Preschools and Creches within the KwaDukuza jurisdiction. Sports and Recreation handed over sports equipment to Preschools and Creches that participated on the day.
24 August 2021	iLembe Auditorium	+20 boys from grade 9 were transported to iLembe Auditorium to be addressed by different departments. They were taught and assisted in choosing the right subjects that will lead to choosing the right career. Departments: DSD, SASSA, DOH, DoE, Department of Environment, KwaDukuza Fire and KwaDukuza Social Crime

Table 22: IGR and Special Programmes Achievements

STRUCTURE DEPICTING IGR IN THE DISTRICT

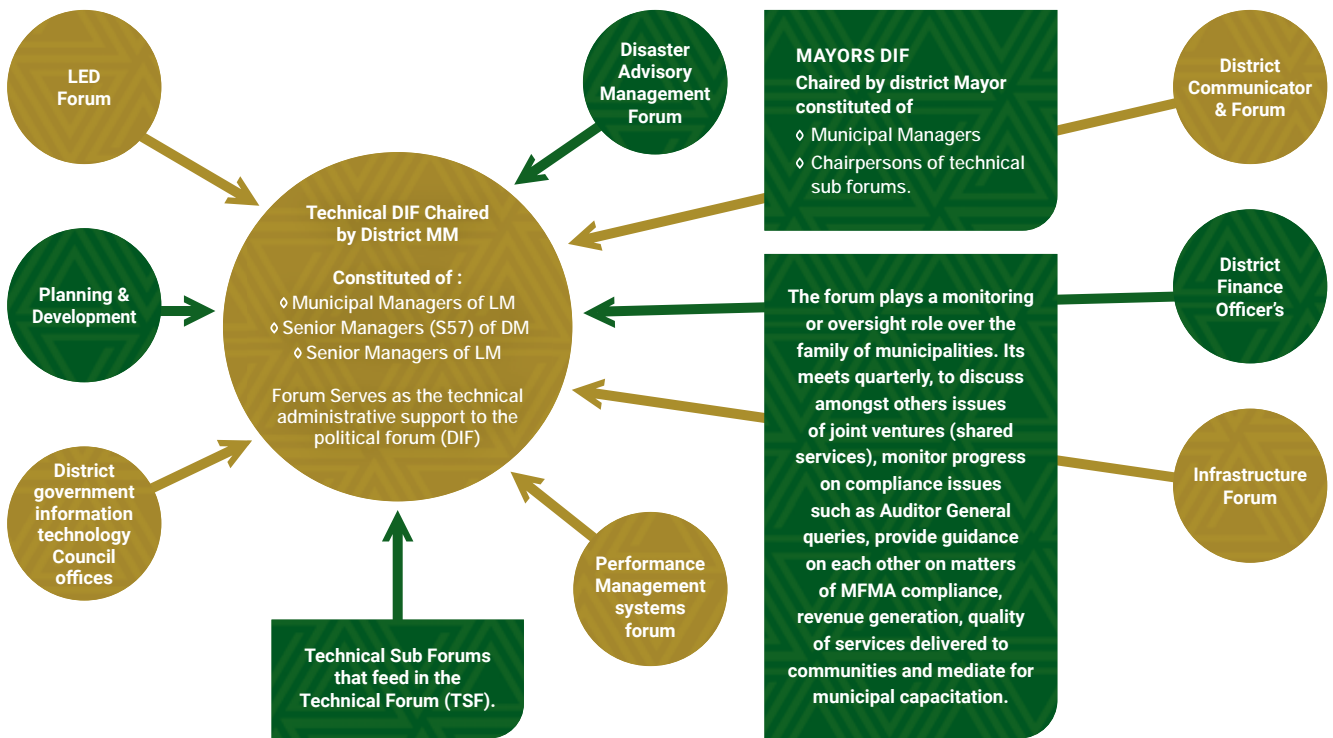


Figure 03: Intergovernmental Relations Structure

2.3 COMPONENT C: CORPORATE GOVERNANCE, PARTICIPATION AND PUBLIC ACCOUNTS

2.3.1 ALIGNMENT OF IDP, BUDGET AND MUNICIPAL PERFORMANCE MANAGEMENT PROCESSES & DATES

The defined and adopted process plan for the KwaDukuza Municipality is as detailed in the table below.

ACTIVITIES FOR IDP, PMS AND BUDGET PROCESS PLAN AS WELL AS PUBLIC PARTICIPATION MEETINGS 2020/2021

SCHEDULED DATES	IDP	PMS	BUDGET
JULY 2020	<ol style="list-style-type: none"> 1. Lodge advert to register on IDP Forum Database 2. Adopt the Draft IDP Process Plan at the end of July 2020 3. Ensuring alignment of the Section 57 Managers individual Scorecards with the IDP strategies 	<ol style="list-style-type: none"> 1. Signing of new performance contracts for Section 56/57 Managers and submission to EXCO (Section 69 of the MFMA and Section 56/57 of the MSA). 2. Prepare Departmental Business Plans SDBIP (Component 3) for the next financial year. 3. Previous year S56/57 Managers' Performance Assessments 4. Adoption of 2020/21 SDBIP 	<ol style="list-style-type: none"> 1. IDP and Finance to discuss the 2020/2021 Budget planning issues 2. Prepare budget process plan and timetable for the 2020/2021. 3. Compile Section 71 Reports and present to the Mayor.
AUGUST 2020	<ol style="list-style-type: none"> 1. By 1st of August 2020 Draft IDP Process Plan to be Advertised 2. Adoption of 2021/2022 Final Process by the 30th of August 2020 adoption Plan. 3. Director IDP and Public Participation to submit the IDP, PMS and Budget Process Plan. 4. Receive MEC comments on previous year's IDP COGTA submission. 5. 30th August 2020 IDP Project Steering Meeting (Extended MANCO) 	<ol style="list-style-type: none"> 1. Quarterly Project Implementation Report 2. Quarterly Audit Committee meeting 3. Performance evaluation panel 4. Draft Annual Report 2020/21 	<ol style="list-style-type: none"> 1. Obtain Council's approval for 2021/2022 Multi-year budget process and timetable (IDP Process Plan) 2. Review external mechanisms affecting the medium term budget forecasts. 3. Compile Section 71 Reports and present to the Mayor.
SEPTEMBER 2020	<ol style="list-style-type: none"> 1. Submission of the final IDP, PMS and Budget Process Plan to COGTA. 2. Formalise Council's Vision, Mission, Objectives and Strategies 3. Consultation with and alignment with Sector Departments. 4. Create template in relation to the scorecard (*Situational Analysis*) 5. Feedback to Steering Committee regarding MEC's assessment 6. Review and updating of Departmental Sector Plans 7. Ward Councillors and Ward committees to submit community needs for budget consideration 8. Revise prioritization in terms of performance 9. IDP Representative Forum on/by the end of September 2020. 		<ol style="list-style-type: none"> 1. Assess Council's 2020/2021 Financial Statements and current year's revised results and capacity, to determine the impact on future strategies and budgets 2. Assess the funding policies including the tariff structures. 3. Compile Section 71 Reports and present to the Mayor.

ACTIVITIES FOR IDP, PMS AND BUDGET PROCESS PLAN AS WELL AS PUBLIC PARTICIPATION MEETINGS 2020/2021 ...continued

SCHEDULED DATES	IDP	PMS	BUDGET
OCTOBER 2020	<ol style="list-style-type: none"> 1. Integration of information from adopted Sector Plans into the IDP Review 2. Beginning of October 2020 come up with dates for Mayoral Izimbizo (Public Participation). 3. Review mission, vision and objectives 4. Cross border municipal alignment 5. Feedback from Senior Managers on Priorities - Projects – as well as Budget inclusions 6. Regional alignment (District Municipality) 7. Mayoral Izimbizo to commence 		<ol style="list-style-type: none"> 1. Complete first Quarter Section 52 Financial Performance Evaluation Report. 2. Discuss Findings and obtain input from management, BSC and Council. 3. Compile Section 71 Reports and present to the Mayor
NOVEMBER 2020	<ol style="list-style-type: none"> 1. November 2020 - IDP Steering Committee - Reviewing of strategies 2. November 2020 - Sector Alignment Workshop – COGTA 3. Finalise Roadshows report 	<ol style="list-style-type: none"> 1. Quarterly Project Implementation Report (for first quarter) 2. Quarterly Audit Committee meeting (for the first quarter) 	<ol style="list-style-type: none"> 1. Compile Section 71 Reports and present to the Mayor.
DECEMBER 2020	<ol style="list-style-type: none"> 1. Review KPI's and targets 2. IDP Best Practise Conference with COGTA 3. ILembe District Municipality Planner's Forum 4. Review of Strategies 5. Alignment of Capital estimates to the IDP 	<ol style="list-style-type: none"> 1. Compile annual report (MFMA Sect 121) 	<ol style="list-style-type: none"> 1. Compile Section 71 Reports and present to the Mayor.
JANUARY 2021	<ol style="list-style-type: none"> 1. Steering Committee in the month of January 2021 2. Send reminders 18-22 January 2021 requesting projects (with proposed budgets) 3. IDP Review integration phase 4. Projects/Send template by the end of January 2021 	<ol style="list-style-type: none"> 1. Mayor tables annual report MFM Sect 127 (2) 2. Make public annual report and invite community inputs into report (MFMA Sect 127 & MSA Sect 12a) 3. Sect 56/57 Managers' quarterly assessments (for second quarter) 4. Tabling of Midterm Report to Council by the 25th of January 	<ol style="list-style-type: none"> 1. Submit the mid-year budget and performance assessment report to Council. Submit to National Treasury and Provincial Treasury both printed and electronic form the mid-year budget and performance assessment (Section 35). 2. Compile Section 71 Reports and present to Mayor.
FEBRUARY 2021	<ol style="list-style-type: none"> 1. Consolidation of information and finalization of MEC Assessment issues 2. Meeting with COGTA IDP submission and assessment 3. Draft IDP & Budget – Prioritization and Budget Allocation 4. Conclusion of Sector Plans initiated and integration into the IDP Review report Finalise outstanding MEC assessment issues 5. Finalise outstanding MEC assessment issues 	<ol style="list-style-type: none"> 1. Quarterly Project Implementation Report (for second quarter implementation) 2. Quarterly performance audit committee meeting 3. Oversight process for the annual report and public participation. 4. Submit annual report to AG, Provincial & DTLGA (MFMA Sect 127). 5. Adjustment of the Organizational Scorecard targets tabled to Council with Adjustment budget. 	<ol style="list-style-type: none"> 1. Compile Section 71 Reports and present to Mayor. 2. Adjustment budget to be considered if necessary 3. Make public the adjustment budget and supporting documentation within 10 working days after being approved by Council (Section 126). 4. Draft IDP & Budget – Prioritization and Budget Allocation 5. Review of the Mid-year visit Report by National Treasury and implementation of any recommendations. 6. Compile Section 71 Reports and present to Mayor.

ACTIVITIES FOR IDP, PMS AND BUDGET PROCESS PLAN AS WELL AS PUBLIC PARTICIPATION MEETINGS 2020/2021 ...continued

SCHEDULED DATES	IDP	PMS	BUDGET
MARCH 2021	<ol style="list-style-type: none"> 1. IDP Representative Forum on/by the 15th March 2021 2. 22-26 March 2021 Adoption of Draft IDP 2021/22 3. Submit 2021/22 Draft Multi-year budget, IDP and Service Delivery and Budget implementation plan in both printed and electronic format forwarded to Provincial COGTA, within 10 working days after being approved by Council. 	<ol style="list-style-type: none"> 1. Council to consider and adopt an oversight report [Due by 31 March 2020 MFMA Sec 129 (1)] 2. Set performance objectives for revenue for each budget vote (MFMA Sect 17) 3. Annual Customer Satisfaction survey (to be considered to annual report) MSA Sect 40. 4. Submit 2021/2022 Service Delivery and Budget Implementation Plans submitted to Executive Committee and Council for approval 5. Submit 2021/2022 Draft Multi-year and Service Delivery and Budget implementation plan in both printed and electronic format forwarded to National and Provincial Governments, including National Treasury within 10 working days after being approved by Council. 6. Final approval and adoption of the 2019/20 APR by Council by end of march 	<ol style="list-style-type: none"> 1. Submit 2021/2022 Draft Multi-year budget and IDP submitted to BSC and Council for consideration. 2. Submit 2021/2022 Multi-year budget in both printed and electronic format forwarded to National and Provincial Governments, including National Treasury within 10 working days after being approved by Council. 3. Make public the tabled draft budget and supporting documentation within 10 working days after being approved by Council. 4. Compile Section 71 Reports and present to Mayor.
APRIL 2021	<ol style="list-style-type: none"> 1. Notice to publicize the draft IDP (21 days) 2. Incorporate comments –adjust the IDP & Budget where necessary 3. IDP Budget Roadshows (use same approach during analysis phase) 4. Report back on the results of Assessment Feedback 5. Ward committee meeting highlighting involvement of members in the IDP and Budget Public Participation process 6. Undertake a 2- week community consultation process of the budget. 7. Adjustment of Draft IDP from 15th of April 2021 	<ol style="list-style-type: none"> 1. Strategies, objectives, KPA's, KPI's and targets and inclusion into IDP Review Report. 2. S56/57 Managers' Quarterly Performance Assessments 3. Publicise Annual Report [Due by 7 April MFMA Sec 129 (3)] 4. Submit Annual Report to Provincial Legislature/MEC Local Government (Due by 7 April MFMA Sec 132 (2)) 	<ol style="list-style-type: none"> 1. Revision of the budget and IDP from inputs received from the community, Government departments and National Treasury, if required 2. Compile Section 71 Reports and present to Mayor.
MAY 2021	<ol style="list-style-type: none"> 1. Adjustment of Draft IDP 1st – 15th May 2021 2. On/by the 31st of May 2021 Final 2022/23 IDP Adoption 	<ol style="list-style-type: none"> 1. Implementation Report (for third quarter) 2. Quarterly Audit Committee meeting 3. Annual review of organizational KPIs 4. Review annual organizational performance targets (MPPR Reg) 	<ol style="list-style-type: none"> 1. Compile Section 71 Reports and present to Mayor. 2. Final Alignment sessions between IDP, PMS and Budget. 3. Presentation of final Budget for adoption to Council.
JUNE 2021	<ol style="list-style-type: none"> 1. Submit to MEC on or before 10 days after adoption. 2. Prepare IDP Process Plan for the 22/23 Financial Year. 3. Publish Council's adopted FINAL IDP 2022/23 on the Municipal website and local Newspapers. 	<ol style="list-style-type: none"> 1. Submission of draft SDBIP to the mayor within 14 days of approval of the budget 2. Establish and complete performance evaluations for functional outcomes based on operational plans and the IDP 3. Approval of the SDBIP within 28 days after approval of the budget and completion of the annual performance contracts in accordance with S56/57 of MSA 4. Make public the SDBIP within 10 working days after being approved by Council 5. The Service Delivery and budget implementation plan in both printed and electronic format to be forwarded to national Treasury within 10 working days after being approved by Council 	<ol style="list-style-type: none"> 1. Compile Section 71 Reports and present to Mayor. 2. Approved 2022/2023 Multi-year budget in both printed and electronic format forwarded to National Treasury within 10 working days after being approved by council 3. Make public the approved budget and supporting documentation within 10 working days after being approved by Council. 4. Publish Council's budget on the website and local Newspapers.

Table 23: IDP Process Plan

2.3.2 IDP ROADSHOWS/IZIMBIZO IDP

COMMUNITY ROADSHOWS AND IZIMBIZO

In compliance with Chapter 4, Section 16(1) of the Municipal System Act 32 of 2000, KwaDukuza Municipality in collaboration with iLembe District Municipality conducted the IDP, PMS and Budget Roadshows which were scheduled as follows:

Community Roadshows and Izimbizo Held

CLUSTER/STAKEHOLDER	DATE	VENUE	TIME
Ward 5	15 April 2021	Lindeleni Hall	09h00
Ward 6	22 April 2021	Nokukhanya Building	18h00
Ward 1	23 April 2021	Sokesimbone Hall	09h00
Ward 7	28 April 2021	Velani Community Hall	09h00
Ward 17	28 April 2021	Stanger Manor Community	17h30
Ward 15	28 April 2021	Chris Hani Hall	09h00
Amakhazi and Izinduna	30 April 2021	KDM Council Chambers	10h00
iLembe Chamber of Commerce	30 April 2021	Ballito Business Park	13h00
Ward 4	01 May 2021	Shakashead Community Hall	09h00
Ward 23	01 May 2021	Shayamoya Community Hall	13h00
Ward 22	04 May 2021	Salt Rock Library	18h00
Ward Committees	05 May 2021	KDM Town Hall	09h00
Ward 2	06 May 2021	Zamani Community Hall	09h00
Ward 20	06 May 2021	Snyman Community Hall	09h00
Ward 27	07 May 2021	Madundube Community Hall	09h00
Ward 18	09 May 2021	Mbozamo Hall	13h00
Ward 13	09 May 2021	Glenhills Multi – Purpose	09h00
Ward 19	10 May 2021	KDM Town Hall	17h30
Ward 16	10 May 2021	Mdoniville Hall	17h30

Table 24: Public Consultative Meetings 2020/2021

NATIONAL AND PROVINCIAL PROGRAMMES ROLLED OUT IN KWADUKUZA

(a) Ward Committees

The ward committee members were elected in line with the Municipal Structures Act of 1998 during the month of August 2016. KwaDukuza Municipality has 290 ward committee members. The inauguration ceremony was held in December 2016. All ward committee members are committed to serve their communities. The municipality conducted a workshop wherein the ward committee members were taken through the core municipal programmes and the role they have to play in such programmes which include the following activities:

a) Organise and attend meetings of the ward committee, council, community and sector consultation and feedback meetings; in consultation with the Ward Councillor.

- b) Receive and record complaints from the community within the ward regarding service delivery, payment systems and others and provide feedback on council's responses;
- c) Organise and attend meetings of the ward committee, council, community and sector consultation and feedback meetings; in consultation with the Ward Councillor.
- d) Receive and record complaints from the community within the ward regarding service delivery, payment systems and others and provide feedback on council's responses;
- e) Coordinating ward programmes;
- f) Participating in IDP Review and Representative Forum;
- g) Participating in budget processes; and
- h) Participating in performance management.

The municipality set resources aside to assist with the operational costs of the ward committee structures to enrich the public participation activities they are involved in on a daily basis in their respective wards. On a monthly basis the ward committee members compile ward reports which are submitted to the public participation unit in the municipality. These reports are then compiled with quarterly then sent to the Provincial department of Cooperative Governance and Traditional Affairs (Cogta) for assessment on the functionality of the ward.

2.3.3 ANTI-FRAUD AND CORRUPTION

The strategy is intended to set down the stance of KwaDukuza Local Municipality towards fraud and corruption as well as to reinforce existing systems, policies, procedures, rules and regulations of KwaDukuza Local Municipality aimed at preventing, deterring, detecting, reacting to, and reducing the impact of fraud and corruption, where such dishonest activities exist.

The commitment of KwaDukuza Local Municipality to this strategy is for the protection of the public funds it administers and to achieve a reputation for maintaining good systems of internal controls that are determined to prevent and detect all forms of internal and external fraud and corruption committed against KwaDukuza Local Municipality.

KwaDukuza Local Municipality upholds the principles guiding the conduct of the holders of public service, some of which are:

- ◊ Integrity;
- ◊ Professionalism;
- ◊ Transparency;
- ◊ Accountability;
- ◊ Objectivity;
- ◊ Respect; and
- ◊ Quality of service delivery and value for money.

The objectives of the strategy are to create a culture within the Municipality which promotes public service and discourages unethical conduct, fraud and corruption by:

- ◊ Creating a culture within the Municipality which is intolerant to unethical conduct, fraud and corruption;
- ◊ Preventing and detecting unethical conduct, fraud and corruption;
- ◊ Development of anti-corruption capacity within the Municipality;
- ◊ Investigating detected unethical conduct, fraud and corruption;

- ◊ Taking appropriate action in the event of such irregularities e.g. disciplinary action, recovery of losses, prosecution etc;
- ◊ Applying sanctions, which includes redress in respect of financial losses;
- ◊ Providing a focus point for the allocation of accountability and authority;
- ◊ Encouraging all public servants and stakeholders to report suspicious fraudulent activities without fear of reprisals or recriminations;
- ◊ Strengthening community participation in the fight against fraud, theft and corruption;
- ◊ Reinforcing transparency of the work of the Municipality and encouraging participation of civil society and community groups in oversight structures;
- ◊ Improving good governance and building resilient government through:
 - Improving the application of systems, policies, procedures, rules and regulations within the Municipality
 - Improving accountability, efficiency and effective administration within the Municipality, including decision-making and management conduct, which promotes integrity.

KwaDukuza Local Municipality has a zero-tolerance attitude to fraud and will do everything financially prudent to ensure that fraud, corruption or misconduct, cannot affect its assets and financial well-being. In keeping with the zero-tolerance approach, acts of fraud, corruption and misconduct will not be tolerated at any level. All fraud will be investigated and followed up by the application of all remedies available within the full extent of the law as well as the application of appropriate prevention and detection controls. These prevention controls include the existing financial and other controls, and checking mechanisms as prescribed in the systems, policies, procedures, rules and regulations of government.

2.3.4 PUBLIC SATISFACTION WITH MUNICIPAL SERVICES

The Customer Satisfaction Survey for the 2020/2021 financial year was not conducted. The survey was planned to be conducted through an online platform wherein Council changed the decision that the survey could not be conducted online due to the reasons that people in deep rural areas would not have the chance to participate in the survey.

The other reason put forward by council was that the survey would be responded to by people who do not reside in KwaDukuza making the results not to be a true reflection on how the broader KDM public feel about services provided by KwaDukuza Municipality.

An advert will be published to inform the public to participate in the survey. This will enable the data collectors to be able to gain access or be given access in some gated properties. However, there are some limitations to this type of data collection method since crime is on the high rise making it difficult for residence to allow data collectors to gain access to their properties.

Discussions are still underway to enable council to be convinced in allowing a two-way method of collecting data in this way everyone will have an equal opportunity to participate in the survey.

The survey will be done in 4 quarters. In quarter 1 the questions will be drafted and published on the website. In quarter 2 the survey questions will be available for public to participate. During quarter 3 and 4 the process of analysing data will be conducted. Before the end of the 4th quarter the

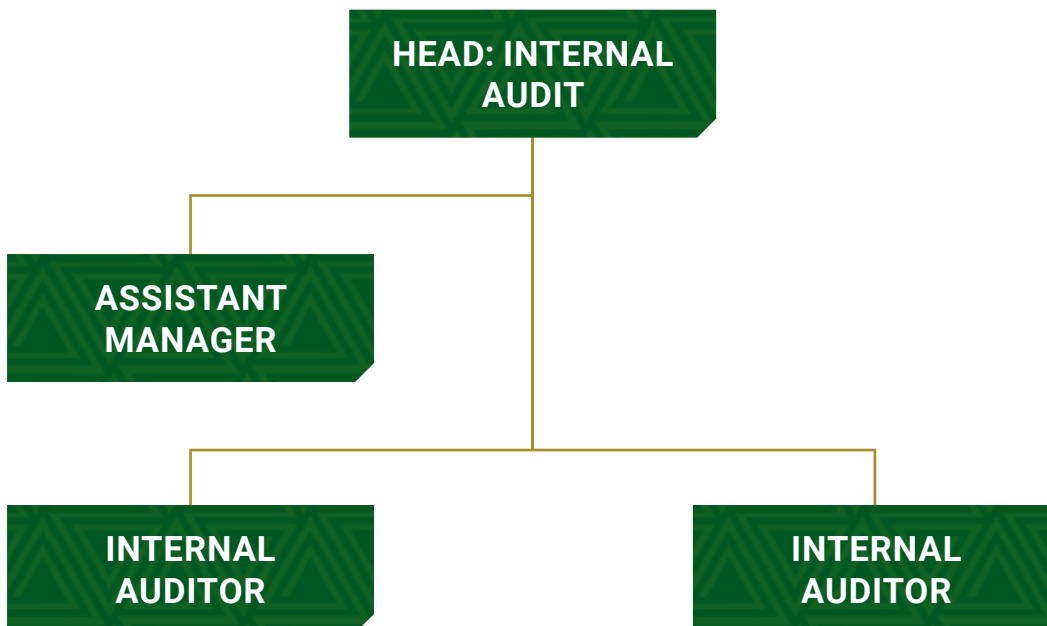
survey would have been done and conducted and published to the public.

2.3.5 INTERNAL AUDIT

In terms of section 216(1)(c) of the Constitution of the Republic of South Africa, (Act 108 of 1996), national legislation must prescribe measures to ensure both transparency and expenditure control in all spheres of government by introducing uniform treasury norms and standards. Good governance involves how an organization is managed, its organizational culture, policies, strategies and the way it deals with its stakeholders. The internal audit and audit committee provide objective, independent advice to improve oversight, governance and help to mitigate risks.

The internal Audit unit is formed in accordance to the Municipal Finance Management Act, Act 56 Of 2003, Section 165 and National Treasury, MFMA Circular 65. The main aim of internal audit is to assist in a municipality with internal systems of internal control and effective operation of the audit committee for sound corporate governance in a municipality.

KwaDukuza Municipality Internal Audit Capacity and Functionality



THE FUNCTIONS OF INTERNAL AUDIT

(2) The internal audit unit of a municipality or municipal entity must:

- ◊ Prepare a risk-based audit plan and an internal audit program for each financial year;
- ◊ Advise the accounting officer and report to the audit committee on the implementation of the internal audit plan and matters relating to-
- ◊ Internal audit;
- ◊ Internal controls;
- ◊ Accounting procedures and practices;
- ◊ Risk and risk management;
- ◊ Performance management;
- ◊ Loss control; and compliance with this Act, the annual Division of Revenue Act and any other applicable legislation; and
- ◊ Perform such other duties as may be assigned to it by the accounting officer.

The internal audit function referred to in subsection (2) may be outsourced if the Municipality or municipal entity requires assistance to develop its internal capacity and the council of the municipality or the board of directors of the entity has determined that this is feasible or cost-effective.

2.3.6 MUNICIPAL OVERSIGHT COMMITTEES

2.3.6.1 OVERSIGHT COMMITTEE

The Council appointed 2 Oversight Committees, The MPAC Oversight Committee that is responsible for reviewing the Annual Report and developing an Oversight Report to Council of all performance issues within the reporting year. They also deal with any matters referred to them by Council for investigation. The Council also appointed the Audit and Performance Audit Committee who provides oversight to Internal Audit matters as well as Performance information on service delivery issues of Council.

MPAC MEMBERS

- ◊ Vacant Chairperson position
(was occupied by Cllr LO Nhaca)
- ◊ T.S Ngidi Mkhize
- ◊ NP Dube
- ◊ N Qwabe
- ◊ M Sibisi
- ◊ S Naidoo

2.3.6.2 PERFORMANCE AUDIT, AUDIT COMMITTEE AND RISK COMMITTEE

Section 166 of the MFMA requires that each municipality must have an audit committee. The audit committee must advise the municipal council, the political office bearers, the accounting officer and the management of the municipality on matters relating to:

- ◊ Internal financial control and internal audits;
- ◊ Risk management;
- ◊ Accounting policies;
- ◊ The adequacy, reliability and accuracy of financial reporting and information;
- ◊ Performance management; and
- ◊ Effective governance;

The Council is required by law to establish:

- a) An Audit Committee;
- b) A Performance Management Audit Committee; and
- c) A Risk Management Audit Committee.

The Audit Committee operates under a Charter approved by the Council and submits reports on its activities to the Council twice annually. However, to improve communication between the Audit Committee and the Council, the Mayor and the Chairperson of the Municipal Public Accounts Committee have a standing invitation to attend all meetings of the Audit Committee.



Chair - Audit Committee
Ms N. Mchunu



Chair - Performance Audit Committee:
Mr. NC Meyiwa

AUDCOM MEMBERS:

- ◊ Nosipho Mhlongo (Risk Chairperson)
- ◊ Chris Nhlanhla Meyiwa
- ◊ Sylvia Gertze
- ◊ Andile Jordan

2.3.6.3 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)

Following the guidelines of the Department of Co-operative Governance and Traditional Affairs the Council has established a Municipal Public Accounts Committee. The Committee consists of 5 Councillors of the Municipality, who are not members of the Executive Committee. The Committee examines:

- ◊ The financial statements of all executive organs of Council;
- ◊ Any audit reports issued by the Auditor General on the affairs of the Municipality and its Municipal Entity.
- ◊ Any other financial statements or reports referred to the Committee by the Council;
- ◊ The annual report on behalf of the Council.

It also: -

- ◊ Reports to the Council, through the Speaker, on any of the financial statements and reports referred to above;
- ◊ Develops the annual oversight report based on the annual report;
- ◊ It initiates any investigation in its area of competence; and
- ◊ Performs any other function assigned to it by resolution of the Council.
- ◊ Members should not serve on any other committee. The Chairperson of the committee is appointed by the Council. MPAC has only one mandatory responsibility –
- ◊ To prepare a draft Oversight Report and other service delivery related matters. Any other responsibilities must be assigned by Council, through the adoption of a Terms of Reference (Charter). Council must also approve an annual Work Programme.



Chairperson of MPAC (until 29 April 2021):
Cllr. OL. Nhaca

Members of MPAC:

- ◊ CHAIRPERSON (Vacant)
- ◊ CLLR M SIBISI
- ◊ CLLR TS NGIDI
- ◊ CLLR NP DUBE
- ◊ CLLR N QWABE
- ◊ CLLR S NAIDOO

2.4 COMPONENT D: CORPORATE SERVICES AND LEGISLATIVE FRAMEWORK

2.4.1 MUNICIPAL POLICIES

The Council has developed a set of by-laws in line with the proclamation of standard by-laws by the provincial MEC for Local Government. The municipality has developed and adopted a number of policies and some are being developed.

POLICIES
KDM Staff Remuneration Policy
Human Resource Development Strategy
Priority Skills Strategy
Leave Management Strategy
Succession Planning
Supervisor Development Strategy
Recruitment and Selection Policy
Staff Conditions of Service
Performance Management Policy
Recognition of Prior Learning Policy
Conditions of Service Policy
Exit Management Policy
Cost Containment Measures

Table 25: HR Policies

2.4.1.1 CONSTITUTION, 1996: SECT 156: POWERS AND FUNCTIONS OF MUNICIPALITIES:

A municipality may make and administer by-laws for the effective administration of the matters which it has the right to administer. A by-law that conflicts with national (Acts) or provincial legislation (Ordinances) is invalid.

2.4.1.2 MUNICIPAL STRUCTURES ACT, 117 OF 1998: SECTION 11(3):

Council must exercise its legislative or executive authority by, inter alia, passing and implementing by-laws.

2.4.1.3 SECTION 12: EXECUTIVE AND LEGISLATIVE AUTHORITY STATES THAT:

Only a member or committee of a municipal council may introduce a draft by-law in the council. A by-law must be made

with a supporting vote of a majority of council members. No by-law may be passed by a municipal council unless the proposed by-law has been published for public comment in a manner that allows the public an opportunity to make representations with regard to the proposed by-law. A By-Law only becomes effective from the date it is published in the Provincial Gazette and the Structures Act provides as follows:

2.4.1.4 SECTION 13: PUBLICATION OF BY-LAWS. A BY-LAW PASSED BY A MUNICIPAL COUNCIL:

Must be published promptly in the Provincial Gazette, and, when feasible, also in a local newspaper or in any other practical way to bring the contents of the by-law to the attention of the local community; and Takes effect when published or on a future date determined in or in terms of the by-law.

LIST OF MUNICIPAL BY-LAWS

Advertising	as published on 19 September 2000
Animals and Birds	as published on 19 September 2000
Boating and other craft in tidal lagoons, rivers and watercourses	as published on 19 September 2000
Caravan Parks	as published on 19 September 2000
Cemetery and Crematorium	as published on 19 September 2000
Child Minder Service	as published on 19 September 2000
Credit control and debt collection	as published on 19 September 2000
Dairies, Cowsheds, Milk Shops, Milk Dealers and Purveyors	as published on 19 September 2000
Dogs	as published on 19 September 2000
Electricity Supply	as published on 19 September 2000
Financial Bylaw	as published on 19 September 2000
Fire Safety	as published on 19 September 2000
Fireworks and Explosives	as published on 19 September 2000
Halls, Rooms and Sportsfield	as published on 19 September 2000
Industrial Effluent	as published on 19 September 2000
Libraries	as published on 19 September 2000
Markets	as published on 19 September 2000
Museums	as published on 19 September 2000
Manufacture, storage and sale of foodstuffs	as published on 19 September 2000
Nature Reserve	as published on 19 September 2000
Noise Control	as published on 19 September 2000
Nuisance	as published on 19 September 2000
Parking	as published on 19 September 2000
Parking of Heavy Vehicles and Caravans	as published on 19 September 2000
Public Amenities	as published on 19 September 2000
Removal of Refuse	as published on 19 September 2000
Slaughtering of Animals	as published on 19 September 2000
Street Trading	as published on 19 September 2000
Taxis and bus ranks	as published on 19 September 2000
- Unsightly and Neglected Buildings and Premises	as published on 19 September 2000
Electricity By laws	01 July 2015
KDM Outdoor Advertising Bylaw	01 July 2018
KwaDukuza Municipal Special Planning and Land Use Management Bylaws No 2002	27 September 2018
Kwa Dukuza Municipality Problem Building Bylaw	01 June 2019
Credit Control and Debt Collection Bylaws	August 2021
Rates Bylaws	August 2021

By-Laws assist in:

- ◊ Addressing and regulating a particular situation or issue within the local community in, e.g. street trading, littering, nuisance, noise, parks, etc.
- ◊ Legislating on the safety and comfort of the residents within the municipal area and ensuring that certain kinds of anti-social behaviour are prohibited and punished if the prohibitions are not observed.
- ◊ Creating specific rights and obligations and informing people's interactions with the municipality through explicit regulatory mechanisms.
- ◊ Giving effect to policy in a way that is legally-binding on the community

2.4.2 INFORMATION TECHNOLOGY

In June 2020 Council approved a 2-year Information Technology (IT) Turnaround Plan. The objective of this plan was to assess the IT situation in detail and formulate a remedial plan of action to address current burning issues and stabilise ICT operations and services in the municipality.

This plan also included a roadmap for a future desired state of the ICT environment in KwaDukuza Municipality and the tactical steps to be taken to achieve it. This will be in line with the municipalities Integrated Development Plan (IDP) and place the municipality in good footing to take advantage of the 4th Industrial Revolution innovations.

Key focus will be in: **Governance, Technology and People** in the Municipality's ICT function.

When delivered, this strategy will create a new model for ICT service delivery in the municipality; delivering a stable, managed, and secure ICT environment which will enable efficiency and effectiveness in the municipality through an integrated digital environment.

The table below provides a high-level summary of the implementation progress at the end of the 2020/21 financial year:

PROJECT	DESCRIPTION	STATUS (AS AT JUNE 2021)
Email Migration to Cloud	Migration of the KDM email services and data to a cloud hosted on Microsoft O365	Complete
Virtual Meeting Platform	Deployment of a virtual meeting platform in KDM	Complete
Electronic Document Management System	Development and deployment of an electronic document management system in KDM	In progress
Network Infrastructure Upgrade	Wide area network technology and capacity upgrade in KDM offices and the internet.	In progress
Server Infrastructure Upgrade	Replacement of the aged and end-of-life server infrastructure. Upgrade of server operating systems software.	In progress
Installation of Generators	Sourcing and installation of secondary power supply units in strategic KDM offices.	Cancelled
ICT security policies	Review and alignment of ICT security policies	Complete
DRP	Development and implementation of an ICT Cloud strategy incorporating disaster recoverability of critical IT systems and data.	In progress
IT Operations Management	Sourcing and deployment of IT operations management tools.	In progress
IT Service Management	Development and implementation of IT service management policies and procedures.	In progress
Data Centre Management Tools	Upgrade of data centre management systems and tools.	In progress
IT Workstation Software Standardization and End-user Data Backup	Upgrade and standardizing laptop/desktop to Windows 10 and Office 365.	In progress

Table 26: IT Implemented Systems

2.5 COMPONENT E: SUPPLY CHAIN MANAGEMENT COMMITTEES

The below members were appointed for the month of July 2020 only.

TENDER SPECIFICATION COMMITTEE – CIVIL	
NAME	DEPARTMENT
F Mhlongo - (Chairperson)	Civil
N Khawula - (Alt. Chairperson)	Civil
L. Ntuli	Finance
N Nxumalo	SCM

Table 27: Tender Specification Committee – Civil

TENDER SPECIFICATION COMMITTEE – ELECTRICAL AND OTHER TECHNICAL PROJECTS	
NAME	DEPARTMENT
S Kuber (Chairperson)	CS: IT
C Prinsloo (Alt. Chairperson)	Traffic
N Thungo	Housing
N Gumbi	Legal Services
B Mpanza	Electrical
D Sseramulu	SCM

Table 27a: Tender Specification Committee - Electrical and Other Technical Projects

TENDER SPECIFICATION COMMITTEE – NON TECHNICAL	
NAME	DEPARTMENT
M Faya – Chair	Community Safety
St Msweli	SCM
S Cundasamy	Finance
P Mkhwanazi	Community Services

Table 27b: Tender Specification Committee Non-Technical

TENDER SPECIFICATION COMMITTEE NON-TECHNICAL

Let it be noted that as from the 1st of August 2020 to 30th of June 2021 the municipal manager took a decision to restructure the bid committees and the new appointments for the TSC are as follows:

TENDER SPECIFICATION COMMITTEE – CIVIL	
NAME	DEPARTMENT
F Mhlongo - (Chairperson)	Civil
N Khawula - (Alt. Chairperson)	Civil
L. Ntuli	Finance
S Msweli	SCM

Table 27c: Tender Specification Committee Civil

TENDER SPECIFICATION COMMITTEE – ELECTRICAL AND OTHER TECHNICAL PROJECTS	
NAME	DEPARTMENT
D Mhaule - (Chairperson)	Electrical Engineering
C Prinsloo - (Alt. Chairperson)	Traffic
S Tswana	Finance
B Mpanza (Suspended In October)	Electrical
L Tshonapi	SCM

Table 27d: Tender Specification Committee Electrical and Other Technical Projects

TENDER SPECIFICATION COMMITTEE – NON TECHNICAL	
NAME	DEPARTMENT
M Faya – Chair	Community Safety
N Gumbi – Alternate Chairperson	Legal Services
N Nxumalo	SCM
P Mkhwanazi	Community Services

Table 27e: Tender Specification Committee-Non Technical

The Bid Evaluation Committee comprising of the following members:- The below members have been appointed for the month of July 2020 only.

TENDER SPECIFICATION COMMITTEE – CIVIL	
NAME	DEPARTMENT
S Kubheka (Chairperson)	Corporate Services
M Ntanta (Alt. Chairperson)	Economic Development & Planning
T Dube	Housing
P Govender	Chief Operations Office
V Sreramulu	SCM

Table 28f: Tender Evaluation Committee

TENDER SPECIFICATION COMMITTEE NON-TECHNICAL ...continued

TENDER EVALUATION COMMITTEE ELECTRICAL AND OTHER	
NAME	DEPARTMENT
F Naidoo (Chairperson)	Economic Development & Planning
D Mhaule (Alt. Chairperson)	Electrical
R Lue	Electrical
A Nunkumar	Finance
L Tshonapi	SCM

Table 27g: Tender Evaluation Committee Electrical and Other

TENDER EVALUATION COMMITTEE – NON – TECHNICAL	
NAME	DEPARTMENT
Sv Hlongwane – Chairperson	Economic Development & Planning
N Ngwane – Alt. Chairperson	Community Services
M Ngubane	Corporate Services
M Mbili	Corporate Services
M PILLAY – It be noted that M Pillay was on maternity leave as at 1 October 2020. A SCM representative was appointed subject to availability and the committee sitting. She returned as at April 2021.	SCM

Table 27h: Tender Evaluation Committee Non-Technical

It be noted that as at 1 August 2020 to 30 June 2021 the Municipal Manager took a decision to restructure the bid committees and the new appointments for the TEC are as follows:

TENDER EVALUATION COMMITTEE – CIVIL	
NAME	DEPARTMENT
S Kubheka - (Chairperson – resigned end of October 2020)	Corporate Services
M Ntanta - (Alt. Chairperson – appointed as Chairperson from 1 November 2020)	Planning
T Dube (passed away and replaced by S Buthelezi at November 2020)	Housing
P Govender	Legal Services

Table 27i: Tender Evaluation Committee

TENDER EVALUATION COMMITTEE – CIVIL	
NAME	DEPARTMENT
S Kubheka - (Chairperson – resigned end of October 2020)	Corporate Services
M Ntanta - (Alt. Chairperson – appointed as Chairperson from 1 November 2020)	Planning
T DUBE (passed away and replaced by S Buthelezi at November 2020)	Housing
P Govender	Legal Services
V Sseramulu	SCM

Table 27j: Tender Evaluation Committee-Civil

TENDER SPECIFICATION COMMITTEE NON-TECHNICAL ...continued

TENDER EVALUATION COMMITTEE – ELECTRICAL AND OTHER	
NAME	DEPARTMENT
S Jali - (Chairperson)	Electrical
F Naidoo - (Alt. Chairperson)	Planning
R Lue	
A Nunkumar	Finance
S Zulu	Communications

Table 27k: Tender Evaluation Committee-Electrical and other

TENDER EVALUATION COMMITTEE - ELECTRICAL AND OTHER	
NAME	DEPARTMENT
S Jali - (Chairperson)	Electrical
F Naidoo - (Alt. Chairperson)	Planning
R Lue	Electrical
A Nunkumar	Finance
S Zulu	Communications

Table 27l: Tender Evaluation Committee-Electrical and other

The Bid Adjudication Committee comprising of the following members;
The below committees have been appointed for the month of July 2020 only.

TENDER ADJUDICATION COMMITTEE	
NAME	DEPARTMENT
S M Rajcoomar (Chairperson)	Finance
S Kanyile - (Alternate Chairperson)	Community Services
M Sithole	Civil Engineering
S Jali	Electrical
D Pillay	Finance
L Moothusamy	SCM

Table 27m: Tender Adjudication Committee

It be noted that as at 1 August 2020 to 30 June 2021 the MM took a decision to restructure the bid committees and the new appointments for the TAC are as follows:

TENDER ADJUDICATION COMMITTEE	
NAME	DEPARTMENT
S M Rajcoomar (Chairperson)	Finance
S Kanyile - (Alternate Chairperson)	Community Services
M Sithole	Civil Engineering
S Jali	Electrical
S Chonguene – Alternate Member for CFO	Finance
L Moothusamy	SCM

Table 27n: Tender Adjudication Committee

It be noted that the CFO has nominated the Director Expenditure to attend any TAC meetings in his absence in terms of Regulation 29(2)(a) of the SCMP as a member only.

The Tender Appeal Committee comprising of Mr SC Viramuthu, Mrs. N Thungo, Mr S Zulu and S Kuber. Also it be noted that the Municipal Bids Tribunal is not applicable to KwaDukuza Municipality.

The Accounting Officer has established a Variation Committee. The members are as follows

VARIATION COMMITTEE	
NAME	DEPARTMENT
SV Hlongwane – Chairperson	Economic Development & Planning
S Khanyile – Alt. Chairperson	Community Services
A Nunkumar	Finance
N Gumbi	Legal Service
S Msweli	SCM

Table 28: Variation Committee

TRAINING

The following training was conducted during 2020 /2021 financial year by Vuthela:

- ◊ Demand Management
- ◊ Public Private Partnerships

CODE OF CONDUCT AND DECLARATION OF INTEREST

All personnel within the SCM unit together with other role players such as Tender committee members have signed the code of Conduct for SCM role players and have also declared their interest. It is a common practice that such declarations be reviewed annually to give personnel the opportunity to declare their interest should their circumstances alter within the financial year. Corporate Services with the take on of new personnel will introduce the declaration of interest as a measure to avoid future conflicts of interests; however, employees are encouraged to also do so when their circumstances alter within the financial year during their employment at KwaDukuza Municipality. At every meeting of Tender Committees, members are given the opportunity to declare their interests.

2.5.1 SCM CHALLENGES AND RECOMMENDATIONS

CHALLENGES	SOLUTIONS
ACQUISITIONS – R0 – R200K	
<ul style="list-style-type: none"> ◊ Suppliers don't respond to requests for quotes ◊ Under quoting resulting in withdrawals of CQs ◊ CSD is an on going problem. Not functional ◊ Requests for buying are received late for planned events ◊ Lack of clear specifications ◊ Orders issued to service providers via email are not being received ◊ CSD does not identify specialist for a particular commodity reasons being service providers are permitted to register for all commodities ◊ Incorrect votes used for procurement ◊ All applicable websites e.g. CSD and CIDB are extremely slow ◊ Due to policy calling for 1 and 2 CIDB grading's, specialist service providers cannot be sourced ◊ Due to the COVID-19 pandemic, scm officials have been working from home. They do not have a telephone allowance to enable them to contact suppliers and Business Units 	<ul style="list-style-type: none"> ◊ IT system for SCM needs to be upgraded for example fibre optic cables ◊ IT equipment for SCM must be upgraded and prioritised ◊ Turnaround should be at least 2 days for below R30k procurements subject to the requests are received timeously. ◊ Turnaround times for CQ's should be 10 days which includes time for advertising and evaluation and award ◊ With Section 36's – all requests for 36's in terms of the deviations as outlined in the regulations must be approved within 7 days of incident to ensure compliance of the SOP. ◊ Specifications must be drafted by a senior official of the Business Unit ◊ Service providers are to be called telephonically once requests are sent and orders are placed ◊ For all capital procurement the budget office must sign off all requests to ensure that funds are available for such requests ◊ The SCM practitioner together with the Buyer must ensure that the vote recorded on the request for buying is legitimate before any procurement takes place.
DEMAND MANAGEMENT – TENDERS	
<ul style="list-style-type: none"> ◊ Tenders are being extended to many times, no proof submitted to the committees ◊ Open ended extension of validity letters ◊ No quorums for scheduled meetings ◊ Late arrival of members (members require secretariats to constantly remind them of meetings despite emails and notices being circulated) ◊ Items / reports submitted by departments are unclear and not credible; for example authors of the items do not consult with their superiors ◊ Non-compliant with advert requirements (budget clearance certificate, minutes not being sent, signed tender advert not submitted) ◊ Business units are not availing themselves to attend meetings although notice of meetings are sent ◊ Items deferred - budget clearance certificate not submitted ◊ Items are not signed off by the relevant ED / Directors ◊ Items deferred for various reasons are not submitted on time to the various committees. ◊ Tenders closed not being sent for evaluation within the validity period ◊ Non-adherence of the procurement plan ◊ Disclosure of Information ◊ Information missing from Bid Document - (MDB 6.2 LOCAL CONTENT) 	<ul style="list-style-type: none"> ◊ Validity to be extended only for 30 days ◊ Scheduled meeting as follows: Monday TAC; Tuesday TEC & Thursday TSC ◊ Communication to members is via e-mails only. After 15 minutes the attendance register will be ruled off. All apologies must go via the secretariat with reasons for non-attendance. Before the attendance register is tabled at FPC the chairs will given an opportunity to vet the attendance. ◊ All report must signed off by the EDs ◊ In future all adverts will be advertised by the SCM Admin Officer. ◊ It is mandatory that the BU attends the Bid committee meetings to present their items. Officials up to a Manager level are only to present to the committees ◊ Bid Documents to be sold will only be the ones that are signed off by the members of TSC. ◊ Before the item is tabled at TSC the BU must obtain a Budget Certificate from the Budget Office ◊ Items that are differed must be resubmitted in 3 days to the Admin Officers for tabling ◊ Tenders must be tabled at the Committee within the validity period. ◊ Invite the Demand Manager to BU Manco to address the PP ◊ Standard bid document to be developed and re-looked at.

Table 29: SCM Challenges and Recommendations

TENDER APPEALS COMMITTEE SCM

DATE	DESCRIPTION	NAME OF OBJECTOR	FINAL OUTCOME	DATE CLOSED	COMMENTS
JULY-SEPTEMBER					
	There were no appeals during this period				
OCTOBER					
06 Oct 20	Tender no. MN 187/2019 - the cutting of grass and litter picking within the KwaDukuza municipality: zone 7.2 (ward 16)	Thembele Agri (Pty) Ltd	Resolved / case closed	12 Oct 20	Reasons for disqualification / non-responsive were provided. letter issued on 07 October 2020.
06 Oct 20	Tender no. MN 150/2019 - the cutting of grass and litter picking within the KwaDukuza municipality: zone 7.2 (ward 11)	Premier Attraction T/A Sonedi Cleaning Services	Resolved	12 Oct 20	Reasons for disqualification / non-responsive were provided. letter issued on 07 October 2020.
14 Oct 20	Tender no. MN 146/2018 - the cutting of grass and litter picking within the KwaDukuza municipality: zone 15.2 (ward 19)	Ndonga Contractors Cc	Pending		Reasons for disqualification / non-responsive were provided. letter issued on 30 October 2020. however, they are not happy with the reasons provided and requested for the appeals hearing.
29 Oct 20	Tender no. MN 150/2019 - the cutting of grass and litter picking within the KwaDukuza municipality: zone 7.2 (ward 11)	3d United Projects (Pty) Ltd	Pending		Reasons for disqualification / non-responsive were provided. letter issued on 30 October 2020. however the letters are still at mm's office for signing
29 Oct 20	Tender no. MN 187/2019 - the cutting of grass and litter picking within the KwaDukuza municipality: zone 7.2 (ward 16)	3d United Projects (Pty) Ltd	Pending		Reasons for disqualification / non-responsive were provided. letter issued on 30 October 2020. however the letters are still at mm's office for signing
29 Oct 20	Tender no. MN 140/2018 - the cutting of grass and litter picking within the KwaDukuza municipality: zone 3 (ward 4, 6 & 21)	3d United Projects (Pty) Ltd	Pending		Reasons for disqualification / non-responsive were provided. letter issued on 30 October 2020. however the appeal was received outside 14 appeals period and letters are still at mm's office for signing
29 Oct 20	Tender no. MN 150/2018 - the cutting of grass and litter picking within the KwaDukuza municipality: zone 7.2 (ward 11)	3d United Projects (Pty) Ltd	Pending		Reasons for disqualification / non-responsive were provided. letter issued on 30 October 2020. however the appeal was received outside 14 appeals period and letters are still at mm's office for signing
29 Oct 20	Tender no. MN 141/2018 - the cutting of grass and litter picking within the KwaDukuza municipality: zone 3 (ward 4, 6 & 21)	3d United Projects (Pty) Ltd	Pending		Reasons for disqualification / non-responsive were provided. letter issued on 30 October 2020. however the letters are still at mm's office for signing
29 Oct 20	Tender no. MN 143/2018 - the cutting of grass and litter picking within the KwaDukuza municipality: zone 9 (ward 13 & 26)	3d United Projects (Pty) Ltd	Pending		Reasons for disqualification / non-responsive were provided. letter issued on 30 October 2020. however the letters are still at mm's office for signing
29 Oct 20	Tender no. MN 146/2018 - the cutting of grass and litter picking within the KwaDukuza municipality: zone 15.2 (ward 19)	3d United Projects (Pty) Ltd	Pending		Reasons for disqualification / non-responsive were provided. letter issued on 30 October 2020. however the letters are still at mm's office for signing
29 Oct 20	Tender no. MN 186/2019 - the cutting of grass and litter picking within the KwaDukuza municipality: zone 12,1 (ward 16)	3d United Projects (Pty) Ltd	Pending		Reasons for disqualification / non-responsive were provided. letter issued on 30 October 2020. however the letters are still at mm's office for signing
29 Oct 20	Tender no. MN 188/2019 - the cutting of grass and litter picking within the KwaDukuza municipality: zone 12.3 (ward 16)	3d United Projects (Pty) Ltd	Pending		Reasons for disqualification / non-responsive were provided. letter issued on 30 October 2020. however the letters are still at mm's office for signing

TENDER APPEALS COMMITTEE SCM ...continued

DATE	DESCRIPTION	NAME OF OBJECTOR	FINAL OUTCOME	DATE CLOSED	COMMENTS
NOVEMBER					
14 Oct 20	Tender no. MN 146/2018 - the cutting of grass and litter picking within the KwaDukuza municipality: zone 15.2 (ward 19)	Ndonga Contractors Cc	Pending	07 Nov 20	Reasons for disqualification / non-responsive were provided. letter issued on 30 October 2020. however they are not happy with the Reasons provided and requested for the appeals hearing. meeting scheduled on 02 dec 2020 to finalise the appeal.
29 Oct 20	Tender no. MN 150/2019 - the cutting of grass and litter picking within the KwaDukuza municipality: zone 7.2 (ward 11)	3d United Projects (Pty) Ltd	Resolved	07 Nov 20	Reasons for disqualification / non-responsive were provided. letter issued on 30 October 2020. however the letters are still at mm's office for signing
29 Oct 20	Tender no. MN 187/2019 - the cutting of grass and litter picking within the KwaDukuza municipality: zone 7.2 (ward 16)	3d United Projects (Pty) Ltd	Resolved	07 Nov 20	Reasons for disqualification / non-responsive were provided. letter issued on 30 October 2020.
29 Oct 20	Tender no. MN 187/2019 - the cutting of grass and litter picking within the	3d United Projects (Pty) Ltd	Resolved	07 Nov 20	Reasons for disqualification / non-responsive were provided. letter issued on 30 October 2020.
29 Oct 20	Tender no. MN 140/2018 - the cutting of grass and litter picking within the KwaDukuza municipality: zone 3 (ward 4, 6 & 21)	3d United Projects (Pty) Ltd	Resolved	07 Nov 20	Reasons for disqualification / non-responsive were provided. letter issued on 30 October 2020. however the appeal was received outside 14 appeals period.
29 Oct 20	Tender no. MN 150/2018 - the cutting of grass and litter picking within the KwaDukuza municipality: zone 7.2 (ward 11)	3d United Projects (Pty) Ltd	Resolved	07 Nov 20	Reasons for disqualification / non-responsive were provided. letter issued on 30 October 2020. however the appeal was received outside 14 appeals period
29 Oct 20	Tender no. MN 141/2018 - the cutting of grass and litter picking within the KwaDukuza municipality: zone 3 (ward 4, 6 & 21)	3d United Projects (Pty) Ltd	Resolved	07 Nov 20	Reasons for disqualification / non-responsive were provided. letter issued on 30 October 2020.
29 Oct 20	Tender no. MN 143/2018 - the cutting of grass and litter picking within the KwaDukuza municipality: zone 9 (ward 13 & 26)	3d United Projects (Pty) Ltd	Resolved	07 Nov 20	Reasons for disqualification / non-responsive were provided. letter issued on 30 October 2020.
29 Oct 20	Tender no. MN 146/2018 - the cutting of grass and litter picking within the KwaDukuza municipality: zone 15.2 (ward 19)	3d United Projects (Pty) Ltd	Resolved	07 Nov 20	Reasons for disqualification / non-responsive were provided. letter issued on 30 October 2020.
29 Oct 20	Tender no. MN 186/2019 - the cutting of grass and litter picking within the KwaDukuza municipality: zone 12,1 (ward 16)	3d United Projects (Pty) Ltd	Resolved	07 Nov 20	Reasons for disqualification / non-responsive were provided. letter issued on 30 October 2020.
29 Oct 20	Tender no. MN 188/2019 - the cutting of grass and litter picking within the KwaDukuza municipality: zone 12.3 (ward 16)	3d United Projects (Pty) Ltd	Resolved	07 Nov 20	Reasons for disqualification / non-responsive were provided. letter issued on 30 October 2020.
06 Nov 20	Tender no. MN 51/ 2019: panel of contractors for the repairs, maintenance and refurbishment of mv / lv infrastructure equipment during and after normal working hours for a period of three (3) years	Ready To Trade T/A Yebo Yes	Pending		Reasons for disqualification / non-responsive were provided. however the appellant was not happy with the Reasons provided and requested for the appeals hearing. meeting scheduled on 02 Dec 2020 to finalise the appeal.
06 Nov 20	Tender no. MN 51/ 2019: panel of contractors for the repairs, maintenance and refurbishment of mv / lv infrastructure equipment during and after normal working hours for a period of three (3) years	Hlonofatso Electrical	Resolved	19 Nov 20	Reasons for disqualification / non-responsive were provided.

TENDER APPEALS COMMITTEE SCM ...continued

DATE	DESCRIPTION	NAME OF OBJECTOR	FINAL OUTCOME	DATE CLOSED	COMMENTS
NOVEMBER					
06 Nov 20	Tender no. MN 51/ 2019: panel of contractors for the repairs, maintenance and refurbishment of mv / lv infrastructure equipment during and after normal working hours for a period of three (3) years	Nkabs Commercial Services	Resolved	19 Nov 20	Reasons for disqualification / non-responsive were provided.
06 Nov 20	Tender no. MN 51/ 2019: panel of contractors for the repairs, maintenance and refurbishment of mv / lv infrastructure equipment during and after normal working hours for a period of three (3) years	Mis Nmr Electrical	Resolved	30 Nov 20	Reasons for disqualification / non-responsive were provided.
06 Nov 20	Tender no. MN 51/ 2019: panel of contractors for the repairs, maintenance and refurbishment of mv / lv infrastructure equipment during and after normal working hours for a period of three (3) years	Capital Power Project	Pending		Reasons for disqualification / non-responsive were provided. however the appellant was not happy with the reasons provided and requested for the appeals hearing. meeting scheduled on 02 Dec 2020 to finalise the appeal.
17 Nov 20	Tender no. MN 51/ 2019: panel of contractors for the repairs, maintenance and refurbishment of mv / lv infrastructure equipment during and after normal working hours for a period of three (3) years	Kram Power	Resolved	23 Nov 20	Reasons for disqualification / non-responsive were provided.
17 Nov 20	Tender no. MN 51/ 2019: panel of contractors for the repairs, maintenance and refurbishment of mv / lv infrastructure equipment during and after normal working hours for a period of three (3) years	Kram Power	Resolved	23 Nov 20	Reasons for disqualification / non-responsive were provided.
06 Nov 20	Tender no MN 266/2019 : panel of contractors for supply and install of high masts and street lighting in all clusters for a three (3) year period	Mis Nmr Electrical	Resolved	24 Nov 20	Reasons for disqualification / non-responsive were provided. however the appellant was not happy with the reasons provided and requested for the appeals hearing. meeting was held on 24 th November 2020.
06 Nov 20	Tender no MN 266/2019 : panel of contractors for supply and install of high masts and street lighting in all clusters for a three (3) year period	Senta Square	Pending		Reasons for disqualification / non-responsive were provided. however the appellant was not happy with the reasons provided and requested for the appeals hearing. meeting scheduled on 02 Dec 2020 to finalise the appeal.
DECEMBER					
14 Oct 20	Tender no. MN 146/2018 - the cutting of grass and litter picking within the KwaDukuza municipality: zone 15.2 (ward 19)	Ndonga Contractors Cc	Resolved	02 Dec 20	Awaited approval of appeals recommendation by accounting officer
17 Nov 20	Tender no. MN 51/ 2019: panel of contractors for the repairs, maintenance and refurbishment of mv / lv normal working hours for a period of three (3) years	Kram Power	Withdrawn	06 Dec 20	Meeting was scheduled on 06 December 2020, however the appellant withdrew the appeal. case closed.
06 Nov 20	Tender no MN 266/2019 : panel of contractors for supply and install of high masts and street lighting in all clusters for a three (3) year period	Mis Nmr Electrical	Resolved	24 Nov 20	Awaited approval of appeals recommendation by accounting officer

TENDER APPEALS COMMITTEE SCM ...continued

DATE	DESCRIPTION	NAME OF OBJECTOR	FINAL OUTCOME	DATE CLOSED	COMMENTS
DECEMBER					
06 Nov 20	Tender no MN 266/2019: panel of contractors for supply and install of high masts and street lighting in all clusters for a three (3) year period	Senta Square	Pending		Awaited the feedback from fnb branch on clarity requested by appeal committee.
26 Dec 20	Tender no. MN 183 / 2019: the cutting of grass and litter picking within the KwaDukuza municipality: zone 9 (ward 13 & 26)	Agri Africa Holdings (Pty) Ltd	Pending		Letter with reasons for disqualification / non- responsive issued on 29 December 2020 and sent to accounting officer for signing
JANUARY					
	There were no appeals during this period				
FEBRUARY					
	There were no appeals during this period				
MARCH					
06 Nov 20	Tender no MN 266/2019 : panel of contractors for supply and install of high masts and street lighting in all clusters for a three (3) year period	Senta Square	Pending		Await the feedback from fnb branch on clarity requested by appeal committee.
09 Mar 21	Tender no. MN 97/2020 – the provision of banking services for a period of 60 months	First National Bank	Resolved	23 Mar 21	Letter with reasons for disqualification / non- responsive issued on 10 March 2021
26 Mar 21	Tender no. MN 244/2019 – construction of Chris Hani Sport Field	Nang – U – Mzamo Retailers	Pending		Letter with reasons for disqualification / nonresponsive issued on 26 March 2021 and sent to accounting officer for signing
APRIL					
	There were no appeals during this period				
MAY					
11 May 21	Tender MN 182 / 2019: the cutting of grass and litter picking within the KwaDukuza municipality: zone 7 (ward 11).	Thuba Construction Cc	Resolved	24 May 21	Letter with reasons for disqualification / non- responsive issued on 11 May 2021
13 May 21	Tender no. MN 88/2020 – Nonoti beach node development phase 1: water supply, electricity and	R & B Pipeline Contractors (Pty) Ltd	Resolved	24 May 21	Letter with reasons for disqualification / non- responsive issued on 20 May 2021
18 May 21	Tender no. MN 20/2020 - provision of security services for a period of three years for the KwaDukuza municipality	Xtlg Consulting And Projects Cc T/A Excellent Security	Resolved	24 May 21	Letter with reasons for disqualification / non- responsive issued on 20 May 2021
20 May 21	Tender no. MN 92/2020 replacement, refurbishment and upgrade of protection relays on 33 kv and 11 kv network as and when required for a period of three (3) years	Zama Traffic Signals	Resolved	24 May 21	Letter with reasons for disqualification / non- responsive issued on 20 May 2021
21 May 21	Tender no. MN 127/2020 provision of outdoor advertising freestanding billboards to be placed on council property within the boundaries of KwaDukuza for commercial advertising for a period of 3 years	Btw Xeclectic-Oasis	Resolved	25 May 21	Letter with reasons for disqualification / non- responsive issued on 21 May 2021

TENDER APPEALS COMMITTEE SCM ...continued

DATE	DESCRIPTION	NAME OF OBJECTOR	FINAL OUTCOME	DATE CLOSED	COMMENTS
MAY					
25 May 21	Tender no. MN 127/2020 provision of outdoor advertising freestanding billboards to be placed on council property within the boundaries of KwaDukuza for commercial advertising for a period of 3 years	Lathhitha Media (Pty) Ltd	Pending		Letter with reasons for disqualification / non- responsive issued on 25 may 2021, however bidder is not happy with the reasons provided and the meeting will take place on 03 June 2021
JUNE					
15 Jun 21	Tender no. MN: 148/2020 – construction of Hangose kick about in ward 9	Mvelase Sa Investment			Letter with reasons for disqualification / non- responsive issued on 15 June 2021
21 Jun 21	Tender MN 133/2020 - remove existing, supply, install, commission and maintain new cremator equipment at the KwaDukuza crematorium	Autotronix Jv Engineered Thermal Systems			Letter with reasons for disqualification / non- responsive issued on 25 June 2021 and sent to accounting officer for signing
24 Jun 21	Tender no. MN 56/2020- panel of contractors for stormwater improvement for a period of three (3) years	Gabadele Trading (Pty) Ltd			Letter with reasons for disqualification / non- responsive issued on 25 June 2021 and sent to accounting officer for signing
24 Jun 21		KB Level Construction			Letter with reasons for disqualification / non- responsive issued on 25 June 2021 and sent to accounting officer for signing
24 Jun 21		Mandosi Cleaning Services			Letter with reasons for disqualification / non- responsive issued on 25 June 2021 and sent to accounting officer for signing
24 Jun 21		Zama Zama Engineering Manufacturers			Letter with reasons for disqualification / non-responsive issued on 25 June 2021 and sent to accounting officer for signing
25 Jun 21		Tongaat Asphalts Cc			Letter with reasons for disqualification / non- responsive issued on 25 June 2021 and sent to accounting officer for signing
25 Jun 21		Isiphihli Trading Pty Ltd			Letter with reasons for disqualification / non- responsive issued on 25 June 2021 and sent to accounting officer for signing
25 Jun 21		Inkonka Civils			Letter with reasons for disqualification / non- responsive issued on 25 June 2021 and sent to accounting officer for signing
25 Jun 21		Havilah Commercial Projects			Letter with reasons for disqualification / non- responsive issued on 25 June 2021 and sent to accounting officer for signing
28 Jun 21		Phila Iso Group			Letter with reasons for disqualification / non- responsive issued on 28 June 2021 and sent to accounting officer for signing
29 Jun 21		Tiawest (Pty) Ltd			Letter with reasons for disqualification / non- responsive issued on 29 June 2021 and sent to accounting officer for signing
29 Jun 21		Afikakonke Trading CC			Letter with reasons for disqualification / non- responsive issued on 29 June 2021 and sent to accounting officer for signing
30 Jun 21		Ingudle Construction and Maintenance			Letter with reasons for disqualification / non- responsive issued on 29 June 2021 and sent to accounting officer for signing
25 Jun 21		Tender no. mn 104/2020 - construction of traffic calming measures within 29 wards	Tongaat Asphalts CC		

Table 30: Register of Appeal

2.6 COMPONENT F: BASIC SERVICE DELIVERY

2.6.1 ELECTRICAL AND MECHANICAL ENGINEERING

The Electrical Engineering Services business unit has the responsibility to provide a safe, reliable high- quality electricity and fleet service delivery and electrical infrastructure in an environmentally responsible manner, utilizing best practices through empowered employees who are committed to excellence and customer satisfaction.

2.6.1.1 ELECTRICITY APPLICATIONS

The table provides an illustration of the number applications processed and the different types of applications.

APPLICATIONS PROCESSED	2020/2021
New supply connections	616
Relaxation	284
Subdivision	35
Special concern	85
B3 and Occupational certificate	46
Encroachment	23
Building plans	58
SDP	23
Wayleave	32
Consolidation	21
Relocation	150
Rezoning	32
Billboards	16

Table 31: Electricity Applications

2.6.1.2 ELECTRICITY INFRASTRUCTURE

The table below has list of infrastructure in the northern and southern regions of the municipality from the period of 2014-2021.

AREA	2014 (MVA)	2015 (MVA)	2016 (MVA)	2017 (MVA)	2018 (MVA)	2019 (MVA)	2020 (MVA)	2021 (MVA)
Northern Network	57	57	60	61	61	62	63	64.696
Southern Network	57	59	59	68	69	69	71	63.888
Total	114	116	119	129	130	131	134	128.584

Table 32: Electricity Infrastructure

2.6.1.3 ELECTRICAL PROJECTS IMPLEMENTED AS PRIORITIES DURING 2020/2021 FINANCIAL YEAR

The below are the list of projects for the electricity department for the 2020/21 financial year. The table provides the budgeted figures, expenditure and status of each project.

NO.	WARD/ CLUSTER	PROJECT DESCRIPTION	2020/21 BUDGET R	EXPENDITURE R	PROJECT STATUS
1	4, 13, 14, 15, 16, 19, 20, 21, 22, 29	Implementation of KDM Scada System	21 186 747.00	572 119.27	Tender stage
2	29	Gizenga Substation 440423981	20 000 000.00	2 204 712.00	Construction Stage
3	28	Dukuza 80MVA Bulk 400452153	27 000 000.00	2 664 362.00	Tender stage
4	13, 19	Replace 33kV Cable between Lavopiere and Stanger Point of supply	2 960 787.00	392 704.00	Tender Stage
5	15, 19	NV Replace 33kV Lavo and Stanger Point of supply feeder bays 440452151	3 508 608.00	2 586 760.00	Completed
6	All	Housing Electrification Project	4 347 826.00	4 347 826.00	Completed
7	16	KwaDukuza Mall Bulk Supplies- DTI funding	8 000 000.00	7 999 772.00	Completed
8	16	KwaDukuza Mall Bulk Supplies- LPD funding	7 568 174.00	7 568 174.00	Completed
9	12	Tinley Manor 11kV OHL Phase 6	1 110 000.00	65 126.00	Tender Stage
10	4, 13, 14, ,13, 14, 15, 16, 19, 20, 21, 22	NV Replace Grid Protection Relays 11K P3 430452146	2 000 000.00	73 043.00	Construction Stage
11	15	MV Substations Rebuild: SAPPI Substations - KDM	6 500 000.00	1 805 965.00	Design Stage
12	All	NV Mechanical Workshop Tools Equipment 360400027	100 000.00	296 687.00	Completed
13	1, 2, 3, 25	NV Street Lights Cluster A 100 SL 400452122	1 393 632.00	1 393 632.00	Completed
14	3, 19, 27	NV Street Lights Cluster B 37SL 400452123	520 068.00	523 704.00	Completed
15	14, 15, 24, 26	NV Street Lights Cluster C 100SL 400452124	890 004.00	890 004.00	Completed
16	9, 10, 11, 12	NV Street Lights Cluster D 100SL 400452125	1 375 632.00	1 375 632.00	Completed
17	7, 8, 20, 23, 28	NV Street Lights Cluster E 100 SL 400452126	1 029 132.00	1 016 740.00	Completed
18	4, 6, 21, 22	NV Street Lights Cluster F 50 SL 400452127	592 896.00	592 896.00	Completed
19	5, 16, 17, 18	NV Street Lights Cluster G 50 SL 400452128	587 784.00	578 443.00	Completed
20	All	Municipal Fleet	2 615 940.00	2 376 542.00	Completed

Table 33: 2020/2021 Electrical Projects

2.6.1.4 ELECTRICITY PLANNING AND CUSTOMER SERVICES

The table below has list of infrastructure in the northern and southern regions of the municipality from the period of 2014-2021.

FLEET PROCUREMENT 2020/2021					
BUSINESS UNIT	CAR TYPE	REG. NO.	PURCHASE PRICE INCL VAT	BUDGET	STATUS
Community Services	Hilux 2.4 GD-6 D/C R/B Diesel SRX	KDM 281	R443 793.05	R2 793 096.00	Delivered
Community Services	Hilux 2.4 GD-6 D/C R/B Diesel SRX	KDM 282	R443 793.05		
Community Services	Hilux 2.4 GD-6 D/C R/B Diesel SRX	KDM 283	R443 793.05		
Corporate Services	Etios Sedan 1.5 Sprint 65V	KDM 284	R177 993.55	R400 000.00	Delivered
Corporate Services	Etios Sedan 1.5 Sprint 65V	KDM 266	R177 993.55		
Finance	Toyota Hilux 2.0 S/C VVTI Petrol	KDM 292	R 236 321.00	R1 000 000.00	Delivered
Finance	Toyota Hilux 2.0 S/C VVTI Petrol	KDM 293	R 236 321.00		
Finance	Nissan NP 200 1.6 base 8V +AC Safety	KDM 290	R153 751.51		
Finance	Nissan NP 200 1.6 base 8V +AC Safety	KDM 291	R153 751.51		
EDPU	Nissan NP 200 1.6 base 8V +AC Safety		R153 751.51		

Table 34: Electricity Planning and Customer Services

2.6.2 CIVIL ENGINEERING SERVICES AND HUMAN SETTLEMENTS

2.6.2.1 BACKGROUND OF CIVIL ENGINEERING

The Civil Engineering & Human Settlement Business Unit is involved in the planning and implementation of the following activities:

- ◊ Human Settlement Projects;
- ◊ Roads and Stormwater Projects;
- ◊ Community Facilities Projects such as halls, creches, sports facilities, etc;
- ◊ Maintaining of Civil Infrastructure.

There are 76 staff employed in the Civil Engineering section and 23 staff in the Human Settlement section. The goals

and objectives of the Civil Engineering & Human Settlement Business Unit is aligned to KZNPGDS.

CIVIL ENGINEERING HIGHLIGHTS

The Business Unit has managed to achieve the following under the different stages of lockdown over the last 12 months:

- ◊ 100% of the municipal infrastructure grant spent;
- ◊ 91.8% of the capital budget spent;
- ◊ 84 % of the maintenance budget spent.

The business unit is making steady progress in terms of addressing the backlogs that have been identified in the integrated plans and a few infrastructure projects were successfully completed. The business unit has found a balance in terms of creating new infrastructure such as starred roads and stormwater, halls and crossings vs maintaining and rehabilitation of existing road infrastructure.

Planning documents (Infrastructure master plans) are now in place which include the following:

NO.	DESCRIPTION	COMMENTS
1.	LOCAL INTEGRATED TRANSPORT PLAN	100% COMPLETED
2.	PAVEMENT MANAGEMENT SYSTEM	100% COMPLETED
3.	ROADS AND STORMWATER MASTER PLAN	80% COMPLETED
4.	HOUSING SECTOR PLAN	100% COMPLETED

Table 35: Infrastructure Master Plans

2.6.2.2 STORM WATER DRAINAGE

RE-GRAVEL ROADS (OPERATION BUDGET)

The municipality managed to blade and re-gravel 10.48km of roads during this financial year.

KM OF ROADS GRAVELLED	AREA	DATE	AMOUNT	
1.8km of bladed	Jomba (Zamani) roads	19/08/2020	R4 450 992.00	
2.5km of bladed	Ohlange - Ward 25	09/09/2020		
2.6km of bladed	Ekamu - Ward 25	21/09/2020		
1km of bladed	Doringkop roads	20/08/2020		
0.620km of bladed	Yeyeye road -Dube Village Ward 29	17/11/2020		
1.250km of unpaved road regavelled	Ward 10 - Mphenyane	05/05/2021		
0.490km of unpaved road regavelled	Ward 9 - Luthuli Area	25/05/2021		
0.220km of unpaved road regavelled	Ward 29 - Mthethwa	21/05/2021		
TOTAL				R4 450 992.00

Table 36: Bladed and Re-Graveled Road

REHABILITATED ROAD

M ² COMPLETED	NAME OF ROAD	AMOUNT
8 997m ²	Chief Albert Luthuli street	R4 595 250.00
5 086m ²	Hysom & Smithers street rehabilitated	R2 965 554.00
1664.08m ²	Stanger Heights of in ward 16	R986 219.01
3031.945m ²	Stanger Heights and moola industrial in ward 16	R2 500 000.00
5.7709,9m ²	Shayamoya upgrade to blacktop	R5 999 977.50
2 424m ²	Ward 28 roads completed	R2 000 000.00
753.4 m ²	Testing climb completed	R700 000.00
2 968m ²	ward 03completed	R1 982 129.82
1 394m ²	ward 08 completed	R1 000 004.00
2 788m ²	Mvoti drive in Blythedale rehabilitated Ward 11	R2 000 000.00
2 805m ²	Ward 2 internal roads rehabilitated	R2 100 000.00
11.5575m ²	Ward 12 internal roads rehabilitated (Lagoon/Ocean view/Sea view) practical completed on	R4 000 000.00
12.5722m ²	Ward 13 Glenhills Steve Biko roads rehabilitated.	R4 104 258.55
TOTAL		R34 933 392.88

Table 37: Rehabilitated Road

STORMWATER REHABILITATED

WARD	PROJECT	COMPLETION DATE	AMOUNT	BUDGET TYPE
Ward 02	Stormwater Upgrade	12/09/2020	R3 700 000.00	Operational
Ward 03	Stormwater Completion	03/08/2020		
Ward 05	Stormwater Completion	04/11/2020		
Ward 06	Stormwater Completion	10/09/2020		
Ward 08	Stormwater Completion	21/09/2020		
Ward 09	Stormwater Upgrade Completion	30/10/2020		
Ward 15	Stormwater Upgrade Completion	24/03/2021		
Ward 16	Stormwater Upgrade Completion	05/03/2021	R3 129 188.15	Capital
Ward 23	Stormwater Upgrade Completion	30/06/2021		
Ward 26	Stormwater Upgrade Completion	12/05/2021		
TOTAL			R6 829 188.15	

Table 38: Storm Water Rehabilitated

SPEEDHUMPS & WOODEN/PEDESTRIAN BRIDGE

SPEEDHUMPS	PROJECT	COMPLETION DATE	AMOUNT
10 speedhumps	Shayamoya and Shakaskraal	19/01/21	R327 912.00
3 speedhumps	Manqomfini ward 11	17/02/21	
2 Speed humps	Tinley Manor Ward 12	15/04/21	
Wooden bridge	Doringkop Ogunqu	10/04/21	R291 729.00
TOTAL			R619 641.00

Table 39: Speed Humps

ROAD CONSTRUCTION, MAINTENANCE AND STORM WATER DRAINAGE

PROJECT NAME/ DESCRIPTION	STATUS
10.48km of gravel roads re-graveled	Complete
Nkobongo Commuter Shelters	In progress
Traffic Calming Measures	Complete
Upgrade of 200m ² of Hlalanathi road	Complete
Waterworks Road Upgrade To Blacktop Phase 1	Complete
1200m ² of Ntshawini priority sidewalks	Complete
7709.9m ² of Shayamoya upgrade to blacktop	Complete
Ward 4 Internal Roads MIG	Complete
Nv Gizenga Street	Complete
5086m ² of Hysom & Smithers street rehabilitated	Complete
Mdlebeni Access Roads & Stormwater	In progress
0.421km of Khuboni Access road	Complete
Gledhow South Link	In progress
Chief Albert Luthuli Road	Complete
Khuboni Access Road Ward 9	Complete
Ntshawini Priority 1 And 4	Complete
Rehabilitation Of Salt Rock	Complete
3031.945m ² of Stanger Heights and moola industrial in ward 16	Complete
1732m ² of sidewalks	Complete
Wooden Bridge: Ward 1	Complete
Ward 24: Side Walk	Complete
2424m ² of Ward 28 roads	Complete
753.4m ² of Testing climb	Complete
2805m ² of Ward 2 internal roads rehabilitated	Complete
2788m ² of Mvoti drive in Blythedale Ward 11 rehabilitated	Complete
5575m ² rehab in Ward 12 Tinley Manor Rd. (Lagoon Dr. Ocean View Seaview)	Complete
5722m ² of Ward 13 Glenhills Steve Biko roads rehabilitated	Complete

Table 40: Roads and Storm Water

ROAD REHABILITATION PROJECTS IN THE VARIOUS WARDS



GIZENGA STREET (WARD 09) AFTER CONSTRUCTION



NKOBONGO COMMUTER SHELTERS (WARD 8)

CONSTRUCTION IN PROGRESS



GLEDHOU SOUTH LINK (WARD 15)

CONSTRUCTION IN PROGRESS



WATER WORKS ROADS PHASE 1 (WARD 14)

BEFORE CONSTRUCTION



AFTER CONSTRUCTION



MDLEBENI ACCESS ROADS & STORMWATER (WARD 25)

BEFORE CONSTRUCTION



AFTER CONSTRUCTION



2.6.2.3 HUMAN SETTLEMENT

HIGHLIGHTS:

- ◊ KZN DOHS/Department of Agriculture and Water Affairs successfully implemented disinfection programme of KDM Informal Settlements in the following Informal settlements areas:
 - Shakashead;
 - Charlottedale;
 - Monkey Town;
 - Ntshaweni;
 - Chris Hani;
 - Lloyds; and
 - Sihle Phakathi.
- ◊ The programme was implemented using EPWP creating +- 80 job opportunities for the KwaDukuza Municipality locals
 - KwaDukuza Municipality conducted 6 Consumer Education in the following areas:
 - Etete Phase 1, Phase 2 and Phase 3
 - Chris Hani
 - Steve Biko Phase 1 and Phase 2
- ◊ During the 2020/21 Financial Year, the KwaDukuza Municipality was selected to be part of National Upgrading Support Programme (NUSP) initiated by National Department of Human Settlements supported by Province where 16 informal settlement was identified to be part of the programme. The following is the scope delivered by the appointed service provider on the 16 informal settlements:
 - Deliverable 1: An Implementation Plan for the Overall Assignment
 - Deliverable 2: Informal Settlement Assessment and Categorization
 - Deliverable 3: Upgrading Plans for Informal Settlements
 - Deliverable 4: Sustainable Livelihoods Programmed for the Informal Settlements
 - Deliverable 5: Integrated Informal Settlement Upgrading Programme
 - Deliverable 6: Close-Out Report
 - The Social facilitation.

HOUSING STATISTICS FOR A 3 YEAR PERIOD

Number of houses constructed, handed over and siteservice in a 3 year period

KPI	2018/2019	2019/2020	2020/2021
New Houses Constructed	404	365	275
Houses Handed Over	404	365	275
Sites serviced	104	428	268

Table 41: Constructed, Handed and Site Serviced

2.6.2.3.1 CHALLENGES IN HOUSING PROVISION

- ◊ Budget Cut-/Constraints
- ◊ Unavailability of Funds for Land Acquisition
- ◊ In sufficient capacity of bulk services provided by the iLembe District Municipality
- ◊ Land Invasion
- ◊ Illegal Sale of Council
- ◊ Discontinuing of Rectification Programme
- ◊ None-Prioritisation of Rural Projects
- ◊ Rapid increase of Population adds on the Housing Backlog
- ◊ No Budget Provision for Blocked Projects
- ◊ The withdrawal of a contractors and implementing Agents on projects.

FINANCIAL PROJECTIONS AS PER NATIONAL & PROVINCIAL BUSINESS PLAN

PROJECT NO.	PROJECT NAME	2019/20 BUDGET	2020/21 BUDGET	2021/22 BUDGET
K15100002	Charlottedale	R3 365 000	R1 000 000	R0
K20020029	Chief Albert Luthuli	R0	R7 722 000	R0
K07080006	Groutville Priority 1 Ph 2 Llyods	R34 564 126	R18 292 934	R7 446 362.10
K07080004	Groutville Ntshawini Priority 1 Ph 2	R34 564 125	R18 292 934	R7 446 362.10
K04010006	Ethafeni	R0	R0	R3 158 025
Still to be Approved	Groutville Priority 1 Ph 2 Sihle Phakathi	R1 000 000	R19 992 934	R0
K04090001	Etete Phase 4	R30 890 190	R18 362 501	R13 140 369.00
K07080005	Groutville Priority 1 Ph 2 Chris Hani	R34 564 125	R18 292 934	R10 512 511.20
K06020002	Sakhamkanya Phase 2 Housing Project	R26 993 820	R18 827 934	R7 669 020.00
K11080002	Sokesimbone	R 16 085 524	R25 507 045	R0
K03090001	Steve Biko Ph 2	R34 875 267	R27 357 546	R13 637 700.00
K10110002	Rocky Park	R0	R0	R19 000 000
K11110008	Nonoti Mouth	R0	R0	R2 475 994.00
K13090006	Hyde Park	R0	R0	R0
K08120001	Madundube	R0	R0	R0
K1930002	Mgigimbe	R1 000 000	R2 000 000	R8 803 400.00

Table 42: National and Provincial Budgeted Projects Business Plan

LEVEL 2 ACCREDITATION

KwaDukuza Municipality was initially granted Accreditation Level 2 in 2013 with duration of three (3) years; it expired in 2016 and it was extended with one year. In September 2018, KDM was again assessed by the appointed Accreditation Panel to figure out whether they were still worth to be granted Level 2 Status and the results came back positive however, the contracts were not concluded as they were waiting for the new Cabinet after May 2019 Elections. The municipality did not have the contract from April 2019 to March 2020. This has resulted on the Municipality financing the accreditation programme. The Implementation Protocol was signed on the 22 October 2020. The duration of the Implementation protocol is 3 years commenced on the 1st of April 2020 to March 30, 2023. The Implementing Protocol is linked to the Medium Term Expenditure Framework of the Municipality.

2.6.2.3.2 BLOCKED HOUSING PROJECTS

The projects that fall within this category are mostly old projects where some construction has been completed with only Subsidy Administration issues and Social facilitation is required to resolve beneficiary issues.

Some blocked projects require funding to complete some milestones namely Town Planning, Conveyancing, Expropriation etc., some projects will be funded using the Special Funding from the Swiss Economic Corporation Office and World Bank and this funding is mainly for those projects that require registering of Property (Title Deeds Restoration Programme).

KwaDukuza Municipality will develop a plan where some projects will be budgeted for each financial year starting from the 2021/22 financial year.

The following project fall under this category:

NO.	PROJECT NAME
1	Lindelani Phase 2
2	Ext 46 Lindelani Phase 1
3	Mbozamo Phase 1
4	STANGER EXTENSION 46: Senzangakhona
5	Steve Biko Phase 1
6	Nkobongo Phase 1
7	Nkobongo Phase 2
8	Shakashead Phase 2
9	Ethafeni
10	Chief Albert Luthuli (CALLRUP)
11	Groutville Priority 5
12	Shayamoya Phase 2
13	Groutville 1
14	Groutville Priority 2
15	Dube Village
16	Aldenville

Table 43: Blocked Housing Projects

NO.	PROJECT NAME
1	Lindelani Phase 2
2	Ext 46 Lindelani Phase 1
3	Mbozamo Phase 1
4	STANGER EXTENSION 46: Senzangakhona
6	Nkobongo Phase 1
7	Nkobongo Phase 2
8	Shakashead Phase 2
9	Ethafeni
10	Chief Albert Luthuli (CALLRUP)
11	Shayamoya Phase 2
12	Groutville 1
13	Groutville Priority 2
14	Dube Village
15	Aldenville

Table 44: Planned Projects for the 2021/22 Financial Year

2.6.2.3.3 HOUSING RECTIFICATION PROJECTS

DEFINITION OF RECTIFICATION PROGRAMME

Rectification Programme is a programme that aims to assist projects that were implemented between 1996 and 2002. These are projects that were implemented when the subsidy was to minimum and the product resulted being small and with poor workmanship. KwaDukuza Municipality has nine (9) projects that meet the criteria of the Rectification Programme.

ASSESSMENT CONDUCTED THE 9 IDENTIFIED PROJECTS FOR RECTIFICATION BY NHBRC

Projects were assessed by National Home Builders Regulatory Council (NHBRC) Inspectors to check what kind of rectification is required for each house of the projects. The Inspectors then make recommendations and are then approved by the MEC of Human Settlement.

The Rectification Programme was discontinued. No project has received funding except part of Mbozamo project.

AFFORDABLE HOUSING

KwaDukuza Municipality took a resolution to initiate Integrated Developments. The main objective of this initiative was to promote people of different income brackets to live together. These developments will have various programmes within one development such as Low Income, Affordable (FLIPS), Community Residential Units (CRU), Social Housing, etc. The following are the projects that have been initiated and are at various stages of implementation:

NO.	WARD	PROJECT NAME	IMPLEMENTING AGENT	PROJECT STATUS
1.	19	Rocky Park	Likhanyile Consulting Engineers	Construction Stage
2.	11	Hyde Park Country Estate	Vumesa (PTY) LTD	Planning Stage
3.	7/8/20/23/28	Vlakspruit Farm	BVI	Planning Stage
4.	18	Shakaville Extension	SMA Consultants	Planning Stage

Table 45: Affordable Housing Projects

The Rocky Park Project has been reiterated after it being blocked. The municipality was able to secure funding for the project hence it is on the construction stage.

2.6.2.3.4 SOCIAL HOUSING

KwaDukuza Municipality has the below approved Restructuring Zones:

RESTRUCTURING ZONE	AREAS
ZONE 1	KwaDukuza CBD, Rocky Park, Stanger Height, Doctorskop, Blythedale Beach and Hyde Park
ZONE 2	Shakaskraal, Umhlali, Salt Rock, Ballito, Compensation and Greater Driefontein

Table 46: Social Housing

DEFINITION OF THE RESTRUCTURING ZONE:

The Restructuring Zone is a geographic area identified for targeted investment based on need for social, spatial and economic restructuring of the area/s. Individual sites do not constitute restructuring zones.

In terms of the Social Housing Act it defines Restructuring Zones as the geographic area which has been-

- ◊ Identified by the Municipality with concurrence of the government for the purpose of Social Housing; and
- ◊ Designated by the Minister in the Gazette for approved project.

The Restructuring Zone will be identified by Council and declared by the Minister of Human Settlements.

Progress to Date:

- ◊ Council has approved projects within KwaDukuza Restructuring Zones.
- ◊ KwaDukuza Civil Engineering and Human Settlement Business Unit is currently following SCM Procedures for the appointment of the Panel of Social Housing Institutions.
- ◊ KwaDukuza Municipality has submitted the new restructuring zone boundaries for Zone 1 which is approved and gazette
- ◊ KwaDukuza Municipality submitted Zone 2 for the approval to Human Settlements

2.7 COMMUNITY SAFETY BUSINESS UNIT

The Community Safety Business Unit is charged with the responsibility of ensuring that we provide for a safe environment to live, work and play. This Business Unit is in the forefront of delivering sustainable services in an integrated approach. The Community Safety Business Unit comprises of the

following Departments; Traffic and Technical Services, Special Operations Unit, Saturation Unit, Social Crime Prevention, Motor Licensing & Testing Centre, Fire & Emergency Services, Disaster Management, Marine Safety, and Law Enforcement Administration.

The Management Team is made up as follows:

- ◊ Executive Director: Community Safety - Mr. S.C. Viramuthu
- ◊ Director: Community Safety – Mr. M. Faya
- ◊ Director: Disaster Management and Emergency Services – Mr. I. Zuma
- ◊ Senior Manager: Operations – Mr. S.E. Zungu
- ◊ Chief: Fire & Emergency Services – Ms. N. Mkhwanazi
- ◊ Manager: Traffic, Technical Services and Law Enforcement Administration – Vacant
- ◊ Manager: Crime Prevention – Mr. M.F.J. Prinsloo
- ◊ Manager: Social Crime Prevention – Vacant
- ◊ Acting Manager: Motor Licensing & Testing – Mr. K. Munien
- ◊ Manager: Marine Safety – Mr. S. Honneysett
- ◊ Acting Assistant Manager: Disaster Management – Mr. M. Gcabashe

The Business Unit’s successes and challenges for the 2020/2021 financial year are as follows:

2.7.1 TRAFFIC SECTION

MONTH	2019/2020					2020/2021				
	WARRANTS OF ARREST	DRUNKEN DRIVING	SECTION 56 NOTICES	SECTION 341 NOTICES	SECTION 341 SPEED	WARRANTS OF ARREST	DRUNKEN DRIVING	SECTION 56 NOTICES	SECTION 341 NOTICES	SECTION 341 SPEED
July	89	1	1 204	867	0	0	0	24	12	0
August	80	11	1 667	572	0	0	0	40	75	0
September	54	3	1 401	418	0	0	0	260	509	0
October	24	1	1 170	451	0	0	2	468	243	0
November	01	0	1 110	753	0	0	0	408	84	0
December	0	7	1 019	357	0	0	1	367	156	0
January	0	2	830	324	0	0	0	68	79	0
February	0	0	623	350	0	0	1	275	85	0
March	1	3	692	00	0	0	0	556	204	0
April	0	1	14	00	0	0	0	679	181	0
May	0	0	02	00	0	0	0	540	253	0
June	0	0	00	00	0	0	1	446	165	0
TOTAL	249	29	9 732	4 092	0	0	5	4 131	2 046	0

Table 47: Enforcement of a Two-Year Period

HIGHLIGHTS:

- ♦ Income received through traffic offences – R316 000.00
- ♦ Income received from all traffic licences issued – R5 054 700.00
- ♦ No. of outreach programmes:
 - 3 schools visited for Road Safety Awareness Campaigns
 - 14 Wards visited for Social Crime Prevention programmes

CHALLENGES:

- ♦ Overtime incurred in the provision of emergency services, and assistance provided to municipalities within the District.
- ♦ All essential services employees have been working overtime during the national disaster, and this has resulted

in exceeding the overtime threshold and has strained the overtime budget.

SPECIAL OPERATIONS ATTENDED TO:

- ♦ Enforcement of COVID-19 regulations in terms of the Disaster Management Act
- ♦ Multi Agency Operations
- ♦ Ministerial visit (COGTA)
- ♦ Easter weekend beach patrols
- ♦ Gxoba Isitibuli Cycling Academy launch
- ♦ Child Protection Campaign

2.7.2 SPECIAL OPERATIONS UNIT

ARREST DETAILS	2019/2020	2020/2021
Hijacking	0	2
Unlicensed firearms	0	5
Fraud	4	1
Kidnapping	7	1
Murder	2	1
Attempted murder	2	1
Armed robbery	10	5
Theft of motor vehicles	17	12
Drunken driving	29	4
Possession of Dagga	12	4
Section 36 – Property suspected to be stolen	2	7
Rape	2	0
Possession of Dangerous Weapons	0	1
Reckless & Negligent Driving	3	2
Dealing in fake DVDs	7	0
Housebreaking	10	3
Housebreaking (armed)	2	0
Possession of stolen property	6	1
Theft	12	5
Execute warrant of arrest	2	0
Possession of dependant producing drugs (Whoonga)	2	4
Possession of dependant producing drugs (heroin)	29	20
Displaying false licence discs on motor vehicle	3	0
Dealing in Drugs: Rock, Cocaine, Mandrax tablets	30	7
Illegal trading	1	6
Illegal immigrant	4	1
Car jacking	10	2
Poaching	4	0
Illegal cigarettes	7	1
Assault of police officer	2	0
Driving and launching on beach (Environment Protection Act)	2	0
Non Compliance of Disaster Management Act / Lockdown	352	5
TOTAL	548	96

Table 48: Statistics on Arrests

2.7.2.1 RECOVERIES STATISTICS

RECOVERIES DETAILS	2019/2020	2020/2021
Stolen Motor Vehicles	32	28
Firearms	9	5
Magazine (Firearm)	1	3
Dagga	2 147gm	1 169gm
Loose dagga	741	308
Cellular phones	3	1
Recovery of alcohol valued at	R150 000.00	0
Recovery of Cigarettes (Packets)	44	0
Recovery of Cigarettes (cartons)	30	21
Recovery (Rock Cocaine, Mandrax, Heroin, etc.)	498	392
Whoonga straws / capsule	141	106
Shoes & Clothing	2	180
150DVD/CD pirates	776	0
Cash	0	R0
Fire arm ammunition	8	28
Tablet / dependent producing drugs	1 119	641
Flat screen Television	0	2
Beer cases	0	12
Counterfeit goods-branded clothes	0	360
Dependent producing drug heroin at a value of	R0	R500 000.00

Table 49: Statistics on Recoveries

2.7.3 TESTING & MOTOR LICENSING

KWADUKUZA TESTING STATION

	2019/2020	2020/2021
ENQUIRIES	32 601	42 184
TRANSACTIONS	58 296	69 429
RECORDS	25 695	27 245
AMOUNT	R4 226 770.00	R4 706 440.00

Table 50: Statistics - Drivers

BALLITO MOTOR LICENSING

	2019/2020	2020/2021
ENQUIRIES	21 546	34 510
TRANSACTIONS	38 142	59 457
RECORDS	15 846	24 947
AMOUNT	R1 197 015.36	R1 949 238.56

Table 50a: Statistics on Ballito Motor Licensing

KWADUKUZA MOTOR LICENSING

	2019/2020	2020/2021
ENQUIRIES	51 802	42 190
TRANSACTIONS	99 100	117 003
RECORDS	47 298	74 813
AMOUNT	R3 482 145.30	R5 489 968.93

Table 50b: Statistics on Motor Licensing - KwaDukuza

STATISTICS – MOTOR LICENSING NORTH AND SOUTH

	2019/2020	2020/2021
ENQUIRIES	73 348	76 700
TRANSACTIONS	137 242	176 460
RECORDS	63 144	99 760
AMOUNT	R4 679 160.66	R7 439 207.49

Table 50c: Statistics on Motor Licensing - North and South

TESTING OPERATIONS

	2019/2020	2020/2021
Examining of eyes & finger prints	18 064	15 656
Examining of public professional driving permits clearances	1 949	2 157
Examining of learner license	4 416	2 778
Examining of drivers licenses	814	489
Examining of vehicles	289	44
Examining of instructors permits	Nil	Nil
Issuing of traffic fines / suspension notice	340	30

Table 51: Testing Operations

COVID-19

FOR NOTING:

- ♦ As from 27 March 2020 to 31 December 2020 a National Lockdown Level 5 was declared.
- ♦ Due to the rise of COVID-19, the Government introduced strict measures in place to prevent the spread of this disease.
- ♦ The number of staff and members of the public were restricted to gain entry to the testing stations.
- ♦ The members of the staff were placed in 2 teams and were on rotation weekly to prevent staff from contracting this dreadful disease.
- ♦ • Whilst one team is at work the other team is on standby. Should the staff be required at work, the supervisor will call the staff from home to report for duty.
- ♦ The learner license class which could accommodate 15 applicants per class was reduced to 6, three classes were held daily of 15 applicants (15 x 3 = 45), we are now down to 18 applicants per day (3 x 6 = 18), this was done to enable social distancing.
- ♦ The cash hall which should accommodate 45 applicants for renewal of driver's license, PRDP, application for drivers and learner license can now accommodate only 8 applicants. This was done so that there will be sufficient space to enable social distancing.
- ♦ Applications to carry out vehicle testing is done via an appointment system. This was done to prevent overcrowding at the test centre. All vehicles have to be sanitized before it can be inspected and examined for roadworthiness.

- ♦ Driving license tests are carried out on Tuesdays and Thursdays. The driving school vehicles are also sanitised before the test is conducted, the applicant also has his/her temperature taken and his/her hands are sanitised before he/she enters the examiner's office.
- ♦ All persons entering the facility are sanitised, temperature taken and a register is filled in.
- ♦ Strict COVID protocols are adhered to, to mitigate the risk against COVID-19.
- ♦ The queues are also managed to reduce the risk of transmitting COVID-19.

2.7.4 FIRE AND EMERGENCY SERVICES

Fire & Emergency Services comprises of three Divisions, namely:

REACTIVE SERVICES

- ♦ Operations

PRO ACTIVE SERVICES

- ♦ Fire Prevention
- ♦ Public Education, Information & Training

EMERGENCY CALL CENTRE

- ♦ Call receiving and dispatching of resources

2.7.4.1 REACTIVE SERVICES

The following table reflects statistical report on Emergency incidents which occurred during the year 2020/2021:

DETAILS	2017/2018	2018/2019	2019/2020	2020/2021
Fires:				
Fires involving structures	87	91	94	101
Fires involving vehicles	27	45	29	38
Fires involving bushes and other types of fires (e.g. trees, tyres, sugarcane, electricity poles, etc.)	95	239	168	209
Rescue/Emergency Medical Assistance:				
Medical assistance	5	2	26	7
Hazardous Materials Incidents				
Other (special services, hoax calls, false alarms, no service rendered)	19	29	24	43
Motor Vehicle accidents	108	123	105	101

Table 52: Emergency Incidents Statistical Report

2.7.4.2 PRO ACTIVE SERVICES

A) FIRE PREVENTION ACTIVITIES:

Robust Fire Prevention activities were conducted to ensure safety of citizens and enforcement measures were effected by officials who were seconded to Fire Prevention.

More than one hundred (100) Building Plans were processed by Fire prevention team with more than two hundred (200) premises being inspected for compliance with the National Building Regulations and Building Standards Act and relevant National Standards.

B) FIRE SAFETY PROGRAM

- More than six (6) Fire Safety Awareness Campaigns (school visits and special programs) were conducted.
- The department was also involved in the Child Protection Campaign which was coordinated by Department of Education and Ilembe District Municipality.

INCIDENTS ATTENDED TO

HIGHLIGHTS:

Below are some of the incidents which were attended to by Fire-fighting team, the list is not exhaustive:

STRUCTURAL FIRE - MELVILLE



- A house in Melville Area was completely gutted by flames due to a candle which was left unattended. Fire was extinguished by KwaDukuza Fire and Emergency Services.
- Fire brigade managed to stop fire from spreading to adjacent properties.
- No injuries sustained; all persons were accounted for.

MVA – VEHICLE LOST CONTROL, N2 ZINKWAZI



- ◊ It is alleged that a Black Jeep motor vehicle lost control and landed on its roof which resulted in three (3) Blue Code patients.
- ◊ Relevant agencies including Medical Rescue were summoned on scene.

MVA – N2 SOUTH-BOUND



- ◊ It is alleged that while the Fire engine was extinguishing a fire, a heavy-duty truck collided into the rear of the Fire engine.
- ◊ The incident resulted in two (2) Red Code patients which were stabilized by KwaDukuza Fire and Emergency Services and other medical agencies.

MVA – N2, UMHLALI



- ◊ It is alleged that a silver-grey Mazda lost control and collided into the center pillar of the bridge.
- ◊ The incident resulted in one (1) Blue Code.
- ◊ Relevant agencies and Medical services were summoned on scene.

MVA – N2 NORTHBOUND, BALLITO



- ◊ It is alleged that a white Nissan Hard-body Cab lost control and collided with a heavy-duty truck.
- ◊ The incident resulted in three (3) Blue Codes.
- ◊ Relevant agencies such as Fire & Emergency Services and medical services were summoned on scene.

STRUCTURAL FIRE – DRIEFONTEIN



- ◊ An informal structure was gutted by flames and was extinguished by KwaDukuza Fire and Emergency Services.
- ◊ The Fire team managed to stop the fire from spreading to neighboring houses.
- ◊ One (1) casualty was registered.

ILLEGAL DUMPSITE ON FIRE – SHAKASKRAAL



- ◊ An illegal dumpsite was gutted by flames and was extinguished by KwaDukuza Fire and Emergency Services.

SPECIAL OPERATIONS ATTENDED TO:

- ◊ Ministerial visit (COGTA);
- ◊ Easter weekend beach patrols;
- ◊ Gxoba Isitibuli Cycling Academy launch; and
- ◊ Child Protection Campaign.

COVID-19

FOR NOTING:

- ◊ Fire and Emergency Services department had conducted inspections in various locations with a view of enforcing COVID-19 Regulations whilst ensuring compliance with the Constitution in respect of Building Regulations, Control of undertakings which sell liquor to the public, Business licences and prohibition of large gatherings.
- ◊ Fire-fighters were ordered to sanitise equipment timeously and to ensure that emergency fleet including light vehicles are fumigated prior and upon return from emergencies/incidents related thereto.
- ◊ Fire-fighting crews were also instructed to ensure full compliance with KwaDukuza COVID-19 Workplace Policy which was developed to curb the spread of COVID-19 and emphasis was placed on the donning of full protective gear, screening and isolation of persons, fumigation of responding units in the event where a COVID-19 positive case/s had been identified followed by quarantine of those who had tested positive to eliminate rapid spread whilst ensuring business continuity.

SUCCESSSES:

- ◊ Most Businesses were inspected and had consequently formalised applications to Economic Development Planning unit for occupational certificate as well as trading licence.
- ◊ Prohibition notices were issued to persons/owners to curb non-compliance with Regulations pertaining to Disaster Management Act.
- ◊ Increased levels of Safety by retailers during the enforcement of COVID-19 Regulations following registration of premises which are handling/storing and dealing with flammable liquids and substances in line with Fire Safety Bylaws and the relevant South African National Standards.

2.7.5 DISASTER MANAGEMENT

2.7.5.1 PURPOSE

The purpose of this report is to highlight the achievements and shortcomings experienced within the KwaDukuza Local Municipal Disaster Management Unit during the period 01 July 2020 – 30 June 2021 in compliance with the provisions of the Disaster Management Act 57 of 2002.

2.7.5.2. INTRODUCTION

The KwaDukuza Local Municipality Disaster Management Unit has the mandate and responsibility to ensure that issues concerning disasters and disaster management are dealt with in an integrated and coordinated approach. KwaDukuza Local Municipality Disaster Management Unit act as an advisory and consultative body on issues concerning disasters to all organs of state and stakeholders, NGOs, CBOs, private sector as well as communities within the Municipality. It is imperative that the KwaDukuza Local Municipality Disaster Management Unit has the responsibility to build the necessary capacity to implement the provisions of the Act as well as to raise awareness to the communities and individuals regarding the risks that affects the Municipality. KwaDukuza Local Municipality Disaster Management Unit annual report reflects on the significant milestones achieved in line with the Disaster Management Act.

2.7.5.3 STATUS OF DISASTER MANAGEMENT UNIT

The KwaDukuza Local Municipality Disaster Management Unit was established in December 2012. Although the municipality does not have an independent disaster management centre, the current satellite disaster management offices that is used for disaster management activities is located at KwaDukuza Local Municipality offices and is furnished with the required resources. KwaDukuza Disaster Management is staffed by 1 Director and 2 officers (permanent) and 1 intern (contract). The department falls within the Community Safety Business Unit and reports to the Municipal Services Portfolio Committee.

2.7.5.4. STATUS OF INTER-GOVERNMENTAL RELATIONS (IGR) STRUCTURES

2.7.5.4.1 MUNICIPAL DISASTER MANAGEMENT INTER-DEPARTMENTAL COMMITTEE AND POLITICAL COMMITTEES

The Municipality has the responsibility of establishing effective institutional arrangements for the development and approval of integrated disaster risk management matters.

To achieve this responsibility, the Municipality has established **Municipal Services Portfolio Committee**, which is an internal portfolio committee that deals with matters relating to Disasters and Disaster Risk Management. The committee is fully functional and meets regularly on a monthly basis or as and when it is necessary. The Municipality has also established the **Management Committee (MANCO)** which is a senior management committee that meets on a weekly basis where issues pertaining to disaster management are discussed on an ongoing basis. KwaDukuza Local Municipality has established a **Disaster Management Ward-Based Consultative Forum** in ensuring the effective community involvement in Disaster Risk Reduction measures and a Municipal Disaster Management Advisory Forum.

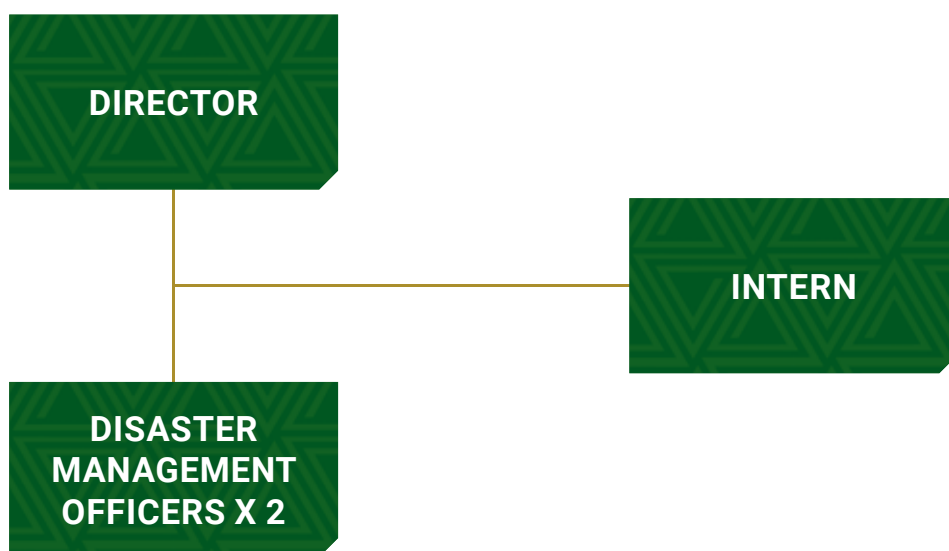
2.7.5.4.2 MUNICIPAL DISASTER MANAGEMENT ADVISORY FORUM (DMAF)

To make provision for the integration and coordination of disaster management activities and to give effect to the principle of co-operative governance, KwaDukuza Local Municipality has established a Disaster Management Advisory Forum in accordance with Section 51 of the Disaster Management Act. KwaDukuza LM Disaster Management Advisory Forum was launched on 20 February 2015. The disaster risk management advisory forum meetings are held quarterly comprising of all relevant stakeholders. The private sector and civil society participates in the forum

and have crucial roles to play. The fostering of partnerships between government, civil society and the private sector is a prerequisite for effective and sustainable disaster management. The Disaster Management Advisory Forum (DMAF) is a body in which all role players consult one another and coordinate their actions on matters relating to disaster management within the Municipality and meets on quarterly basis or as and when necessary. The forum is a fundamental disaster management IGR structure which provides a mechanism for relevant role players to participate in disaster management issues and provide advice to disaster management stakeholders, with the implementation of the Disaster Management Act. The establishment of such a forum in the municipalities is in line with Section 44(1) (b) of the Disaster Management Act which provides for an integrated and coordinated approach to disaster management in municipal areas, with special emphasis on prevention and mitigation.

2.7.5.5 INSTITUTIONAL CAPACITY FOR DISASTER MANAGEMENT

KwaDukuza Local Municipality has established a functional Disaster Management Unit. To ensure an effective implementation of the Disaster Management Act, KwaDukuza Local Municipality has also allocated physical and financial resources to make sure that there is an effective smooth running of the Disaster Management Unit as illustrated in Figure 1.



Disaster Management Unit – Organogram

2.7.5.6 STATUS OF DISASTER MANAGEMENT PLANS / FRAMEWORK

2.7.5.6.1 DISASTER MANAGEMENT FRAMEWORK AND DISASTER MANAGEMENT PLAN

The Disaster management plan is crucial for the Municipality since the Municipal Systems Act No. 32 of 2000 requires all municipalities to undertake an integrated development planning process to produce currently relevant Integrated Development Plans (IDPs). The applicable Disaster Management Plan is a core component of the IDP as it is stipulated by Section 26 (g) of the Municipal Systems Act No. 32 of 2000 and furthermore Section 53 (2) (a) of Disaster Management Act stipulate that a disaster management plan for a municipal area must form an integral part of the municipality's IDP. KwaDukuza Disaster Management Plan has been developed and adopted by the Council in June 2016.

2.7.5.7 STATUS OF READINESS TO DEAL WITH DISASTERS

KwaDukuza Local Municipality is prone to incidents such as heavy rain, floods, lightning, strong winds, fires and hail which can kill and injure people, destroy their homes and damage property. On an ongoing basis the Disaster Management Practitioners has been capturing, monitoring and analysing minor and major incidents on an ongoing basis, as required by Disaster Management legislation. The Disaster Management Unit has been proactive in anticipating the types of disasters that may occur, planning ways of preventing or mitigating the major incidents and disasters. In its role of disaster management co-ordination, the Disaster Management Unit responds to reported incidents.

In line with the provisions of the Disaster Management Act as well as the national and Provincial Disaster Management Frameworks, KwaDukuza Local Municipality Disaster Risk Management Practitioners respond, assess and capture incidents as they occur. The early warning system from SAWS were crucial and helpful since the municipality managed to disseminate the warnings/alerts to the local stakeholders, including Ward Councillors, Amakhosi, Izinduna, for ultimate dissemination to affected communities. KwaDukuza Local Municipality also plays a meaningful role towards recovery and rehabilitation, by engaging all the relevant line function departments in fulfilling their mandatory roles towards this process.

2.7.5.8 FINANCIAL CAPABILITIES

The Municipality has budgeted for Disaster Risk Management, and the budget includes only:

- ♦ Emergency Relief (Blankets, Plastic Sheeting, Food Parcels & Sponges)
- ♦ Temporary Shelter.
- ♦ Advisory/Ward Consultative Forums meetings
- ♦ Capacity Building Programmes
- ♦ Awareness Campaigns

The Municipality monitors the disaster management budget on an ongoing basis and conducts variances where applicable. The Municipal Disaster Risk Management has prepared and submitted a Sector Plan designed to establish the framework for implementation of the provisions of the Disaster Management Act and Disaster Risk Management Policy Framework, as well as the related provisions of the Municipal Systems Act No. 32 of 2000. The Sector Plan with the projects budgeted for is fundamentally, the identified disaster risk reduction activities which will be integrated and aligned with the main activities contained in the municipal IDP.

2.7.5.9 STATUS AND RESULTS OF DISASTER RISK ASSESSMENTS UNDERTAKEN

2.7.5.9.1 LIST OF PRIORITY RISKS (HAZARDS)

The Municipality is prone to a number of natural and man-made hazards, inter alia, (veld fires and structural fires), heavy rain, lightning, strong wind, hail etc. In line with the Disaster Management Act and the Disaster Management Framework, it is necessary to conduct a Risk Analysis which will identify and prioritize potential hazards and threats that are likely to occur within the Municipality. The vulnerability of communities within the Municipality varies, which mainly depends on socio-economic status as well as the exposure of a particular household or community to a specific hazard. The Risk Analysis conducted at all four local municipalities put emphasis on all specifics, which reflects the Hazards threatening the communities. The list of priority hazards that are affecting the Municipality, with spatial-temporal characteristics of these hazards well known since they have been observed and recorded continuously are illustrated in table 1 on the next page:

HAZARDS	LOCATION
1. Severe weather:	
a. Lightning	Inland Wards
b. Strong winds	In all Wards
c. Hail	In all Wards
d. Heavy rain	In all Wards
e. Extreme temperatures	In all Wards
f. Storm surges	Along the Coast
2. Fire (Structural and Veld Fires)	In all In all Wards but mainly informal settlements
3. Drought	In all Wards
4. Accidents (MVA)	Mostly on N2, R102 and R74
5. Illegal Connection of Electricity	Informal settlements
6. Protest/Strikes	Most wards

Table 53: Priority Hazards Identified Within the Municipality

2.7.5.10 INCIDENT STATISTICS

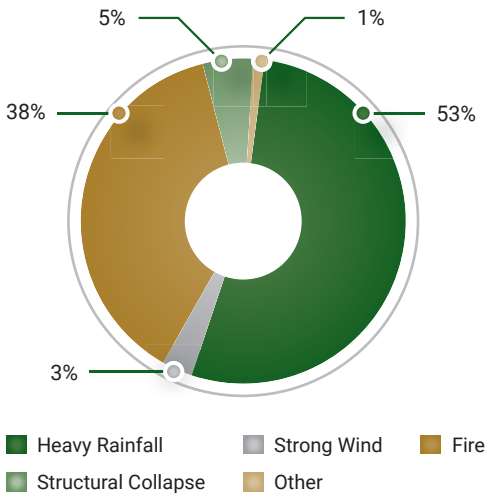
QUARTER	CAUSE OF AN INCIDENT				LIGHTNING	STRUCTURAL COLLAPSE	TOTAL
	FIRE	STRONG WIND	HEAVY RAIN	OTHER (E.G. MVA, AND RAILWAY)			
July-September 2020	7	0	0	1	0	3	11
October-December 2020	12	2	48	0	0	2	64
January-March 2021	7	1	2	0	0	1	11
April-May 2021	16	0	9	0	0	0	25
Total	42	3	59	1	0	6	111

Table 54: Number and Type of Incidents that Occurred During the Period 01 July 2020 – 30 June 2021

Table 52 above illustrates the number of incidents that were experienced at the Municipality from 01 July 2020– 30 June 2021 period. A total number of One Hundred and Eleven (**111**) incidents were reported. The Municipality noted that heavy rains were dominant during the period under review as illustrated in Table 2 above. The summer season, which is known for severe thunderstorms accompanied by strong wind, and/or lightning and/or heavy rain were the reason for the dominance. Fire incidents was also dominant in the period under review. It was noted that most of the fire related incidents were due to negligence since most of the reported fire incidents were due to unattended candles, illegal connection of electricity and gases.

2.7.5.11 DISTRIBUTION OF INCIDENTS

**KwaDukuza Local Municipality Distribution of Incidents:
July 2020 / June 2021**



It was evident that heavy rain incidents were dominant in the period 01 July 2020 – 30 June 2021 within the municipality experienced a total number of **(59)** Heavy rain incidents, followed by a total number of **(42)** Structural fire incidents, **(03)** Strong wind incidents, **(06)** Structural collapse incidents and **(01)** other. It is imperative to highlight that most of the fire incidents throughout the municipality were mostly cause by human negligence such as open flames, cooking equipment, candles, electrical fault, illegal connection of electricity etc. The other incidents were as a result of severe heavy rainfall, strong winds, structural fire, structural collapse and other.

Figure 05: KDM Distribution of Incidents during 01st of July 2020– 30th of June 2021

2.7.5.11.1 IMPACT OF INCIDENTS

Impact of Incidents 2020 / 2021

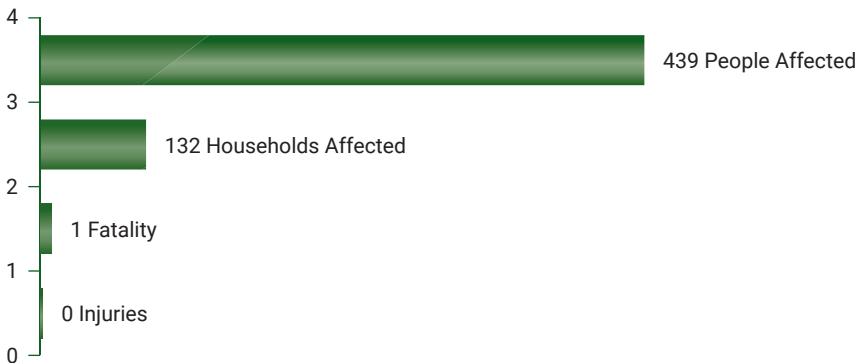


Figure 06: Impact of incidents that incurred during the period 01 July 2020 – 30 June 2021

Figure 06 above illustrate the impact of the incidents during the 2020/2021 financial year. The KwaDukuza Local Municipality accounted for a total number of **One Hundred and Thirty Two (132) households affected, Four Hundred and Thirty Nine (439)**, there were no injuries but unfortunately there was One (1) fatality. Pictures representing disaster incidents that occurred during the period of 01 July 2020 to 30 June 2021.



Figure 07: Conveys the aftermath following the structural fire incident that resulted in one fatality in August 2020 in Ward 26, Ntshawini area.



Figure 08: Conveys the aftermath following a structural fire incident in Malende Ward 9



Figure 09: Conveys the aftermath following a heavy rainfall incident in Ward 17 (Monkey Town)



Figure 10: A house damaged by structural fire in Ward 29, Charlotteddale



Figure 11: A house damaged by structural fire in Ward 7, HSE No 140



Figure 12: Conveys the aftermath following a heavy rainfall incident in Lloyd (Ward 14)

2.7.5.12 IMMEDIATE RESPONSE

A thorough assessment was conducted to get the magnitude of the damage caused by the incidents. KwaDukuza Local Municipality offered immediate assistance to the affected families in the following form of:

AID DISTRIBUTED	TOTAL NO. OF AID DISTRIBUTED
1. Blankets	147
2. Plastic Sheeting	40
3. Food Parcels	63
4. Sponges	95
5. Box B	49
TOTAL	394

Table 55: Immediate Response 2020/2021

COMMUNITY AWARENESS CAMPAIGNS

Last year 2020, The KwaDukuza Disaster Management Unit did not conduct any awareness campaigns or events due to the COVID-19 restrictions.

DAY	DATE OF AWARENESS CAMPAIGN	TIME	NAME OF SCHOOL
Day 1	25 May 2021	09h00	Groutville Secondary School
	25 May 2021	12h00	Mbekamuzi Secondary School
Day 2	26 May 2021	09h00	Tselenkosi Secondary School
	26 May 2021	12h00	Stanger Secondary School
Day 3	27 May 2021	09h00	Banguni Secondary School
	27 May 2021	12h00	Shekembula Secondary School

Table 56: Awareness Campaigns Conducted During the month of May 2021

These Community Awareness Campaigns that were conducted during the period under review were focusing on raising awareness and to take precautions during:

- ◊ Households and Veld Fires,
- ◊ Usage of Generators, Gas and Paraffin Stoves
- ◊ Heavy rainfall

2.7.5.13 CHALLENGES AND RECOMMENDATIONS

The following table conveys challenges experienced during the financial year 2020/2021 as well as stipulates recommendations that will assist in ensuring that the previously experienced shortcomings do not occur in the near future.

INSTITUTIONAL CAPACITY	RECOMMENDATION
<ul style="list-style-type: none"> ◊ The KDM Disaster Management Unit is lacking in terms of office space, which is inadequate. 	<ul style="list-style-type: none"> ◊ A KDM Disaster Management centre is therefore required in as the office space is not sufficient.
MITIGATION	RECOMMENDATION
<ul style="list-style-type: none"> ◊ No specified budget for mitigation 	<ul style="list-style-type: none"> ◊ Allocate Budget for mitigation purposes only.
RISK REDUCTION	RECOMMENDATION
<ul style="list-style-type: none"> ◊ Communication with other sector Departments is dire, reasoning behind such conception if that KDM Disaster Management unit is not given the much recognition that it deserves. 	<ul style="list-style-type: none"> ◊ Intensified integrated efforts amongst sector departments is required in order to devise strategic plan on the avoidance and mitigation of disasters.
RESPONSE	RECOMMENDATION
<ul style="list-style-type: none"> ◊ In terms of response, the KDM Disaster Management Unit responds immediately to disasters but there is a time delay in terms of responding to call outs as there is only one person utilizing one vehicle. 	<ul style="list-style-type: none"> ◊ Additional vehicle (s) needs to be made available to the unit as well as more personnel.

2.7.5.14 BEST PRACTICES / ACHIEVEMENTS / SUCCESSES

There are various best practices taking place throughout the Municipality. Below is the disaster management best practice activities or successes by the Municipality:

- ◊ The Municipal turnaround time when responding to reported incidents is highly commendable. This is due to proper coordination and integration, in partnership with all role-players and stakeholders.
- ◊ The Municipality has successfully completed the process of developing the Disaster Management Plan with the objective of conducting macro disaster risk assessment which provides the foundation towards risk reduction planning based on the identified and prioritized disaster risks and vulnerabilities.
- ◊ In fulfilling the requirements of the Safety at Sports and Recreational Events Act, the Municipality is actively involved in all stages leading to minor and major events, in an effort to ensure safety of communities during such events.

2.7.5.15 CONCLUSION

The KwaDukuza Local Municipality Disaster Management unit has implemented a very strict proper coordination and integration of disaster related matters, which resulted in the effective monitoring and analyzing the incident that was experienced by the municipality. In line with the requirements of the disaster management act 57 of 2002, KwaDukuza local municipality must make a provision for resources

to be allocated for immediate relief aid such as blankets, food parcels and sponges to the affected families.

2.7.6 MARINE SAFETY AND LAUNCH SITE MANAGEMENT

HIGHLIGHTS:

- ◊ No drownings on the main bathing beaches.
- ◊ 1 Ocean drowning and 2 River and Dam drownings.
- ◊ 6 Marine animals stranding.
- ◊ Daily safety and beach information on local radio station Life & Style 88.0 FM - Monday to Saturday performed by the Beach Manager.
- ◊ Conducted 10 Learn to Surf programmes.

CHALLENGES:

- ◊ Marine Safety Power Craft (Jet ski/Boats) are aging and of the 5 jet ski's, all 5 need to be replaced as they are over 5 years old.
- ◊ Marine Safety has 5 boats - 3 are operational and 2 are out of service. All 5 need to be replaced as they are over 5 years old.
- ◊ The unit needs a Marine Safety Manager as Marine Safety is a new unit within Community Safety.
- ◊ The unit is sitting with staff that should no longer be on active duty and the unit requires 10 beach lifeguards to fill this gap.



Lifeguards Annual Retest – 07 June 2021



Clark Bay



Ubuntu (Learn to Swim) Swimming Gala at Shakashead swimming pool – 19 June 2021



Ubuntu (Learn to Swim) Swimming Gala at Shakashead swimming pool – 19 June 2021



Law Enforcement Officers Enforcing COVID-19 Lockdown Regulations On Kwadukuza Beaches



Law Enforcement Officers Enforcing COVID-19 Lockdown Regulations On Kwadukuza Beaches

2.8 MUNICIPAL SERVICES: COMMUNITY SERVICES

2.8.1 WASTE MANAGEMENT COMMUNITY SERVICES

The waste management section during the 2020/2021 financial year has continued to improve its functionality through the introduction of managerial and monitoring tools in order to achieve its goals and objectives through the implementation of various strategies and systems to increase productivity in the delivery of services.

HIGHLIGHTS:

- ◊ Completed KwaDukuza Yellow Wood Waste Transfer station;
- ◊ KwaDukuza had its Integrated Waste Management Plan endorsed by the Minister of Economic Development, Tourism and Environmental Affairs;
- ◊ The Business Unit procured two additional compactor trucks;
- ◊ The Business Unit procured one skip loader truck; and
- ◊ The Business Unit procured one additional bakkie.

CHALLENGES:

CHALLENGES	POSSIBLE SOLUTIONS
Truck breakdowns	Improvement of workmanship at the workshop and increase of workshop staff complement.
Untidiness of CBD streets	Intense education and awareness campaigns amongst business owners. Encourage use of wheelie bins by shop owners We will engage formal and informal traders through interactions and educational workshops.
Illegal dumping in wards and CBD	The section will conduct education and awareness sessions with community members, bylaws enforcement and clean up campaigns.
COVID-19 pandemic	The section will ensure that all staff members continue to observe all COVID-19 protocols.



Waste Management Section - Completed KwaDukuza Waste Transfer Station



Compactor Truck KDM 206



Compactor Truck KDM 286



Skip Loader Truck KDM 294

2.8.2 CEMETERIES & CREMATORIA

Cemeteries and Crematorium section is responsible for providing burial and cremation services to the community of KwaDukuza. It has a responsibility of ensuring that there is more than enough burial space (cemeteries) for the community. That the crematorium is operational at all times; and that it is compliant in terms Environmental Regulation under National Environmental Management: Air Quality Act, 2004 (Act No. 39 of 2004).

HIGHLIGHTS:

- ◊ Renovation of the KwaDukuza Crematorium
- ◊ The Business procured one additional bakkie for the section
- ◊ Procure a diesel tank for transportation of diesel to the crematorium for cremations
- ◊ The Municipality has made progress towards the identification of land development area suitable for the development of new cemetery in the Northern part of the Municipality area of jurisdiction. The preliminary site investigation, which amongst other things looks at the topographical, physical, geotechnical and environmental conditions including the slope, are concluded.
- ◊ The municipality continues to provide the pauper and indigent burial services to the community of KwaDukuza. This includes paupers received from the General Gizenga Hospital, KwaDukuza Police Station and UMhlali Police Station.

CHALLENGES:

- ◊ Unavailability of burial space in the Northern area of KwaDukuza
- ◊ Shortage of human resources in a form of a Manager: Cemeteries and Crematorium.



Cemeteries and Crematoria Section - Revamped Kwadukuza Crematorium - New Aluminum Doors



New Stainless Steel Chairs at the Kwadukuza Crematorium



Extended Shelter for the Backup Generator and The Diesel Tank



Refurbished Guard House with New Cupboards and Countertop



Refurbished Guardhouse at the Crematorium with New Aluminum Door and Windows.

CHILDCARE FACILITIES

The Business Unit constructed a childcare facility in ward 28 Shakaskraal.



Newly Constructed Childcare Facility in Ward 28 – Shakaskraal

PARKS AND GARDENS

KwaDukuza Municipality has a vision of a society that will be sharing a common space through improved public open spaces, parks, sports and recreational amenities across all the divisions of race, gender and religion. In quest of attaining this, strategic goal Parks & Gardens aspire to provide equitable access to parks, sport and recreational facilities throughout the Municipal area of jurisdiction.

HIGHLIGHTS:

- ◆ Completion of the project, KwaDukuza Peoples Park formerly known as "Theunissen Road Park.
- ◆ Procurement of concrete street bins.
- ◆ Refurbishment of Nkobongo sport field and an ablution block.
- ◆ Construction of an ablution facility for a combo court in ward 13.
- ◆ Construction for a combo court in ward 10.

CHALLENGES

- ◆ Aged fleet, which is continually breaking down, and take a long time to repair.
- ◆ Lack of vehicles

KWADUKUZA PEOPLES PARK

BEFORE



AFTER



2.8.3 LIBRARIES, MULTI-PURPOSE COMMUNITY CENTRE AND COMMUNITY HALLS

2.8.3.1 LIBRARIES

The primary purpose of the public libraries is to provide resources and services in a variety of media to meet the needs of individuals and groups for education, information and personal development including recreation and leisure. They have an important role in the development and maintenance of a democratic society by giving the individual access to a wide and varied range of knowledge, ideas and opinions.

The KwaDukuza Municipality has a total of six libraries as follows:

BIGGER LIBRARIES



KwaDukuza Library



Ballito Library

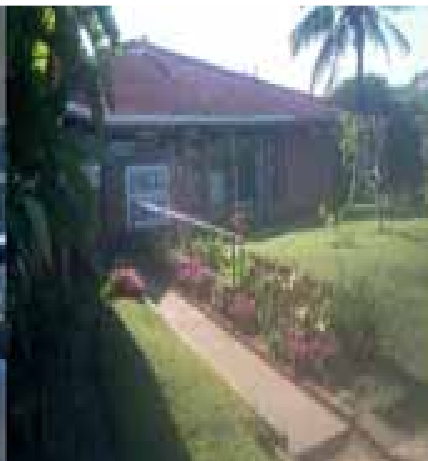


Stanger Manor Library

SMALLER LIBRARIES



Shakaskraal Library



uMhlali Library



Darnall Library

THE FOLLOWING ARE THE SERVICES THAT ARE OFFERED BY THE KWADUKUZA LIBRARIES

LIBRARY	BOOKS	AUDIO VISUAL	COMPUTERS FOR PUBLIC	CYBER CADET	GAMING	TOY LIBRARY	MINI LIBRARY FOR THE BLIND	E-BOOKS	ACTIVITIES ROOM
KwaDukuza Library	Yes	No	Yes	Yes	No	No	Yes	Yes	Yes
Stanger Manor Library Manor	Yes	Yes	Yes	Yes	No	No	No	Yes	Yes
Ballito Library	Yes	Yes	Yes	No	No	Yes	No	Yes	Yes
Shakaskraal Library	Yes	Yes	Yes	Yes	Yes	No	No	Yes	No
Umhlali Library	Yes	Yes	Yes	No	No	No	No	Yes	Yes
Darnall Library	Yes	Yes	Yes	No	No	Yes	No	Yes	No

Table 55: KDM Libraries

2.8.3.1.1 CYBER CAFÉ

A Cyber Café that was funded by Provincial Library Services can be found at the KwaDukuza, Stanger Manor, Ballito, Shakaskraal, Umhlali and Darnall Libraries. KwaDukuza, Stanger Manor and Shakaskraal library have a Cyber Cadet to ensure the smooth operation of these Cyber Cafes. The Cyber Cadets also offer the free basic computer training to the interested library users and the certificates of attendance are being issued to the attendees after completion of the training. KZN Provincial Library Services have provided Ballito, Umhlali and Darnall libraries with public access computers with free internet access and the KwaDukuza Municipality is responsible to provide IT support in all libraries. The Cyber Cafes have free internet services that are available to the public.

2.8.3.1.2 OUTREACH PROGRAMMES

The KwaDukuza libraries undertake and participate in many outreach programmes. The aim of the outreach programmes is to promote the services offered by the libraries and encourage people to enroll at the library with a view to educate our entire community. Librarians also assist in setting up school libraries so that children who are unable to visit the public libraries at least have some exposure to books by visiting the school libraries. No outreach programmes took place in 2020/21 financial year due to COVID-19 pandemic and lockdown regulations.

2.8.3.1.3 MINI LIBRARY FOR THE BLIND

The Mini Library for the Blind was introduced at KwaDukuza library was introduced by KZN Provincial Library Services. The KwaDukuza Library have received all the necessary equipment which is: Desktop computer which is installed with the Jaws programme, Document Reader, Daisy Machine, Table, 2 Chairs, Filing Cabinet, Banner and two posters for promotion.

The library works with the community and the social worker to get more people aware of the service that is provided at the KwaDukuza library. Banner and posters informing the community about this service are displayed at KwaDukuza library.

2.8.3.1.4 E-BOOKS SERVICES

All KwaDukuza libraries offer e-books services which allow members to access books on tablets, smartphones and Chrome books. It is reported that Ballito library currently has the highest e-books registered members. E-books service are available 24/7 and it's easy to browse, checkout, download, and conduct automatic returns with no late fees. One may visit the library for a step-by-step on how to access e-books.

2.8.3.2 COMMUNITY HALLS

The KwaDukuza Municipality Halls are as Follows:

NO.	NAME OF HALL	WARD
1	Sokesimbone Hall	1
2	Zamani Hall	2
3	Nonoti Old Library	2
4	Nyathikazi Hall	3
5	Nonoti Mouth Hall	3
6	Shakashead Hall	4
7	Lindelani A Section Hall	5
8	Lindelani E Section Hall	5
9	Velani Hall (Tete)	7
10	Nkobongo Hall	8
11	Malende Hall	9
12	Hangus Hall	9
13	Mgigimbe Hall	9
14	Groutville Hall	10
15	Thandanani Hall	11
16	Thembeni Hall	12
17	Shayamoya Hall	13
18	Glenhills MPCC Hall	13
19	Lloyd Hall	14
20	Chris Hani Hall	15
21	Mdoniville Hall	16
22	Stanger Manor Hall	17
23	Shakaville Hall	18
24	Mbozamo Hall	18
25	Town Hall	19
26	Supper Room Hall	19
27	R.A. Moodley Hall	19
28	Etete Snyman Hall	20
29	Driefontein Old Hall	21
30	Driefontein Hall	21
31	Shayamoya Hall	23
32	Vulinqondo Hall	25
33	Ohlange Hall (Incomplete)	25
34	Ntshawini Hall	26
35	Madundube Hall	27

Table 56: KDM Community Halls

Below table shows the major renovations done at the halls during 2020/2021 financial year:

HALL NAME	WARD NO.	NATURE OF RENOVATION	FINANCIAL IMPLICATIONS	SUPPLIER
Zamani Hall	2	Install burglar gates	R16 042.50	Shekane Engineering
Lindelani A Section Hall	5	Repair ceiling and leaks at toilets	R61 500	Phindloi
Etete (Velani Hall)	7	Replace driveway gate	R20 600	Msomisbu
Malende Hall	9	Full Renovation	R89 900	Phindloi
Malende Hall	9	Install burglar gates	R12 247.50	Shekane Engineering
Thembeni Hall	12	Internal renovations and construction of parking area	R477 895.50	Mvelarse Trading (PTY) LTD
Lloyd Community Hall	14	Install burglar bars in all windows	R84 150	SI Africa Trading
Stanger Manor Hall	17	Repair driveway gate	R9 717.50	Shekane Engineering
KwaDukuza Town Hall	19	Full renovation	R412 406.50	Uwelile (PTY) LTD
Tete Hall	20	Replace driveway gate	R20 600	Msomisbu
Ntshawini Hall	26	Install burglar bars in all windows	R84 150	SI Africa Trading
Hangus Hall	15	Repair damaged ceiling and replace broken windows	R29 500	Is'celo Trading
Stanger Manor Hall	17	Supply and install burglar guards	R86 250	Rocky Park Hardware and General

Table 56a: Halls Renovations

2.8.3.3 MULTI- PURPOSE COMMUNITY CENTRE (MPCC)

The operations of this centre took place after the review of the 1st generation of the MPCC in the country by the GCIS and Office of the Presidency. This culminated in the adoption of the branding name of MPCC to the Thusong Community Centre's. The Glenhills MPCC/Thusong Centre has been identified as a unique case because of its location and proximity to existing community service centers (Government Offices in the CBD). The operation of the MPCC is based on the objectives of the strategic 2nd generation which are:

- ♦ To bring government information and service providers closer to the people to promote opportunities as a basis for improved livelihoods;
- ♦ To promote cost-effective, integrated, efficient and sustainable service provision to better serve the needs of citizens;

- ♦ To build sustainable partnerships with government, business and civil society; and
- ♦ To create a platform for greater dialogue between citizens and government.

Therefore, the Glenhills MPCC strive to fulfill its mandate taking into account its location and proximity to various government services within KwaDukuza CBD.

- ♦ The Glenhills MPCC has been operating in pursuit of its original inception goals and in line with Thusong Service Centre Operating Guidelines/Business Plan.

The MPCC over the years have persuaded various government agencies to take permanent residency in the center but all in vain. The main reason for the government agencies/ departments not to take permanent occupation at the center is its proximity to KwaDukuza CBD, where most of them have permanent offices.

DAILY SERVICES AND ACTIVITIES OFFERED AT THE CENTRE

ACTIVITY	DAYS	COMMENTS	RENTAL
Karate	Mondays or Wednesday's depending on the booking and payment. 16h30 – 18h30	They utilise the hall on some Monday's and Wednesday's of the month.	R 50.00 per usage
Church Services	Sundays	Church has commenced with the bookings and therefore utilise the hall every Sundays.	Hall Tariffs (R 461.00 per service and R130.00 for an hour or less)
ABET	Monday's-Thursday's. 18h00 – 20h00	Ward Councillor recommended that the permission for ABET to be exempted be reviewed as he believe that they get financial support. We will inquire about this.	Provisional Exempted
Alcoholics Anonymous Meetings	Friday's 19h00-22h00	Ward councillor recommended and approved the AA Meetings held at the Centre.	Exempted

2.9 ECONOMIC DEVELOPMENT AND PLANNING

2.9.1 DEVELOPMENT PLANNING

A) KWADUKUZA BUILDING ACTIVITIES: STATS SA REVIEW FOR 2020/2021

Statistics South Africa (Stats SA) has released an annual report for selected building statistics of the private sector as reported by Local Government Institutions for year 2020 (i.e., January to December 2020). It shall be noted this annual report is published a year later, as this one was issued by STATS SA on the 30 June 2021. This report mainly covers building activities relating to, amongst others:

- Value of building plans approved.
- The value of buildings plans completed i.e.; occupation certificates issued.

The main areas that have been measured within KwaDukuza are Ballito (includes Salt Rock, Sheffield, Zimbali), Blythedale Beach, Shakaskraal, KwaDukuza, Tinley Manor Beach, Zinkwazi Beach. In both instances (i.e., building plans approved and completed), KwaDukuza Municipality has not only performed well above other similar sized secondary cities but also other Metros which are better resourced and capacitated. The following is a summary of published statistics that from Stats SA reports to emphasise the point.

BUILDING PLANS APPROVED (2020/2021)

- The municipality contributed towards 14.2% (1 871.1 million) of the value of total building plans approved in KZN (13 213.7 million). This is second to eThekweni Metro which contributed 63.9% (8 440.8 million) to the provincial total during the same period.
- The value of building plans passed by KwaDukuza Municipality in 2020 is more than twice that of Umngeni (884.8 million, 6.7%), and more than three times that of Msunduzi (587.6 million, 4.4%) and Ray Nkonyeni (585.7 million, 4.4%) which make up the bottom three positions of the top five largest contributors in KZN.

BUILDINGS COMPLETED (2020/2021)

- The contribution of the municipality for the value of building plans completed in KZN was 1 368.4 million (16.8%) which was preceded only by eThekweni Metro with 6 092.9 million (74.8%).
- The value of building completed in KwaDukuza in 2020 is almost 5 times that of Umngeni (291.1 million, 3.6%), more than 12 times that of Msunduzi (118.0 million, 1.4%) and more than 16 times than of Ray Nkonyeni (80.7 million, 1.0%) which completes the top five largest contributors in KZN.

The above statistics show that the Municipality is not only performing well in terms of building plans approved, but also performing well above expectations in comparison to other similar sized municipalities. This is despite all the challenges relating to capacity constraints and variance in some of the business processes for development applications.

DETAILED STATISTICS

BUILDING PLANS APPROVED 2020-2021

YEAR	NUMBER	GRAND TOTAL	
		TOTAL AREA (M ²)	TOTAL VALUE (R'000)
2020	1 204	214 029	2 373 760
2021	429	164 995	1 892 940

BUILDING COMPLETED 2020-2021 (I.E., OCCUPATION CERTIFICATES)

YEAR	NUMBER	GRAND TOTAL	
		TOTAL AREA (M ²)	TOTAL VALUE (R'000)
2020	780	171 082	2 059 539
2021	354	117 040	1 366 608

Based on what has been published, the municipality has done relatively well in both categories i.e., building completed and building plans approved. This emphasizes the point that the construction industry within the region and municipality in particular, has been thriving and plays an important role in the regional economy. The statistics relating to KwaDukuza are presented as part of this report and comparison to the total of KwaZulu-Natal is made to get a better context in terms of our performance.

B) SUMMARY OF KEY FINDINGS

Below is a summary of some of the key findings that have been taken from the report:

PLAN APPROVALS

- ◆ The value of building plans passed for 2020 amounted to R74 823.2 million, showing a decrease of 31.6% compared with 2019. Residential buildings contributed the most to the total value of building plans passed (52.2% or R39 086,1 million), followed by additions and alterations (27.8% or R20 784.5 million) and non-residential buildings (20.0% or R14 952.6 million).
- ◆ The highest provincial contribution to the total value of building plans passed during 2020 was reported for Western Cape (contributing 31.3% or R23 392.5 million to the total of R74 823.2 million for South Africa), followed by Gauteng (30.5% or R22 851.2 million) and KwaZulu-Natal (17.7% or R13 213.7 million).
- ◆ Regarding residential building plans passed, the largest contribution was recorded for dwelling- houses (61.6% or R24 082.0 million), followed by flats and townhouses (37.5% or R14 674.5 million) and 'other' residential buildings (0.8% or R329.6 million).

- ◆ The highest metropolitan contribution to the total value of buildings completed during 2020 was City of Cape Town (25.7% or R12 619.3 million), followed by City of Johannesburg (13.3% or R6 531.6 million), eThekweni (12.4% or R6 092.9 million), City of Tshwane (11.7% or R5 747.1 million) and Ekurhuleni (8.8% or R4 329.6 million)

COMPLETIONS

- ◆ The value of buildings completed during 2020 amounted to R49 102.7 million, which is 44.8% lower than the R88 978.7 million reported for 2019. Residential buildings contributed the most to the total value of buildings completed (52.1% or R25 571.6 million), followed by non-residential buildings (27.4% or R13 462.9 million) and additions and alterations (20.5% or R10 068.2 million).
- ◆ The largest provincial contributor to the total value of buildings completed during 2020 was Gauteng (contributing 36.3% or R17 825,0 million to the total of R49 102.7 million for South Africa), followed by Western Cape (33.4% or R16 383.6 million) and KwaZulu-Natal (16.6% or R8 146.1 million).
- ◆ Regarding residential buildings completed, the largest contribution was dwelling houses (57.6% or R14 735.6 million), followed by flats and townhouses (41.0% or R10 492.8 million) and 'other' residential buildings (1.3% or R343.2 million).
- ◆ The highest metropolitan contribution to the total value of buildings completed during 2020 was City of Cape Town (25.7% or R12 619.3 million), followed by City of Johannesburg (13.3% or R6 531.6 million), eThekweni (12.4% or R6 092.9 million), City of Tshwane (11.7% or R5 747.1 million) and Ekurhuleni (8.8% or R4 329.6 million).

(Source: STATS SA Report - Selected building statistics of the private sector as reported by local government institutions 2019)

C) BUILDING PLAN SUBMISSIONS (2020/2021)

The total number of 768 building plans were submitted during the 2020/2021 financial year which was a significant increase of 13.8% (652) in comparison with the 2019/2020 financial year. The income generated from the submission of building plans was a total of R 9 277 364.58 for the municipality, which was 27.8% more than that collected the 2019/2020 fiscal. This shows a significant increase in the revenue received for building plan fee.

Table 57 below provides a reflection of these statistics.

	FINANCIAL YEAR		VARIANCE
	2019-2020	2020-2021	
No. of Plans Submitted	662	768	+106 (+13.8%)
Plan Fees	6 698 740.76	9 277 364.58	+2 578 623.82 (+27.8%)

The following tables outline some of the major developments which took place in the financial years in question. A total of 895 new residential units were submitted for approval during the 2020/2021 fiscal. The total plan submission fees received from the major developments contributed towards 45.0% of the plan fees received during the 2020/2021 fiscal.

LOT NO.	DESCRIPTION	FEES	UNI TS	EST VALUE	AREA
1590 SH	Mini Warehouses	172 843.27		39 456 300	5 889
79 STG	New Service Station	20 877.00		3 620 000	684
1681 SH	Deviations	17 196.00		6 372 600	559
3/4484 BA	Early Learning Centre	71 781.00		30 107 400	2 641
4057 BA	Deviations	18 197.00		6 646 200	583
82 & 83 SH	Adds/Alts	23 721.00		5 252 800	784
4661 BA	New Units	230 973.00	185	97 777 800	8 577
4661 BA	New Units	223 469.00		94 631 400	8 301
4661 BA	New Units	229 901.00		97 413 000	8 545
1/3721 BA	Warehouse	9 337.00		2 736 000	288
505 SB	New Units	63 221.00	16	25 980 600	2 279
1612 TMRP	New Units	53 053.00	10	21 101 400	1 851
3284 STG	Warehouse	22 619.00		3 500 000	746
268 STG	Factory	520 112.11		20 000 000	30 695
420/11& 635/365 BA	Adds/Alts	39 621.00		16 473 000	1 445
16/72/1526 UMH	New Service Station	42 163.00		9 471 500	997
4661 BA	New Units	259 381.00	72	109 998 600	9 649
4661 BA	New Units	230 973.00	64	97 766 400	8 576
4661 BA	New Units	230 973.00	64	97 766 400	8 576
4661 BA	New Units	230 973.00	64	97 766 400	8 576
4661 BA	New Units	230 973.00	64	97 766 400	8 576
4661 BA	New Units	244 909.00	66	103 705 800	9 097
4661 BA	New Units	223 469.00	61	94 631 400	8 301
4661 BA	New Units	173 621.00	48	73 324 800	6 432
4661 BA	New Units	230 973.00	64	97 766 400	8 576
501 SB	New Units	28 917.00	5	11 286 000	990
491 PZ	New Units	18 197.00	2	9 780 000	600
4064 BA	Mini Factories	129 818.00		41 847 500	4 405
206/6/868 BA	Adds/Alts	79 203.00		27 683 000	2 914
R 85 STG	Offices	35 294.61		5 000 000	1 171

LOT NO	DESCRIPTION	FEES	UNI TS	EST VALUE	AREA
923 SIM	New Units	85 197.00	11	38 837 500	3 107
528 SHK	New Warehouse	37 728.00		8 482 200	1 266
1336 SB	New Units	51981.00	8	20 634 000	1 810
2086 TMRP	New Units	32 117.00	7	13 167 000	1 155
2087 TMRP	New Units	42 317.00	9	16 929 000	1 485
7/260 STG	Warehouse	15 414.45		5 000 000	460
59/4/868 BA	Warehouse	47 081.00		14 744 000	1 552
3597 BA	Warehouse & Offices	58 675.93		18 800 500	1 979
2586 BA	Warehouse & Offices	27 232.00		8 759 000	922
2071 TMRP	New Units	41 513.00	7	15 492 600	1 359
205 CBD	Offices	0.00		15000000	2 010
268 CR	New Units	20 850.00	2	6 840 000	600
1374 SH	Warehouse & Offices	60 872.25		15 295 000	1 610
920/433/56/931 BA	New Units	72 562.00		67 419 600	5 914
920/433/56/931 BA	New Units	80 548.00		74 852 400	6 566
4 TM	New Units	25 165.00	6	8 056 000	848
1360 SB	New Units	128 178.84	53	53 625 600	4 704
4/501 SB	New Units	36 941.00	7	15 070 800	1 322
4659 BA	New Showroom	87 341.00		30 077 000	3 166
		5 058 473.46	895	1 893 711 300	203 138

Table 57a: Major Developments for the 2020/2021 Financial Year

D) BUILDING PLAN APPROVALS

The total number of building plans approved for the 2020/2021 financial year was 578 plans, which increase slightly by 2.3% (13) from the previous financial year. The total estimated value of the approved building works was just over R3 billion, which was a very significant increase of 42.0% from the 2019/2020 financial year. Table 57b below reflects the comparative figures over the two financial years.

	FINANCIAL YEAR		VARIANCE
	2019-2020	2020-2021	
No. of Plans Approved	565	578	13 (+2.3%)
Estimated Property Value	1 799 141 700	3 050 049 500	1 250 907 800 (+42.0%)

Table 57b: Building Plans Approved

E) COMPLETIONS

A total of 499 occupation certificates were issued for the 2020/2021 financial year. This was a 12.0% (-74) decrease from the previous financial year, as a total of 573 occupation certificate were issued. This decrease deviates from the upward trend of issuing Occupation Certificate experienced in the previous two financial years wherein the municipality has introduced reforms which are focused on efficiently processing both Building Plans and Occupation Certificates. This may be attributed to the lockdown restrictions imposed in 2020, and the increase in the costs of building materials due to the pandemic.

	FINANCIAL YEAR		VARIANCE
	2019-2020	2020-2021	
No. OCs Issued	573	499	-74 (-12.0%)
Estimated Property Value	1 556 000 800	1 142 529 800	-412 471 000 (-26.0%)

Table 57c: Completions

F) CONCLUDING REMARKS

Over the years, the Municipality has been tracking the statistics as released by Stats SA as it is important that the Municipality 'measures' itself against other municipalities to track its building activities in comparison to the rest of the country. The picture depicted by the Stats SA 2020 report pertaining to the value of building plans passed have also been noted, considering that the previous report published for the year 2019, the value of plans passed translated to 13.2% while for 2019 is 14.2% in terms of Municipal contribution to the national statistics. The decrease in value can be attributed to the unfavorable economic conditions nationally and not precluding the type or category of the building application, i.e., Large Commercial developments value vs standard residential developments. However, the comparative view indicates decrease in number of plans approved for the previous fiscal year, which was 1.204 for the 2019/20 financial year and 429 for the 2020/21 financial year.

Whilst they may have been a drop in terms of value of the building plans passed, the Municipality is still performing

relatively well and above average as compared to other similar size and even bigger municipalities (e.g., metros). The drop, as indicated above may be because of previous approvals of some of the building plans for large commercial projects such as Ballito Junction, KwaDukuza Mall, etc. as the development value is driven by the type of construction activities within the jurisdiction of local council. What is clear though is that the sustenance of relatively good statistics in relation to building activities is still mainly driven by the residential developments, meaning that a lot of population see KwaDukuza as a place of residence. Some of the implications for this is the need to ensure that the requisite recreation and social facilities such as schools, etc. needs to also be implemented as part of the mainly residential development. This is critical more so for the middle- and low-income population whereby the Municipality needs to ensure that all relevant stakeholders (especially sector departments such as Education) are aware of this growth for them to plan for such facilities within the municipalities' jurisdiction.

2.9.1.1 OUTDOOR ADVERTISING

A. APPLICATIONS ASSESSED

CATEGORY	PREVIOUS YEAR (2019/2020)	CURRENT YEAR (2020/2021)
Permanent Signage	21	29
Temporary Signage	69	59
Total	72	88

B. FINANCIAL STATISTICS (EX VAT)

CATEGORY	2019/2020 FY	2020/2021 FY
Outdoor Advertising Total Revenue for each Financial year	R528 679.57	R1 597 587.48
	R1 357 329.67	R1 024 153.21
TOTAL	R1 886 009.24	R2 621 740.99

The Value Difference between the 2019/2020 financial year and 2020/2021 financial year is = R 735 731.75

The revenue received between 2020/2021 is higher than that of 2019/2020, however due to the current state of the economy this may have impacted on the actual application submissions especially for temporary applications.

C. OUTDOOR ADVERTISING SERVICE PROVIDERS

Outdoor Advertising service providers appointed by Council, the service providers are responsible for supply, maintenance and marketing of the opportunities for outdoor advertising, rights were granted to service providers in exchange of monthly revenue for Council.

CATEGORY	SERVICE PROVIDER	EXPIRY DATE OF CONTRACT
1. Street Name Signs (MN 64/2014)	Primedia AD Lites	Month to month applications
2. Street Pole Signs (MN 211/2019)	Masakhe Media	30 th April 2024
3. Litter Bins (MN 66/2014)	Outdoor Network	Month to month applications
4. Billboards (MN 67/2014)	Primedia Outdoor	Contract was extended until August 2021 - C897
	Outdoor Network	Contract was extended until August 2021 - C897

D. TRENDS OBSERVED BY THE OUTDOOR ADVERTISING UNIT

- ♦ The economic impact significantly affects the Outdoor Advertising industry.
- ♦ Smaller Businesses are unable to comply with Outdoor Advertising due to affordability.
- ♦ The COVID-19 pandemic has affected applications and revenue.

E. CHALLENGES

- ♦ Continuous illegal advertising within the jurisdiction on Municipal verges and public open spaces, especially over weekends when there is no monitoring.
- ♦ The increase in the illegal advertising has resulted in advertising clutter.
- ♦ Illegal Stickers being displayed on walls of buildings affecting the aesthetics of the area.
- ♦ Lack of Public Awareness of the Outdoor Advertising By-law.
- ♦ Increasing number of illegal Development Boards and non-compliance from some Private property owners.
- ♦ Disregard of the Outdoor Advertising By-law from members of public when issuing notices.
- ♦ Lack of capacity and tools for daily removals and enforcement.
- ♦ Complaints are being received for the new Outdoor Advertising streetlamp pole advertising.
- ♦ Lack of storage space for the removal of illegal structures.
- ♦ Increased Billboard Advertising requests along the N2 and M4.

F. PROPOSED OUTDOOR ADVERTISING INTERVENTIONS

- ♦ The Unit is currently utilising the Slum Clearance team on an ad-hoc overtime basis to clear up illegal signage on the verges and open public spaces.
- ♦ The Unit has also requested assistance from Parks and Gardens for utilisation of specialized tools and personnel to handle these tools.
- ♦ Engagements with businesses are on-going to ensure that business de-clutter and manage their advertising through submissions to the Municipality and creating awareness of the Outdoor Advertising Bylaw.
- ♦ To address the issue of Development Boards and private property owners the Unit has now imposed conditions in line with the Outdoor Advertising Bylaw in the- Development Planning record of decision, Building Plans approval, Occupation Certificate Clearance and Town Planning.
- ♦ Enforcement Blitz assists with awareness of the Outdoor Advertising Bylaw and notifying contraveners of their contraventions.
- ♦ Notifying complainants of the Municipal streetlamp pole contracts and engaging with owners that pay annual display fees to find workable options around challenges.
- ♦ The unit is still exploring options for storage space to ensure that signage removed is stored safely for a period of 3 months prior to disposal.
- ♦ To ensure that Billboards is correctly managed and does not clutter the N2 and M4, the unit has imposed a Billboard moratorium for a period of 6 months so that the area can be assessed, and the unit can develop a SOP to control Billboard advertising on the N2 and M4.

G. COVID-19 IMPACT

- ◊ The impact of the current pandemic has affected the Outdoor Advertising Industry, as most businesses are unable to advertise due to their continuous restrictions and with closure of some businesses permanently, this affects the number of applications being received by the Outdoor Advertising Unit, this in turn affects the number of applications assessed and the revenue received.
- ◊ The impact has a significant effect on the economic environment. The sales of Outdoor Advertising structures have declined significantly affecting the overall Outdoor Advertising environment.

2.9.1.1 SPLUMA IMPLEMENTATION: SPATIAL PLANNING

A. SPLUMA IMPLEMENTATION

As a response to the requirements of the Spatial Planning and Land Use Management Act No. 16 of 2013, the KwaDukuza Municipality has undertaken the following:

(i) Adoption of the Spatial Planning and Land Use Management By-law:

The said By-law has been amended twice since its initial adoption with the latest gazetted in September 2018 (By-law No. 2002). The purpose of the By-law is to provide for the establishment of the Municipal Planning Approval

Authority, Municipal Planning Appeal Authority and the Municipal Planning Enforcement Authority; to provide for the adoption and amendment of the Municipality's land use scheme, to provide for applications for municipal planning approval; to provide for appeals against decisions of the Municipal Planning Approval Authority; provide for offences and penalties; to provide for compensation and matters incidental thereto.

(ii) Establishment of Decision-Making Authorities:

As per the requirements of the SPLUMA Act and By-law, the following decision-making authorities have been established to make decisions of development. The functions of each of the decision-making authorities are outline in the By-law:

- ◊ Municipal Planning Tribunal – the new term of office for a period of 5 years commenced in November 2020.
- ◊ Municipal Planning Authorised Officer
- ◊ Municipal Council for the consideration of Scheme Amendments
- ◊ Municipal Planning Appeal Authority

(B) DEVELOPMENT APPLICATIONS SUBMISSIONS:

(i) The table below reflects the number of development applications that were submitted to the municipality for Category 1 to 3 applications together with revenue raised. These are both pre-submission and formal submissions stages and covers mainly subdivisions, rezoning's, Scheme amendments or combined applications.

MONTH	NUMBER OF PRE-SUBMISSION APPLICATIONS	NUMBER OF FORMAL APPLICATIONS	PAYMENTS
July 2020	12	9	R7 032.00
August 2020	2	4	R2 019.00
September 2020	2	9	R213 668.00
October 2020	6	8	R89 639.00
November 2020	6	4	R296 135.00
December 2020	2	6	R9 425.00
January 2021	3	7	R41 398.00
February 2021	12	11	R21 258.00
March 2021	10	11	R2 848.00
April 2021	5	8	R38 076.00
May 2021	10	4	R20 701.00
June 2021	11	5	R20 845.00
TOTAL			R763 044.00

Table 58: Category 1 to 3 Application Submissions

Processed Applications: In the 2019/2020 Financial year, a total number of 87 applications were processed. This indicates that there is a slight decrease in the number of applications that were received in the 2020/2021 financial year. This decrease may be attributed to the current Covid-19 pandemic which resulted in fewer applications being submitted as well as a delay in the processing of some applications in the system.

- (ii) Although this is the case, it must be noted that the turnaround time for the assessment of applications has decreased as a result of increased capacity within the unit.
- (iii) The table below provides an overview of the progress that has been made to date:

APPLICATION PROGRESS	NUMBER
Number of applications approved	51
Number of applications disapproved	3
Number of pending applications	27

Pending applications include the following:

- ♦ Applications awaiting MPT and MPAO decision
- ♦ Applications deferred by the MPT
- ♦ Pre-submission applications to be assessed
- ♦ Pre-submission application deferred by the Municipal Planning Registrar

These remaining applications have now overlapped into the current financial year (2021/2022)

TOTAL	81
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Table 58a: Applications Processed (2020/2021 financial Year)

(C) MUNICIPAL PLANNING TRIBUNAL ACTIVITIES:

- (i) During the 2019/2020 financial year, the KwaDukuza Municipal Planning Tribunal (MPT) has been sitting at least once a month to consider applications in which they may approve, disapprove and/or defer applications that do not have sufficient information to assist members on making an informed decision. The MPT has been holding MPT sittings virtually since the declaration of the state of emergency because of the COVID-19 pandemic. In total, the tribunal sat a total of 12 times and below is a summary of MPT sittings for the year:

NO.	DATE OF MEETING	APPLICATIONS CONSIDERED	ATTENDED MEMBERS	STATUS	ACTIONS REQUIRED
1.	06 August 2020 (Video Conference)	MPT 33/2019: Scheme Amendment & Special Consent (Burnedale Farm)	1. Mr. M. Ntanta (Chairperson). 2. Mr. B Mthembu (External – Environmentalist)	Approved.	RoD issued.
		MPT 28/2020: Rezoning & Consolidation on Erf 5472 Shakaskraal	3. Mr. P. Cele (External – Town Planner). 4. Mr. V. Tembe (External – Legal). 5. Mr. S. Jali (Internal)	Deferred.	Decision Notice issued.
		MPT 29/2020: Formalisation of Erf 10000 Stanger (KDM Site)		Deferred.	Decision Notice issued.
2.	28 August 2020 (Video Conference)	MPT 24/2020: Special Consent for a Service Station over Erf 1 Zimbali Lakes (Returning Item)	1. Mr. M. Ntanta (Chairperson). 2. Mr. B Mthembu (External – Environmentalist) 3. Mr. A. Schultz (External – Town Planner).	Approved.	RoD issued.
		MPT 30/2020: Consolidation & Rezoning of Erf 474 Salt Rock	4. Mr. A. Tomkins (External – Engineering). 5. Mr. S. Ndlovu (External – Legal).	Approved.	RoD issued.

(C) MUNICIPAL PLANNING TRIBUNAL ACTIVITIES: ...continued

NO.	DATE OF MEETING	APPLICATIONS CONSIDERED	ATTENDED MEMBERS	STATUS	ACTIONS REQUIRED
3.	03 September 2020 (Video Conference)	MPT 31/2020: Groutville Priority 2	1. Mr. M. Ntanta (Chairperson). 2. Mr. B Mthembu (External – Environmentalist) 3. Mr. P. Cele (External – Town Planner). 4. Mr. V. Tembe (External – Legal). 5. Mr. F. Mhlongo (Internal – Civil). 6. Mr. L. Mhlongo (Internal – Town Planner)	Approved.	RoD issued.
		MPT 27/2020: Special Consent over Erf 1338 Shakas Head for a Service Station (Return Item)		Approved.	RoD issued.
4.	25 September 2020 (Video Conference)	MPT 01/2018: Lifestyle Centre	1. Mr. S. Ndlovu (External – Chair) 2. Mr. B. Mthembu (External – Environmentalist) 3. Mr. A. Tomkins (External – Engineering). 4. Mr. L. Mhlongo (Internal – Town Planner)	Approved.	RoD issued.
		MPT 32/2020: Relaxation over Portion 15 (Of 9) of Erf 96 Shakas Rock		Deferred.	Decision Notice issued.
5.	15 December 2020 (Video Conference)	MPT 09/2020: Subdivision & Scheme Amendment Portion 109 of the Farm Lot 69. No 917	1. Mr. M. Ntanta (Chairperson). 2. Mr. B Mthembu (External – Environmentalist) 3. Mr. A Schultz (External – Town Planner). 4. Mr. V. Tembe (External – Legal). 5. Mr. F. Tomkins (External – Civil). 6. Mr. L. Naidoo (External – Quantity Surveyor)	Approved.	RoD issued.
		MPT 10/2020: Subdivision & Rezoning_ Portion 38 of the Farm Addington No. 1385		Deferred.	Decision Notice issued.
		MPT 22/2020: Rezoning on Erf 11 Ballitoville		Approved.	RoD issued.
		MPT 23/2018: Subdivision, Rezoning & Consolidation Erf 1089, 1979 & 1080 all of Slat Rock		Approved.	RoD issued.
		MPT 33/2020: Scheme Amendment Portion 269 (Of 325) Port Zimbali		Approved.	RoD issued.
6.	05 February 2021 (Video Conference)	MPT 02/2020: Subdivision Remainder of Portion 489 (Of 320) of Lot 61 No. 1521.	1. Mr. S. Khanyile (Chairperson). 2. Mr. S. Jali (Internal - Electrical) 3. Mr. B Mthembu (External – Environmentalist) 4. Mr. A Schultz (External – Town Planner). 5. Mr. S. Ndlovu (External – Legal). 6. Mr. F. Tomkins (External – Civil). 7. Mr. L. Naidoo (External – Quantity Surveyor)	Refused.	RoD issued.
		MPT 01/2021: Rezoning of Erf 81 Ballitoville		Deferred.	Decision Notice issued.
		MPT 02/2021: Subdivision, Rezoning, Relaxation & RRC on Erf 738 Stanger		Refused.	RoD issued.
7.	19 February 2021 (Video Conference)	MPT 03/2021: Rezoning of Portion 1 Of Erf 13 Stanger	1. Mr. S. Ndlovu (Chairperson). 2. Mr. B Mthembu (External – Environmentalist) 3. Mr. G. Khoza (External – Town Planner). 4. Mr. L. Nzimande (External – Legal). 5. Mr. M. Nzimande (External – Civil). 6. Mr. L. Mhlongo (Internal - Planner)	Approved.	RoD issued.
		MPT 04/2021: Subdivision, Rezoning & Consolidation Erf 4506 Ballitoville		Approved.	RoD issued.
		MPT 05/2021: Rezoning of Erf 317 Salt Rock		Approved.	RoD issued.
		MPT 06/2021: Subdivision, Rezoning & RRC Sub 150 of Lot 71 No. 1524 Umhlali		Approved.	RoD issued.
		MPT 07/2021: Subdivision & Rezoning on Erf 512 Sheffield Beach		Approved.	RoD issued.
		MPT 08/2021: Special Consent 'Place of Public Amusement"		Refused.	RoD issued.

(C) MUNICIPAL PLANNING TRIBUNAL ACTIVITIES: ...continued

NO.	DATE OF MEETING	APPLICATIONS CONSIDERED	ATTENDED MEMBERS	STATUS	ACTIONS REQUIRED
8.	12 March 2021 (Video Conference)	MPT 09/2021: Blythedale Non- material Amendment	1. Mr. M. Ntanta (Chair) 2. Mr. S. Ndlovu (Alt. Presiding Officer). 3. Mr. A. Schultz (External – Town Planner). 4. Mr. D. McFarlane (External – Traffic Eng.). 5. Mr. S. Jali (Internal – Electrical). 6. Mr. L. Mhlongo (Internal - Planner)	Deferred.	Decision Notice issued.
		MPT 10/2021: Rezoning of Erf 248 Shakaskraal		Deferred.	Decision Notice issued.
		MPT 11/2021: Rezoning Sheffield Site (650 units)		Deferred.	Decision Notice issued.
		MPT 01/2021: Rezoning of Erf 81 Ballitoville		Approved.	RoD issued.
9.	30 March 2021 (Video Conference)	MPT 12/2021: Club Med Non- Material Amendment	1. Mr M. Ntanta (Chairperson) 2. Mr N. Ngwane (Internal – Community Services) 3. Mr L. Mhlongo (Internal – Town Planner) 4. Mr S. Jali (Internal – Electrical) 5. Mr. B. Mthembu (External – Environmentalist) 6. Mr. D. Collet (external – Civil Engineer) 7. Mr S. Ndlovu (External – Legal) 8. Mr D. McFarlane (External – Traffic Engineer)	Approved.	RoD issued.
		MPT 13/2021: Consent for BTTS_Erf 1023 Ballitoville		Deferred.	Decision Notice issued.
		MPT 14/2021: Consent For BTTS_ Portion 47 Of Erf 210 Port Zimbali		Deferred.	Decision Notice issued.
		MPT 15/2021: Seaton Bay Township Establishment		Deferred.	Decision Notice issued.
10.	22 April 2021 (Video Conference)	MPT 25/2020: De Jagers Kraal Subs. (26)	1. Mr M. Ntanta (Chairperson) 2. Mr A. Schultz (External – Town Planner) 3. Mr D. Mhaule (Internal – Electrical) 4. Mr. B. Mthembu (External – Environmentalist) 5. Mr. M. Nzimande (external – Civil Engineer) 6. Ms. S. Maharaj (External – Legal) 7. Mr D. McFarlane (External – Traffic Engineer)	Deferred.	Decision Notice issued.
		MPT 16/2021: Cartriff Township		Deferred.	Decision Notice issued.
		MPT 17/2021: Ballito Village Node		Approved.	Decision Notice issued.
		MPT 18/2021: Consent for BTTS_Erf 343 Stanger		Deferred.	Decision Notice issued.
11.	14 May 2021 (Video Conference)	MPT 19/2021: Special Consent for Medium Density Housing_Erf 364 Sheffield Beach	1. Mr. M. Ntanta (Chair) 2. Mr. L. Mhlongo (Internal – Planner) 3. Mr. B. Mthembu (Ext. Enviro) 4. Ms. G. Khoza (Ext. Planner)	Approved.	Decision Notice issued.
		MPT 20/2021: Special Consent for A Service Station_Erf 79 Townview		Approved.	Decision Notice issued.
12.	18 June 2021 (Video Conference)	MPT 10/2021: Rezoning of Erf 248 Shakaskraal	1. Mr M. Ntanta (Chairperson) 2. Mr A. Schultz (External – Town Planner) 3. Mr D. McFarlane (External – Traffic Engineer) 4. Mr D. Mhaule (Internal – Electrical) 5. Mr. N. Ngwane (Internal – Comm Services)	Approved.	Decision Notice issued.
		MPT 21/2021: Subdivision and Scheme Amendment over Erf 238 Brettenwood		Approved.	Decision Notice issued.

Table 58b: Municipal Planning Tribunal

- (ii) The number of applications considered slightly decreased in comparison to the previous financial year. The main difference is the increase in the number of refusals made by the MPT
- This is due to applicants submitting unfavorable applications. There has also been a decrease in the number of deferrals as planners have ensured that when assessing applications, applications are complete, and all aspects and procedures are covered prior to referring to the MPT for consideration.

ITEM	2019/20	2020/21
1. Sittings (Virtual sittings)	13 (4)	12 (12)
2. Development Applications considered (incl. deferral items)	44 (46)	39 (39)
3. Approvals	25	22
4. Disapprovals	0	3
5. Deferrals	19	14

Table 58c: 2019/20 and 2020/21 Comparison

2.9.1.2 SPLUMA IMPLEMENTATION: LAND USE MANAGEMENT

- a) **Development Control Submission:** The table below reflects the number of development Control (i.e., Land Use Management) applications that were submitted to the municipality for Category 1 applications together with revenue raised. These formal submissions stages and covers relaxations and Special Consent Submissions.

PERIOD	NO. OF APPLICATIONS	REVENUE
Quarter 1	26	R 49478
Quarter 2	43	R 91343
Quarter 3	34	R 77196
Quarter 4	39	R 86125
TOTAL	142	R 304142

Table 58d: Category 1 Application Submissions (Relaxation and Special Consent)

The table below reflects the number of Site Development plan applications that were submitted to the municipality together with revenue raised.

PERIOD	NO. OF APPLICATIONS	REVENUE
Quarter 1	6	R 1 1739
Quarter 2	3	R 8896
Quarter 3	4	R 8876
Quarter 4	2	R 3168
TOTAL	15	R 3 2679

Table 58e: Site Development Plan Submissions

b) Processed Applications: A total number of 157 Relaxation, Special Consents and Site Development Plan Applications has been processed between the months of July 2020 and June 2021. There has been an increase in the number of Relaxation and Special Consent Applications submitted and processed however a decrease in Site Development Plan Applications submitted. There has been an increase in the 2020/2021 revenue as compared to the previous financial year. The increase in the numbers and revenue may be attributed to the easing of restrictions as compared to the last financial year. The table below provides an overview of the progress that has been made to date:

APPLICATION PROGRESS	NUMBER
Number of applications approved	88
Number of applications Referred	42
Number of pending applications	2
Lapsed Applications:	6
Withdrawn Applications	4
TOTAL	142

Table 58f: SPLUMA (Relaxation and Special Consent Applications Processed (2020/2021 financial Year)

APPLICATION PROGRESS	NUMBER
Number of applications approved	11
Number of applications Referred	4
Number of pending applications	0
Lapsed Applications:	0
Withdrawn Applications	0
TOTAL	15

Table 58g: Site Development Plan Applications Processed (2020/2021 financial Year)

2.9.2.1 INTEGRATED BLITZ ENFORCEMENT OPERATIONS

As part of dealing with enforcement, an integrated approach is used where all departments work together to bring about order within the KwaDukuza area of jurisdiction. The blitz operation is coordinated by the EDP Enforcement department, and all other internal directorates are invited, i.e., Community Safety, Civil Department, Electrical Department; Fire department; Building Control; Town Planning; Environmental unit; including the SAPS, iLembe health, KZN Liquor.

During the 2020/21 financial year the department has conducted eleven (11) Enforcement operations. These were reported to Council via the EDP Portfolio Committee meeting during the year.

The list below indicates the dates and focus areas wherein these operations took place.

1. 14th August 2020 – Erf 123 Charlotteddale (Ntshawini)
2. 22nd August 2020 – Shakas Rock – 2 on Main Road.
3. 23rd September 2020 – Ballito Lifestyle and surrounding areas.
4. 4th November 2020 – Oceanview Area
5. 6th November 2020 – Indian Village, Stanger Manor and Glenhills.
6. 25th November 2020 – Dawnside, Voortrekker Street and CBD.
7. 22nd January 2021 – Charlotteddale Area
8. 12th February 2021 – Erf 771 (Repeat offender focus)
9. 14th April 2021 – Sand Mining Charlotteddale area.
10. 29th April 2021 – CBD KwaDukuza
11. 30th April 2021 – CBD Shakaskraal

2.9.2 DEVELOPMENT ENFORCEMENT DIRECTORATE

BACKGROUND

The Development Enforcement directorate is a newly established directorate within the Economic Development and Planning Business Unit (EDP). The unit became effective from the 1st of July 2018. The first incumbent (Director: Development Enforcement) was appointed on the 1st of May 2019 with the main purpose of setting up new systems, policies, and strategies for the effective functioning of the directorate.

2.9.2.2 SPECIAL MULTI-AGENCY ENFORCEMENT OPERATIONS

Council will recall that the strategy makes provision for Special Enforcement Operations by a Multi-Agency Task team focusing on the enforcement of Council bylaws and various other Legislation. During the 2020/21 financial year we had one (1) of these operations planned and executed, which was executed over two consecutive days, being the 29th and 30th of April 2021. This Operation was launched by Her Worship the Mayor – Councilor D Govender.

The following Departments/Agencies were part of this operation:

- ◊ KZN Department of Economic Development & Tourism (Business Regulations Unit and Office of the Consumer Protector).
- ◊ SARS Customs Unit.
- ◊ Department of Home Affairs – Immigration Unit.
- ◊ KZN Liquor Authority.
- ◊ iLembe District Municipality – Environmental Health Unit.
- ◊ KDM Community Safety Units (Crime Prevention, Traffic and Fire and Emergencies).
- ◊ KDM Economic Development and Planning Units (Development Enforcement. Building Inspectorate, Business Licensing and Outdoor Advertisement).
- ◊ South African Police Services.
- ◊ Office of the Lower Tugela Sheriff.
- ◊ Tracker local agent – Hawks Security.

The operation yielded the following results:

- ◊ 4 Vehicles impounded.
- ◊ 14 illegal immigrants arrested and charged.
- ◊ 354 grams of Dagga with a street value of **R5 897.00** were seized.
- ◊ 194 cartons of cigarettes to the value of **R67 710.00** were seized.
- ◊ Branded goods (**clothing, shoes, bags, etc.**) suspected of being counterfeit goods to the value of **R300 000.00** was seized.
- ◊ There were 31 notices issued for various road traffic violations.
- ◊ A total of seven (7) arrests were made for drugs, illegal weapons, possession of copper cables.
- ◊ Twenty-one (21) businesses were operating without a Business License, two businesses were closed for gross noncompliance of various legislation, two (2) shops were found to be selling expired goods which was confiscated, and seven (7) street traders were found to be trading without the necessary permit.

- ◊ Three (3) shops were found to be in contravention of the Foodstuff, Disinfectant and Cosmetics Act, Act 54/1972 by selling prohibited goods i.e. (skin lightning creams and the likes).
- ◊ 54 shops were found to be in contravention of the Disaster Management Act.
- ◊ Five shops failed to make provisions for firefighting equipment and five failed to provide proper escape routes and signages.
- ◊ Twenty-two (22) shops were in need for as-built plans. Six (6) were found to have illegal building works on it.
- ◊ Two liquor establishment were found to be illegal. The first establishment found to be illegal resulted in **25 710 litres** of alcohol being seized. The second establishment was reported to the SAPS for further investigation.

The operation was successful and enjoyed local and national media coverage. These media coverage will send a strong message to the community at large that KwaDukuza Municipality will not tolerate infringement of its Bylaws.

2.9.2.3 ENFORCEMENT IN GATED ESTATES

Further to the normal Blitz operation done, the Enforcement Department also coordinates operation within Gated Estates once every quarter. The purpose is to ensure that our legislation/ regulations have complied with these estates. Since the start of these operations, we have noticed a decline in illegal development within gated estates.

During the 2020/2021 financial year the following Gated Estates were visited as part of the Blitz Operation:

1. Palm Lakes Estate
2. Bogmore Estate
3. Ballito Hills
4. Ballito Groves
5. Brettenwood Coastal Estate
6. Elaleni Estate
7. Zululami Estate

BLITZ ENFORCEMENT STATISTICS

TOTAL NUMBER OF BLITZ ENFORCEMENT OPERATIONS:		TOTAL NUMBER OF NOTICES ISSUED (CONTRAVENTION NOTICES; SECT. 341 NOTICE; FINES)	
Gated Estates	7	Gated Estates	38
Integrated CBD/Residential	11	Integrated CBD/Residential	56

2.9.2.4 HIGHLIGHT OF HIGH COURT MATTERS

There has been major success in our Enforcement matters within the 2020/2021 financial year.

The table below is a summary of six (6) legal matters that have been concluded during the 2020/2021 Financial Year.

HIGHLIGHTS FOR THE 2020/2021 FINANCIAL YEAR

CASE NO	APPLICANT IN MATTER	NATURE OF CONTRAVENTION	OUTCOME
Case 9857/15	KDM vs F and C Kajee	Conducting illegal building works and illegal occupation of the building on Erf 171, 9 Goolam Suleman Street.	Obtained interdict on 10 th July 2020 in the Durban High court.
Case number 4187/2015	LAHAF vs KDM (Lifestyle Center Ballito)	This matter relates to the interpretation of the KDM Land use management scheme. The municipality was taken to court. The high court held in favour of the applicant. The municipality appealed the matter at the SCA in Bloemfontein. The respondent petitioned the Constitutional Court.	Judgement was delivered on the 20 th of July 2020 in favour of the Municipality in the Constitutional Court. The Constitutional Court ruled that there were no prospects of success on the part of the applicant (LAFAF)
Case D 3430/2021	KDM vs. McDonalds SA	Occupation of building without a Certificate of occupation and trading without a Business License.	Judgement was delivered on the 18 th of September 2021 in favour of the municipality with costs.
Case 5189/2020 P	KDM vs AE Mahomed and Unlawful Occupiers. (Erf 771 Mahatma Gandhi Street)	Illegal occupation and operating a motor vehicle repair shop in a derelict building on Erf 771 Mahatma Gandhi Street.	Obtained interdict on 1 st October 2020 against the illegal occupiers in the Durban High court.
Case D3971/2019	KDM vs. Shave Property (Erf 3545 Ballito)	Noncompliance with the conditions of approval of the municipality on Erf 3545 Ballito.	A consent order was granted by the Durban High Court on the 22 nd of April 2021, in favour of the municipality with costs.
Case 793/2021	Thirty-Three Star Trading (Pedro's) vs. KDM	Pedro's Chicken brought an urgent application against the municipality after being closed for noncompliance with fire safety standards on Erf 3141 Justice Gizenga street.	The matter was heard on the 10 th of May 2021 in the Kwadukuza Magistrates court. On the 27 th of May 2021, judgement was received in favour of the municipality.

Table 59: High Court Matters

2.9.2.5 DEVELOPMENT ENFORCEMENT STRATEGY

The EDP Enforcement strategy has been developed during the first quarter of the 2019/2020 financial year. Due to COVID, the strategy could not be workshopped with full Council within the remainder of the 2019/20 financial year. The strategy was eventually workshopped with Council on 13th October 2020 and approved by Council via Resolution C 680 dated the 29th of October 2020. The strategy takes into consideration the following critical focus areas:

- ♦ Public Awareness and Voluntary Compliance
- ♦ Conduct Enforcement Blitz Operations
- ♦ Integrated Enforcement
- ♦ Special Enforcement Operations
- ♦ Repeat Offenders Focus
- ♦ Fines and Penalties
- ♦ Implementation of the Illegal Rate Code.
- ♦ Support in terms of Land Invasion and Protection of Council Property
- ♦ Capacity Building for Peace Officers Appointment/Training
- ♦ Legal Action – High Court vs. Magistrate Court
- ♦ Negotiated Settlements on matters.
- ♦ Establishment of the Municipal Court
- ♦ Staff Structure/Organogram Approved by Council (2016)
- ♦ Uniform/Protective Clothing/decals; and
- ♦ Impound Facilities and Policy.

2.9.2.6 REPEAT OFFENDER FOCUS

The purpose of repeat offender focus is to monitor and ensure that in cases where there is a court order in place, the owners comply and are not in contempt of court. During the 2020/21 financial year we have visited the following properties that are in violation of a court order:

1. ERF 1909 – 37 LILLY ROAD STANGER MANOR

The owner of the property was interdicted by the Durban High Court on the 18th of March 2020 from conducting repairs to vehicles on a residential property and on municipal road. The owner is in contempt of court as he has failed to remove all the scrap vehicles on Council property and make good the road. We have since implemented the illegal Rate coding on the property.

2. SINGH'S HARDWARE

Singh's Hardware was interdicted from conducting business, parking vehicles on Council verge and using a portion of the Dawnview Primary School (Educational site) property for business purposes (**storage of building material, i.e., sand, stone, etc.**). Despite various warning, they continue to be in contempt of the court order. We have since implemented the illegal Rate coding on the property.

3. ERF 771 MAHATMA GANDHI STREET / KING SHAKA STREET)

Council will recall that the illegal immigrants were interdicted by the Durban High court on the 1st of October 2020 from occupying and carrying out motor vehicle repairs on the abovementioned property. This property had to be blocked off with wooden bollards and had to be constantly monitored to ensure compliance of the court order.

2.9.2.7 IMPLEMENTATION OF THE ILLEGAL RATE CATEGORY

This is a punitive rate category in terms of Council's Rate Policy, which is 5 times the normal rates. We have implemented the illegal rate coding during the 2020/2021 financial year on 14 properties that were in gross noncompliance of the applicable legislation.

The affected properties are listed as follows:

1. Erf 1909, 37 Lilly Road Stanger Manor.
2. Erf 746, 9 Voortrekker Street, Dawnside.
3. Erf 249, 180 Main Road, Shakaskraal.
4. Portion 118 of 65 of Erf 71, 7 Foxhill Lane, Umhlali.
5. Erf 3141, 30 - 40 Corner of Justice Gizenga and King Shaka street.
6. Erf 627, 17 Centenary Road, Oceanview.
7. Erf 628, 19 Centenary Road, Oceanview.
8. Erf 747, 7 Voortrekker Street, Dawnside.
9. Erf 1334 – Singh's Hardware – Mahatma Gandhi Street.
10. Erf 3551 – CTM Ballito – Moffat Road Ballito.
11. Erf 857 – Jabula Hardware – Corner Link Road/R102.
12. Erf 284 – The Square – 15 Russel Street.
13. Erf 2390 – Eskay Plaza – Yusuf Suleman Street.
14. Erf 2/101 – Balvas Property Inv.CC – Corner Mahatma Gandhi/Lindley Street.

The illegal rate coding will only be removed when there is compliance with the regulations.

2.9.2.8 IMPOUND FACILITY AND POLICY

Council during the 2021/2022 financial year budgeted an amount of R120 000.00 for a storage facility for impounded goods. The department is currently working on the specifications and will have the facility in place before the end of the financial year. The Standard Operating procedure on the Impoundment of Goods have been approved in principle by the EDP Portfolio Committee on the 28th of April 2021 and the Executive Committee on the 12th of May 2021, subject to a workshop and final adoption by Council.

2.9.2.8.1 CURRENT CHALLENGES FACED BY THE DEPARTMENT

- ♦ The directorate's staff capacity is low due to the delays in the finalization of the Job Evaluation processes.
- ♦ Lack of awareness of Bylaws by the public.
- ♦ Delaying tactics by habitual/repeat offenders in complying, which forces the municipality to approach the courts for relief.
- ♦ Legislated fines are too low and outdated. Various pieces of Legislation make provisions for fines and penalties. These fines and penalties are extremely low and outdated and do not serve as a deterrent to stop illegal activities and uses.

- ♦ The magistrate's courts do not have the expertise and capacity to deal with the enforcement of Bylaws. This forces the municipalities to seek relief from the high court which is an expensive option. There is an urgent need to empower the local magistrate's court with a dedicated magistrate and prosecutor to deal with Bylaws using a shared services model for different regions. This can be co-funded by the different municipalities.
- ♦ There has been a spike in illegal activities from the start of the pandemic. During COVID many people took advantage of the fact that the municipality was not fully operational and proceeded to build illegally.

2.9.2.9 PEER LEARNING EXCHANGE

1. We have done presentations at the KZN Liquor Authority to showcase our Transitional measure Policy for Business License which deals with previously disadvantaged areas that previously fell out of the town planning scheme.
2. We have done presentations at COGTA - SPLUMA Forum on Enforcement presenting actual case studies.
3. We have guided colleagues in other municipalities on Enforcement related matters, i.e., Maphumulo Municipality; Jozini Municipality; Salga; Cogta.

INTEGRATED BLITZ ENFORCEMENT



Checking for Business License within the CBD



Officials Checking for Street Trading Permits



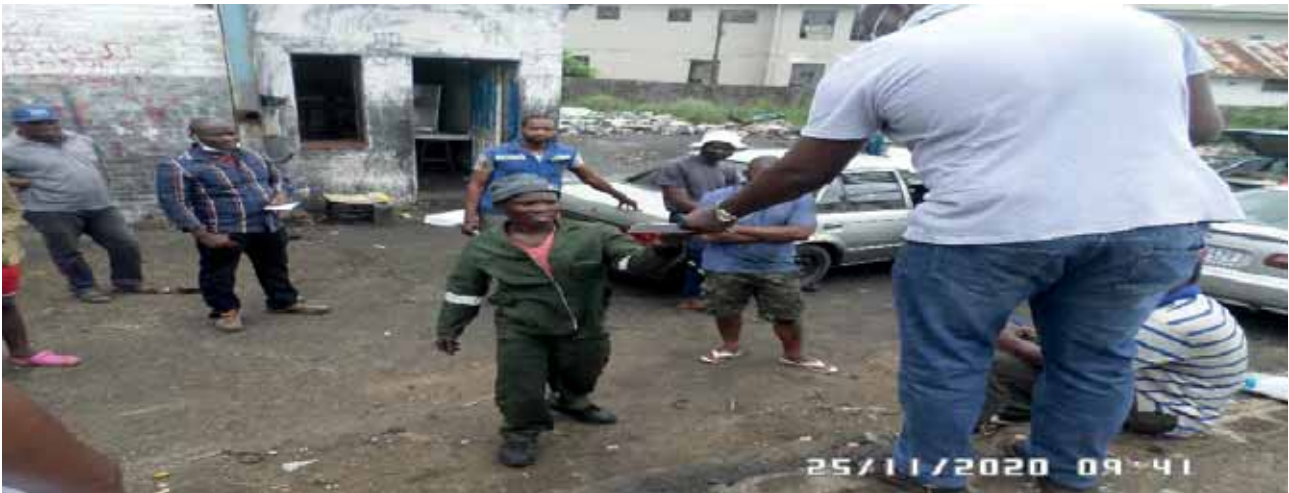
Officials Checking Business Licence and Building Compliance



Protection of Council Property from Land Invasion



Protection of Council Verge from Illegal Invasion



Sheriff issuing Eviction order granted by the Durban High court on the Illegal Immigrants on Erf 771 Mahatma Gandhi street- CBD



Enforcement Operation – Brettonwood Gated Estate



ED Community Safety addressing the members of the Multi-agency Enforcement Operation held on the 29th and 30th April 2021



LOCAL ECONOMIC DEVELOPMENT OPPORTUNITIES AND GROWTH

The Local Economic Development Unit falling under the Economic Development and Planning Business Unit of the Municipality is tasked to undertake the objectives of stimulating and advancing the economic development. Therefore, KwaDukuza strives to improve the economy, creating job opportunities, and alleviate poverty and ensuring a balanced dissemination of prosperity for all KwaDukuza residents. In line with KwaDukuza Integrated Development Plan (IDP), the economic development function has two strategic objectives to fulfil:

- ◊ Positioning KwaDukuza as preferred tourism and investment destination; and
- ◊ Developing a prosperous, inclusive, transform and diverse local economy.

To realize this strategic vision, the unit engages in several initiatives such as enterprise and sector development, provision of access to information and market opportunities, investment promotion and facilitation, facilitating strategic collaborations with LED actors, stimulating the development of priority economic sectors through business support services and building a thriving tourism industry.

However, in light of the recent economic encounters presented by the COVID-19 pandemic; the Municipality responded by developing and adopting the KwaDukuza COVID-19 Socio-Economic Recovery. The KwaDukuza COVID-19 Socio-Economic Recovery Plan was adopted by Council on 10 June 2020 as interim supplementary strategy to address the economic impacts from the pandemic.

The priority projects undertaken during 2020/21 focussed continuation and strengthening of existing initiatives with

few new initiatives. The Economic Development and Planning Business Unit has achieved several good results, which relates to investment facilitation, sector development and partnerships with other stakeholders. Below is the report of highlighting activities for the 2020/21 period as follows:

BUSINESS LICENSING FUNCTION

This Unit provides effective Licensing services for the sale and supply of meals, entertainment or health facilities and accommodation establishments, in alignment with the Businesses Act 71 of 1991. The function also involves the following:

- ◊ Processing and issuing of business license applications within the legislated period;
- ◊ Conducting education and awareness workshops, to ensure compliance with business law; and
- ◊ Conducting compliance site visits to different businesses to monitor and enforce compliance with the legislation.

KEY INITIATIVES IMPLEMENTED IN 2020/21

- ◊ Successful licensing of efficient processing of forty-one (41) new and sixteen (16) renewals business licenses applications within the prescribed time frames which includes renewals and new issues;
- ◊ Total number of ten (10) new and renewal of three (3) pre-scheme areas business licence approval for taverns and other liquor selling businesses; and
- ◊ Conducting thirteen (13) successful individual and joint compliance inspections in collaboration with The Inspections comprised of staff from the following sections, Building Control, Town Planning, Business Licensing, Community Safety, iLembe Environmental Health and the KwaDukuza SAPS.

INFORMAL TRADING ECONOMY

The main objective of this programme is to promote informal trading businesses within KwaDukuza. The implementation of this function involves ensuring that all informal traders comply with the relevant bylaws, provision of working materials, capacity building initiatives, conducive working space and issuing of trading permits.

KEY INITIATIVES IMPLEMENTED IN 2020/21

- ♦ A total number of 271 permits issued to informal traders during 2020/21.
- ♦ 170 informal traders received R1500 (each) once-off stipend to be utilised for buying stock and COVID-19 PPE's sanitisers and gloves. Total amount spend was R255 000.00. This was part of the KDM Socio-Economic Recovery Plan deliverables as adopted by KDM Council.



Representatives of Informal Traders During Handover Ceremony on 22/03/2021

- ♦ 14 traders allocated with trading space at Shakashead Business Hive and 9 traders in Groutville Market.
- ♦ Hosting of the 1st KDM Flea Market with 30 traders at KwaDukuza Mall Parking Area, it was successfully hosted on 28 November 2020.

BUSINESS DEVELOPMENT SESSIONS/ENGAGEMENTS

Local Economic Development creates an enabling environment which affords aspirant, emerging and established businesses with skills to start and sustain their businesses. Therefore, a series of business development workshops are continuously executed to assist local businesses to rise-out of poverty and engage in income generating activities.

These initiatives are mostly covering the following crucial business development topics:

- ♦ Access to finance and markets;
- ♦ Entrepreneurial skills development;
- ♦ Empowering the start-up of small businesses;
- ♦ Supplier and enterprise development; and
- ♦ And other business support initiatives.

KEY INITIATIVES IMPLEMENTED IN 2020/21

KwaDukuza Local Economic Development office facilitated and implemented a limited number of sessions due to lockdown restrictions on gatherings and events; however, these two business development sessions were hosted as pilot sessions after then ease of lockdown levels. They were attended by 164 SMME's including Cooperatives and vendors from different sectors i.e. construction, agriculture, manufacturing, tourism and services as listed below:

NO.	WORKSHOP NAME	DATE	LOCATION	PARTNERS	ATTENDEES
1.	Ward Based Empowerment Workshop (Ward 29)	23 March 2021	Groutville Community Hall	KZN EDTEA SARS NEDBANK Productivity SA KDM SCM	85
2.	Ward Based Empowerment Workshop (Ward 23)	24 March 2021	Shayamoya Community Hall	KZN EDTEA SARS NEDBANK Productivity SA KDM SCM	79

KWADUKUZA LED START-UP PROGRAMME

KwaDukuza Municipality as part of its involvement in radical economic transformation has recognized the need to provide start-up business support to emerging and start-up entrepreneurs. This annual programme serves as seed funding/support, which is mostly required by emerging and start up entrepreneurs, to kick start their desired dreams of contributing to economic development and mitigate unemployment, poverty and other related social ills. The programme has assisted more than 50 SMME's since its inception five years ago, and the programme targets mainly rural and township-based Cooperatives to access the required resources for starting up or adding value to their business.

KEY INITIATIVES IMPLEMENTED IN 2020/21

For 2020/21, the handover was done on the 22 April 2021 with six (6) SMME's that benefited and received start-up equipment as per their proposals. The overall value of the equipment purchased was R22 141.09 and they beneficiaries are as follows:

NO	COMPANY NAME	WARD NO.	SECTOR	SUPPORT RECEIVED
1.	Sibulelo Holdings	25	Agriculture	Fencing material and input
2.	Group VI Trading	19	Waste and Recycling	Waste collection equipment
3.	Sizwisizwe (Pty) Ltd	10	Catering and Hospitality	Catering equipment
4.	Thongalami Trading	29	Catering (Butchery and Shisanyama)	Catering equipment and generator
5.	Kwelenyoni Landscaping	02	Landscaping	Landscaping equipment
6.	Zama Ukuphusha Uphumelele (Pty) Ltd	24	Clothing and Textile	Sewing machines



Group of LED Start-Up Beneficiaries during the Handover Ceremony at KwaDukuza Town Hall on 22 April 2021



Sizwisizwe (Pty) Ltd



Zama ukuphusha uphumelele Pty Ltd



Kwelenyoni Landscaping

STRATEGIC PARTNERSHIPS AND BUSINESS LINKAGES

This programme provides an opportunity to stimulate business linkages and strategic partnerships with private and public business corporations for the growth and sustainable development of SMME's including Cooperatives. The facilitation of such programmes is aimed at easing-off the burden of insufficient skills and resources amongst the emerging SMME's. The LED office plays a substantial role in obtaining such opportunities for local SMME's, identification of prospective SMME's as well as facilitate linkages with such relevant programmes.

KEY INITIATIVES IMPLEMENTED IN 2020/21

I. Bizniz in a Box Youth Empowerment Programme funded by **Coca-Cola Beverages South Africa (CCBSA)** has approved and constructed containers for nine (9) entrepreneurs and one (1) mobile container around KwaDukuza and they are:

NO.	NAME	WARD NO.	UNIT TYPE	SUPPORT RECEIVED
1.	Ms. Lungile Sambo	8	Fast food	Mobile containers with stock
2.	Mr. Thabo Nyawuza	20	Grocery shop	Mobile containers with stock
3.	Mr. Siyanda Mfeka	18	Fast food	Mobile containers with stock
4.	Ms. Delisile Luthuli	21	Fast food	Mobile containers with stock
5.	Mr. Eddie Thusi	29	Car Wash & Shisanyama	Renovations of existing structures
6.	Mr. Sibusiso Mark Blani	29	Grocery Tuck shop	Renovations of existing structures
7.	Ms. Ningi Mbonambi	12	Fast food	Renovations of existing structures
8.	Mr. Nhlakanipho Zulu	25	Fast food	Mobile containers with stock
9.	Ms. Nozipho Khuzwayo	18	Fast food	Mobile containers with stock
10.	Ms. Thandeka Ngidi	26	Fast Food	Mobile Trailer



Ward 20 Container, Owned by Thabo Nyawuza of Sqalo Fruit and Vegetable.



Container at Ward 8 Owned by Lungile Sambo.



Slab Completed for the Container to be Installed at Ward 18 for Siyanda Mfeka



Mobile Container Received by Thandeka Ngidi from Ward 26.

- ◊ KwaDukuza Municipality through the LED Office played a key role in facilitating support which led to approval of five (5) KwaDukuza-based SMME's and Cooperatives under Tier 1 (R200 000.00 and below) by the KwaZulu-Natal Department of Economic Development, Tourism and Environmental Affairs under **OPERATION VULA FUND valued at more than R500 000.00** was pronounced on 5 December 2020. The following SMME's benefited:

NO.	PROJECT NAME	WARD NO.	SUPPORT RECEIVED
1.	Cynthia's Hive Estate (PTY)LTD	17	Stretch tent and other catering items
2.	Ntambende suppliers and Manufactures(PTY)LTD	10	Freezer x 2, Cold storage, baking machine, industrial microwave
3.	Manyosi Brothers Construction(PTY)LTD	24	Machinery & Equipment for Construction
4.	Ukuthokoza Kodwa (PTY)LTD	19	Under plates, napkin rings, cutlery forks and knives
5.	Sebenza Khayelihle(PTY)LTD	18	Landscaping and other agricultural items

- ◊ Support towards Vukayibambe Bakery; a youth-owned Cooperative in Shayamoya Ward 23; which is part of the Ballito Crushers Social and Labour Plan endorsed and approved by the Department of Mineral Resources. Part of this partnership, the Municipality availed land at ERF2823 Mgwenya Road for the development of the Bakery and installation of 100KVA electricity valued at R103 012.75. The project has been supported financially by Ballito Crushers to the value of more than R800 000 which included a brand new 20 metre bakery container with new fitted equipment, technical and financial training, water connection with Siza Water, start-up baking material for 2 months supplies and other support rendered.

2.9.3.7 TOURISM MARKETING AND DEVELOPMENT

The Tourism industry remains the worst affected industry by the COVID-19 Pandemic and it will take longer for it to return back to normal. KwaDukuza Municipality remains focused towards driving and positioning tourism as a key contributor to the local economy even after the pandemic. This involves coordinating and developing marketing initiatives to promote KwaDukuza as a destination to local and international visitors and facilitating the development of new tourism products mainly in the hinterland. The movement to a digital way of marketing is key in order to meet the demands of the current pandemic dynamics.

2.9.3.7.1 KEY INITIATIVES IMPLEMENTED IN 2020/21

- ◊ Transition to a digital destination marketing tool through the development of a new marketing website for KwaDukuza Tourism facilities. The website is **www.tourismkwadukuza.co.za**.

CHALLENGES

- ◊ Poor cooperation and lack of resources from other government departments and agencies responsible for economic development;
- ◊ High risks of investors leaving the area because of intimidation and violent takeover of construction sites by the business forums;
- ◊ Lack of local employment pact;
- ◊ Lack of tourism product in the inland area;
- ◊ Lack of diversified investment in our area;
- ◊ Lack of affordable business facilities for SMME;
- ◊ No clear policies and strategies to manage the SMME Development and the economy;
- ◊ Lack of tourism sector transformation and tourism spread;
- ◊ Lack of Community Tourism organization;
- ◊ Lack of big vacant agricultural land to be used by cooperatives or for communal agriculture;
- ◊ Lack of land to build incubation centres and other facilities for business; and
- ◊ Lack of presence of Small Business Enterprise development institutions within the area e.g. SEDA.

FUTURE FOCUS – 2020/2021

- ◊ Superior focus on establishing new partnerships and linkages more than sustaining established relationships;
- ◊ Formalizing the relationship with Sector Departments and Agencies responsible for LED through formal agreements;
- ◊ Develop a shared growth pact to address the threats posed by business forums and unemployed youth;
- ◊ Creates an enabling environment for aspirant entrepreneurs and small business to tap on government and private sector contracts;
- ◊ Ensuring that skilled and competent staff are recruited where vacancies arise and also continue to provide necessary training for the existing staff to improve their capacity to handle the dynamic changing economic climate;
- ◊ Developed an integrated SMME Development Strategy;
- ◊ Formulate proper engagement structure with both

established and emerging businesses/entrepreneurs;

- ◊ Ensure that council provides affordable facilities for small businesses and local landlords are also encouraged to give favourable rentals to local businesses;
- ◊ Facilitate the establishment of CTOs;
- ◊ Facilitate the establishment of the SEDA or any other SMME development institutions;
- ◊ Identify and acquire sites for small business site/incubation;
- ◊ Greater focus on establishing new partnerships and linkages more than maintaining established relationships;
- ◊ Focus on township development in order to boost township economy; and
- ◊ Utilising e-platforms to host workshops and business sessions.

2.10 YOUTH AND SPORTS DEVELOPMENT UNIT

Two-thirds of the KwaDukuza Municipality population is youth. Therefore, it is assumed that most of the services and development projects implemented by the municipality are responsive to young population. This is to expose the youth to various career paths and opportunities in order to broaden their futures. During this financial year the municipality facilitated a number of youth development initiatives and programmes as part of addressing the challenges facing young people within KwaDukuza.

2020/21 FINANCIAL YEAR – YOUTH DEVELOPMENT INITIATED PROGRAMS:

(Restoration of youth development services: during this period the President announced two COVID-19 adjusted alert levels(Adjusted alert level 02 and 03) and this was to fight the surge of the pandemic and during these alert levels, certain duties were prohibited to be performed physical and that staff had to perform certain duties remotely).

YOUTH DEVELOPMENT	SPORTS DEVELOPMENT
Establishment of NYDA District service office	Inter wards games
Life skills for grade 09 learners	Annual KwaDukuza sports recognition awards
01 Million Shoes Campaign	SALGA Games
Secondary schools' debate	Sports development Indaba
RAF driver programme	Volleyball capacity building (Phase in approach)
CAO for needy youth of KwaDukuza	Chess – Lockdown activations
Career guidance programme	Disability wheelchair basketball and table tennis capacity workshop
Miss KwaDukuza pageant	Netball administrators' workshop
Back to school /dress a child campaign	Gxoba isitibuli – cycling development launch
KDM Financial assistance programme (Bursary)	Swimming gala event.
NYDA Business Management Training (BMT)	
Mass skilling programme (Drivers license)	
Youth in business Mentorship and coaching programme	
NYDA Grant programme beneficiaries	

2.10.1 YOUTH DEVELOPMENT

I. ESTABLISHMENT OF NYDA DISTRICT SERVICE

In terms of Section 5(1) (b) of the National Youth Development Act, the NYDA is tasked with the establishment of offices at Provincial, District and Local levels. The objectives is to expand the NYDA's existing access point in order to ultimately have a presence in all 52 Districts. The intention is to convert the former local youth offices (Satellite offices) or alternatively establish new service centers within the aim of ensuring that NYDA has presence in all districts. NYDA has forged partnership with KwaDukuza Municipality with an aim of establishing such a district Service Centre.

As the primary custodians of youth development in the country, the NYDA's mandate includes:

- ♦ The advancement of youth development through guidance and support to initiatives across sectors of society and spheres of government.
- ♦ Embarking on initiatives that seek to advance the economic development of young people.

- ♦ Developing and coordinating the implementation of the integrated Youth Development Plan and strategy for the country.

The newly renovated office is anticipated to be launched in the month of **October 2021**.

II. 01 MILLION SHOES CAMPAIGN

The Youth Development Business Unit under the ED: EDP identified one of the success programmes operated by the NGO made of professional who uses their skills to support back to school campaign. The NGO identified its 1 Million Shoes Campaign to collaborate with KwaDukuza in implementing the 2020 back to school campaign. The 1 Million shoes campaign is registered NPO which is focusing on a programme to assist learners from poor communities within new shoes.

KDM was identified as the ideal municipality to collaborate with through an engagements that kick-started in 2017 for programmes of a similar nature and the this programme is championed by the Embassy of Republic of China.

The partnership request was as follows:

- ◊ The 1 Million Shoes Campaign has committed to supply 500 pair of shoes to learners from rural wards.
- ◊ The municipality facilitates the identification of beneficiaries through school principals.
- ◊ The municipality also provides venue and refreshments for beneficiaries for this programme.
- ◊ The official handover programme was held on the 26th of September 2020 at KwaDukuza town hall-Supper Room.

KDM identified the following schools as beneficiaries of the programme

The identified list of schools and allocation.

NO	SCHOOL	ALLOCATION	WARD
1.	St Christopher Primary	40	01
2.	Aldinville Primary	30	10
3.	Lubisana Primary	30	11
4.	Mgigimbe Primary	40	09
5.	Mbekamuzi Primary	40	12
6.	Etete Primary	40	07
7.	Osizweni Primary	30	21
8.	Isinembe Primary	30	21
9.	Nyakana Primary	30	25
10.	Prospect Farm Primary	30	27
11.	Mgqwabagqwaba Primary	30	01
12.	Khuthalani Primary	30	03
13.	Ensikeni Primary	30	27
14.	Ramlakan Primary	30	25
15.	Maguyana Primary	20	21
16.	Nkukhwini Primary	20	15

III. RAF DRIVER PROGRAMME

The RAF seeks to contribute towards road safety and to reduce the unemployment rate amongst the Youth through a Youth Driver Development Programme. The Programme aimed at building a cadre of young professional drivers by equipping unemployment youth with safe driving skills through a learners and driving license process. The Programme is national and seeks to train 920 Learners in 3 years. Selected Learners who qualify received a Learners License, a Driving License as well as a PrDP. The Programme **Does Not** provide for a stipend for Learners.

Learners are recruited through identified municipalities (2 municipalities per province per annum) and must meet the following criteria:

- ◊ Must be between the ages of 23 and 34
- ◊ Must have passed matric
- ◊ Must have no criminal record
- ◊ Must be medically fit to drive heavy vehicles
- ◊ Must be willing to build a career as a professional driver
- ◊ Must be coming from rural or peri-urban areas

KwaDukuza Municipality is selected to be one of the beneficiaries of the Programme for 2019/2020. A total of 20 Learners were trained by RAF through a registered training service provider.

KWADUKUZA BENEFICIARIES:

LEARNERS NAMES	LEARNERS PROGRESS STATUS	WARD NO.
1. Nomnkentsheyi Phozisa	Failed learners license 3 times, poor attendance	23
2. Magubane Neliswa	No learners, no driver's license, poor attendance	24
3. Mxeleni Thandeka	Obtained learners license, failed drivers test, poor attendance	02
4. Sibiya Silindile	Obtained learners license, failed drivers test, attending	20
5. Cele Zamani Nothando	Obtained learners license, failed drivers test, poor attendance	16
6. Sibisi Zanele	Obtained learners license, failed drivers test, poor attendance	08
7. Sibisi Nkosikhona	Obtained learners license, no driver's license, poor attendance	29
8. Gumede Nomusa	Obtained driver's license on 17/12/2019	01
9. Sibiya Khumbulani	Obtained driver's license on 28/10/2019	19
10. Gumede Ntokozo	Obtained driver's license on 15/01/2020	26
11. Mbonambi Noxolo	Obtained driver's license on 31/01/2020	18
12. Skhakhane Ntuthuko	Obtained driver's license on 03/02/2020	12
13. Khumalo Siyanda	Obtained driver's license on 26/02/2020	13
14. Msomi Nothando	Obtained driver's license on 27/02/2020	09
15. Ndaba Nkululeko	Obtained driver's license on 27/02/2020	14
16. Mtshali Sthulile	Obtained driver's license on 28/02/2020	10
17. Mngoma Mondli	Obtained driver's license on 28/02/2020	21
18. Mahanuga Makhosonke	Obtained driver's license on 29/06/2020	07
19. Mdluli Velile	Obtained driver's license on 28/06/2020	25
20. Gumede Mpume	Obtained driver's license on 14/08/2020	24
21. Mngqayi Siyabonga	Left the programme due to employment opportunity in Cape Town and Council resolved that learner be replaced by an individual within the same ward.	03

IV. CAREER GUIDANCE PROGRAMME

The Career Guidance Programme aims to equip the grade 12 learners with the relevant information that will prepare them to further their studies post matric. These sessions will cover the following:

- ♦ Career Choices;
- ♦ The application process to tertiary institutions;
- ♦ Bursaries and NSFAS application process; and
- ♦ Health and wellbeing.

As an outreach programme that is planned to take place from the 2nd of October until 20 October 2020

- ♦ The programme targeted all KwaDukuza 16 secondary / high schools.

V. MISS KWADUKUZA PAGEANT

KwaDukuza Municipality (KDM), through the Youth development office is charged with a responsibility of coordinating and facilitating Miss KwaDukuza /KDM Beauty Pageant Programme that is aimed at empowering young

women of KwaDukuza to become the shining stars and role models of other young women of KwaDukuza.

Miss KDM is a council pageantry programme that gives the of KwaDukuza a youth a window of opportunities, provides opportunity for young people to network with numerous organizations and work with them, help them spread the awareness and much more.

The crown/title, sash and gifts are materialistically highlights of the competition and it teaches young people so much about themselves, provides so much knowledge about other key things in life from poise, grace, proper communication, building self-confidence, networking, and much more. The beauty pageant is coordinated by a recognized and reputable modeling agency within KwaDukuza, for a period of 3 years. The Programme has been coordinated by Qhawekazi Modelling agency.

The 2020 Miss KwaDukuza pageant was held on the 16th of April 2021 at KwaDukuza town hall.

VI. BACK TO SCHOOL /DRESS A CHILD CAMPAIGN

Back to School/ Dress a Child Campaign is KwaDukuza Municipality 's annual social relief programme. The programme has been annually executed since its inception in 2013 by the then KwaDukuza Local Youth Affairs sub-committee. The programme seeks to address issues of inequalities among the school children and assist those children whose parents are less fortunate and find it difficult to afford a basic need such as a school uniform.

The 2021 back to school programme-Dress a Child Campaign targeted 16 primary schools mainly from the rural wards of KwaDukuza. Each school allocated to benefit with a massive 15 full school uniform for their deserving and needy learners.

The programme managed to reach out to 240 learners and provided them with a full school uniform of their choice. The programme commenced on the 24th of March 2021 and ended on the 8th of April 2021.

BENEFITED SCHOOLS:

NO.	SCHOOL NAME	WARD NO.
1.	Mgqwabagqwaba Primary	01
2.	Ellen Gumede Primary	01
3.	Bongimfundo Primary	03
4.	Lubisana Primary	03
5.	Khuthalani Primary	03
6.	Ziphozethu Primary	05
7.	Tinley Manor Primary	07
8.	Zilungisele Primary	09
9.	Mgigimbe Primary	09
10.	Thembeni Primary	11
11.	L Bodasingh Primary	17
12.	Maguyana Primary	21
13.	Nyakane Primary	25
14.	Ensikeni Primary	27
15.	Ashville Primary	27
16.	Osizweni Primary	28

VII. KDM FINANCIAL ASSISTANCE PROGRAMME (BURSARY)

The External Bursary/Financial Assistance Programme form part of the 2020/21 financial year budget under the Youth development Unit. The programme has a revised allocation **R450 000.00** subject to COVID-19 pandemic that had an effect on income generation for KwaDukuza municipality. The 2020/21 Council budget allocation set to assist 90 underprivileged, needy and deserving learners from KwaDukuza with **R5000** financial assistance towards their tertiary studies. The bursary will assist qualified learners towards their registration and admission fees of their field of study. This programme aimed at assisting potential students residing within KwaDukuza area of jurisdiction who intend to further their studies in any of the reputable and recognised tertiary institution within the republic of South Africa.

- ◇ December 2020 – calls for entries/applications opened
- ◇ 05 March 2021 – Applications closing date
- ◇ Administration of submitted application forms and begun creating applications database schedule of all applications received.
- ◇ 08-09 March 2021 – Applications schedule captured (youth office)
- ◇ Officials captured all received applications and created an application schedule that was used by the adjudication or selection panel.
- ◇ 170 applications received and captured .
- ◇ 10 March 2021 - Adjudication selection committee meeting (Ed's) held.
- ◇ The KwaDukuza adjudication panel/selection committee held a virtual committee meeting to select the 2021 academic year, KwaDukuza Financial assistance programme beneficiaries. The committee went through all the applications to determine eligible and deserving learners to be awarded the 2020 KDM Financial assistance support.
- ◇ 82 recommended candidates whom were fully qualifying against the set criteria and 8 were to be recommended from the OSS reported special cases as per the office of the Mayor approval.

VIII. 8 NYDA BUSINESS MANAGEMENT TRAINING(BMT)

The NYDA Entrepreneurship Development Programme (Business management Training) is designed to create entrepreneurship awareness and provide business skills training to aspiring and existing young entrepreneurs in order to develop their Personal Entrepreneurial Competences (PEC). It is furthermore the ultimate goal of the programme to enable these young aspiring and existing entrepreneurs to establish or expand their enterprises that will lead to job creation and increased incomes for sustainable livelihoods.

The KwaDukuza Business management training took place on the 16th - 17th of September 2021 at KwaDukuza library.

OBJECTIVES

- ◊ To provide entrepreneurship awareness to youth, with the aim of motivating them to choose entrepreneurship as an option to employment.
- ◊ To inculcate an entrepreneurial culture amongst South African youth training
- ◊ To develop the necessary skills, knowledge and values of aspiring and existing entrepreneurs, through training, in support of them starting and sustaining their businesses.

IX. YOUTH IN BUSINESS MENTORSHIP AND COACHING PROGRAMME

KwaDukuza municipality formed partnership with Isisekelo Training Solutions to stage youth in business mentorship and coaching programme.

This programme was identified as game changer in ensuring that the youth in business of KwaDukuza are from time to time capacitated of the norms and standards of the global business trends towards their contribution to the economy of the country and better run their business entities. It has been identified that there is a huge need to upskill the Youth in Entrepreneurship to enable them to take up space as entrepreneurs and become active contributors to the South African economy. However, some of the factors attributable to this are:

- i The fear of business failure.
- ii Poor financial management skills.
- iii Minimal understanding of financial independence.
- iv Lack of Mentorship & Coaching.

As a solution to the problem outlined above, the programme aims to build the confidence of the youth in pursuit of their formal Entrepreneurial initiatives. This programme offered particular the youth in business the platform to sharpen their skills and understanding of financial literacy and how they can make money work better for them.

The mentorship and coaching training was hosted on the 11th of June 2021 at KwaDukuza town hall.

2.10.2 SPORTS DEVELOPMENT

The KwaDukuza Municipality Sports Development Indaba 2020 held at Hemishere hotel from the 04th to the 5th of December 2020.

The development and promotion of Sport and Recreation in KwaDukuza and the District has been a process driven and managed without a clear plan, strategy or policy. That has resulted in the Sport sector been regarded as a lesser priority and as such receives the least resources whilst its impact and importance in the achievement of social cohesion is regarded as key and strategic. This has further been intensified by the drop in numbers of Federations, clubs and participants in competitive, structured and affiliated sport in the Province, resulting and contributing towards moral degeneration, crime, drug abuse and apathy amongst young people

The process of hosting indaba must not be viewed as a once off approach in the achievement of social cohesion within our communities, it should encourage a more profound understanding on how best we can work together to ensure that continuously we advance our collective responsibility as leaders in this sector. This process of the Indaba was one of the annual process through which the sector needs to evaluate the gains we have made.

The strategy is amongst others aimed at achieving the following objectives:

- ◊ To ensure maximum participation in sport;
- ◊ To restore and revive the culture of sport;
- ◊ Re- positioning sport as an economic vehicle;
- ◊ To access facilities which will lead towards the creation of an enabling environment for the development of sport;
- ◊ To develop a sport data base which will assist in better planning and resources allocation to the sector ensuring the delivery of skilled and competent Administrators, Coaches and Technical Officials;

- ◊ To formalize partnerships through PPP's that will ensure the implementation of sport and recreation programmes and associate strategies.
- ◊ As part of ensuring that the needs are identified and prioritised and as KwaDukuza Municipality we are also responsive to these needs there is a proposal to host KwaDukuza Sports Development Indaba. Overall the strategy Indaba will seeks to provide leadership and direction to the sport and recreation sector in KwaDukuza, further serving as a blue print in the promotion of sport development. On the opposite the development of the strategy has been informed and influenced by the material conditions on the ground in KwaDukuza.

2.10.2.1 THE KWADUKUZA SPORTS DEVELOPMENT INDABA 2020 – DETAILS AND ACHIEVEMENTS

The KwaDukuza Sports Development Indaba was held over a period of two days at Hemishere hotel.

FOCUSED ON THE FOLLOWING STRATEGIC AREAS:

- ◊ Education and training – KZN Sports Confederation,
- ◊ Sporting clubs – club development – KZNSDR,
- ◊ Athletes centred approach (athletes association) – KwaDukuza & District federations,
- ◊ Strong and coordinated Sport councils – KZN /District Sports confederation,
- ◊ School sports and role of Volunteers – KZNSDR and KZNDOE,
- ◊ Facilities maintenance plan (backlog to be addressed) – KDM Community services,
- ◊ Institutionalized funding model, elite sports transformation – KZNSC and
- ◊ Addressing Issues of amateur versus professional and elite sport – KZN Sports Confederation.

I. VOLLEYBALL CAPACITY BUILDING (PHASE IN APPROACH)

The workshop was held on the 7th on November 2020 at ML Sultan secondary school.

- ◊ The workshop was facilitated by KwaDukuza Volleyball association headed by Ms K Jerum as the National volleyball federation accredited facilitator.
- ◊ The workshop was anticipated to have 50 participants from all 29 wards representatives and youth formation structures. The workshop achieved 100% attendance of 50 participants this is through an extensive consultative process conducted with youth formations and ward councilors.

The KwaDukuza Volleyball Association had hosted volleyball phase in approach training workshop to achieve the following objectives:

- ◊ Risk assessment and classification
- ◊ Rules to start training
- ◊ Rules to start competition
- ◊ Alignment to national risk adjusted strategy
- ◊ Proposed timeline to resume training and competitions
- ◊ Compliance and monitoring
- ◊ Guidelines to mitigate risk
- ◊ Protocol for managing positive cases

THE WORKSHOP FOCUSED AREAS:

- ◊ Rules to start training
- ◊ Rules to start competition
- ◊ Alignment to national risk adjusted strategy
- ◊ Proposed timeline to resume training and competitions
- ◊ Compliance and monitoring
- ◊ Guidelines to mitigate risk
- ◊ Protocol for managing positive cases
- ◊ Risk assessment and classification

All participants cited to have grasped the key elements of the workshop and have committed to roll out/ implement the learned skills in their respective.

The federation also committed to work closely with KZN DSR and the Municipality to develop a training and tournament plan to assess the level of participation of all workshop attendees. Equipment to be provided to all areas to enable participants to conduct trainings and mini tournaments.

II. CHESS – LOCKDOWN ACTIVATIONS

KwaDukuza municipality, sports development office partnered with KwaDukuza Chess Association to host chess activation training workshop during the National disaster management act alert level one of the COVID-19 regulations. The programme was facilitated by two accredited Chess facilitators selected by KwaDukuza and iLembe Chess Associations.

The objective of the refresher workshop was to help the trainers/ward coordinators to improve their knowledge in chess as well as learn about new developments/ training techniques, The two facilitators will focus on different topics to add variety and value to the session.

- a) Focussed on essentials of the game of chess, which covered understanding the basics, the ideas and plans behind chess openings, middle and end game. The training was underlined the importance of understanding the subtle thread that runs through and unites the various phases of the game.
- b) That the other instructor was mainly focus on lecturing the trainers on the new set of laws that have been recently introduced by the World Chess Governing Body. This is an important lesson as it projected to help equip the participants to re-examine and deepen their knowledge of chess. The participants were appreciating the learnings and later applied them during the mini chess tournament which was hosted at the end of the financial year. The participants will be able to continue applying the skills and knowledge acquired during their training sessions with the students when we resume sports events and classes after school holidays.
- c) The training focus on the Laws of chess as well as equipping the participants with the knowledge to organise

and run mini chess tournaments for their students for practice purposes.

- d) The participants were given the chess sets boards to continue training on their own and teach other people from their respective wards.

III. DISABILITY WHEELCHAIR BASKETBALL AND TABLE TENNIS CAPACITY WORKSHOP

Wheelchair Basketball and Table Tennis are of the codes with challenges within the district, iLembe has been continuously participating in the provincial events despite the challenges they are facing. This initiative of staging capacity building trainings assist in the transformation of the codes as reflected in the white paper of Sports and Recreation as well as in the District. The capacity building targeted three (3) participants for wheelchair basketball and three (3) participants for Table Tennis per local municipality to ensure the development through the district.

KwaDukuza municipality was the host municipality for this initiative.

This programme was a partnership between the Department of Sports and Recreation and iLembe family of municipalities. Municipalities contributed towards costs related transportation of athletes to and from the venue . The details of the workshop was scheduled as follows:

- ◇ Date: 27-28 February 2021
 - ◇ Venue: Hampshire
 - ◇ Code: Wheelchair Basketball
 - ◇ Date: 06-07 March 2021
 - ◇ Venue: Hampshire
 - ◇ Code: Table Tennis
-
- ◇ Participants were identified by the KwaDukuza disability forum.
 - ◇ KwaDukuza was allocated three participants to attend the workshop

IV. NETBALL ADMINISTRATORS WORKSHOP

The KwaDukuza Netball Association submitted a proposal to host Netball administration workshop. This emanates from a great need to empower netball patrons of duties, leadership skills, and support towards netball development programmes. It has been noted over a number of programmes, events that most netball patrons are not fully equipped with administration duties which in turn lead to a number of challenges that hampers the development of netball in our area.

This workshop was anticipated to also assist in terms of capacitating netball leaders to assist in facility development, maintenance and well as ensuring that all KDM built facilities are properly looked after and there are programmes facilitated in those particular playing facilities.

The workshop sanctioned by iLembe Netball Association and KZN Netball Association to also conduct election for a new KwaDukuza Netball coordinating body.

This workshop falls within the KwaDukuza Netball association year calendar submitted to KDM Sports development office.

The Administration training workshop targeted 40 netball coordinators from all KwaDukuza wards.

The workshop will be facilitated by Ilembe Netball Association and KZN Netball Association.

WORKSHOP FOCUS AREAS

- ◆ Leadership
- ◆ Planning
- ◆ Data capturing
- ◆ Financial reporting
- ◆ Life skills

PROJECTED PARTICIPANTS (40)

- ◆ 29 Ward Coordinators (1 per ward)
- ◆ District Rep (2)
- ◆ KZN Netball (1)
- ◆ KDM Official (1)
- ◆ Old structure reps (7)

V. GXOBA ISITIBULI – CYCLING DEVELOPMENT LAUNCH

In June 2018 council approved sponsorship of 10 bicycles towards Gxoba Isitibuli Academy to assist in the development and expanding the cycling sport within the black communities. to this date the said NPO has made proposal to a number of donors and have received a massive sponsorship of approximately 50 donated bicycles and bicycles equipment. Although the organisation has challenges in terms of the storage containers of these equipment applications have been made to KDM to allocate space within the ward 04 area, the application is currently processed by LED office.

Donating large numbers of bicycles to people at grassroots level, organisations like Gxoba Isitibuli to introduce youth to the sport of cycling and helping to grow cycling participants numbers.

LONG-TERM IMPACT

Not only does the work done by organisations benefit the development and growth of the individuals and communities they work with, but they are inadvertently having an impact on the development of cycling sport as well.

Gxoba Isitibuli is helping to grow the interest and participation in cycling in places and among people who otherwise might not have had access to bicycles. Through their actions, they are making cycling participation more accessible as a sporting activity and also helping to break down barriers that keep disadvantaged people from participating in cycling activities.

PROGRESS TO DATE

- ◆ A number of young people have been trained to partake in cycling trainings
- ◆ Gxoba Isitibuli Academy participated in KwaDukuza world environmental day coordinated by KDM Enviro office
- ◆ A cluster launch of the programme was conducted on 16 December 2021, Ward 04, Ward 07, Ward 08 and Ward 23 was targeted to partake in the programme
- ◆ Plans are underway to expand the programme to other wards/clustered wards. The Ntshawini cluster is now targeted to introduce the programme.

VI. GXOBA ISITIBULI CYCLING ACADEMY:

- ◆ This is an registered Non Profit Organisation (NPO 163 0522) located in ward 04 Shakashead.
- ◆ The organisation has the following personnel: Goodman Manqele (core founder), Thobani Ngcamu (Head Coach), Hlanganani Sithole(Head Coach), Bonginkosi Maphumulo (Head Coach), Nomfundo Mtshali (Head Coach) and Bongiwwe Luthuli (secretary)
- ◆ The organisation has been into existence since June 2015
- ◆ The organisation survives with sponsorships and donations from individuals and companies.

VII. ISTIBULI CYCLING LAUNCH AND FUN RUN

Gxoba Isitibuli academy partnered with KDM Sports development office in hosting the Cycling development launch at Ntshawini cluster on the 16th of June 2021, this programme targeted to introduce the code to the following wards:

- ◆ Ward 26 – as the host
- ◆ Ward 14
- ◆ Ward 24
- ◆ Ward 15

This event is aimed at raising awareness of cycling as a sport to the youth and also creating interest to cycling particularly to previously disadvantaged youth.

Through this event the organisation hopes to continue to strive to nurturing the cycling talent and keeping the youth of Ntshawini and surrounding areas off the street.

The launch and Fun run was held on the 16th of June 2021 as national youth day, to celebrate the fallen heroes and heroines that went through the struggle to liberate the youth of our country.

VIII. SWIMMING GALA EVENT.

In 2016 Lekgotla council resolved to formulate and implement the iLembe Surf Development Programme that will align to surfing South Africa structures, in order to cultivate a surf development programme for the KwaDukuza region as a legacy product of the Ballito pro event.

It was further resolved that Bongani Xulu would facilitate the process. Preliminary discussion meetings between KDM management and officials were conducted, as well as discussion meetings with other surf related stakeholder, including surfing South Africa. It was recommended that this process be implemented in time for a development team from KwaDukuza (iLembe region) to participate in the SSA National Development Games in every financial year.

Ubuntu Swim and Surf, supported by KwaDukuza municipality held a Swimming Gala Event scheduled for the 19th of June in Shakas Head swimming Pool aimed at testing the skills acquired by the recruited kids and measured against skills trained on. The main objective of the gala event was to showcase the progress that has been done thus far with the children to their parents and the community members around also creating a platform to generate interest to other interested kids within KwaDukuza wards.

Ubuntu Swim and Surf is currently running a 12 week Learn to Swim Program that is targeting children from around KwaDukuza who do not know how to swim. The program teaches basic swimming techniques and ways to survive in water.



CHAPTER
03

ANNUAL PERFORMANCE REPORT



ANNUAL PERFORMANCE REPORT FOR 2020/2021

I certify that the performance reporting of the municipality has been done in line with the 6 national KPA's and is the focus of the MSA Section 46 requirements as set out from pages 150-175 and therefore reflects the performance of the municipality for the financial year 2020/2021, comparisons to performance of the previous financial year and measures taken to improve performance.

NJ. MDAKANE (MUNICIPAL MANAGER)

31 AUGUST 2021
Date

INTRODUCTION:

This section indicates, in more detail, the performance of the municipality for the financial year and makes reference to the supporting documentation, including the Organisational Scorecard. The report has been compiled taking into cognisance of the relevant Legislations guiding the development and implementation of the Performance Management System of a Municipality as outlined hereunder.

- ◊ **The Municipal Systems Act of 2000, Chapter 6 & Section 46;**
- ◊ **The Municipal Finance Management Act 56 of 2003, Chapter 12;**
- ◊ **Treasury Regulations, Circular 63;**
- ◊ **2001 Municipal Planning and Performance Management Regulations; and**
- ◊ **2006 Section 57 Performance Management Regulations.**

The performance reporting of the municipality is done in compliance with the 9 National KPI's and is the focus of the MSA Section 46 requirements and therefore reflects the performance of the municipality for the financial year, comparisons to performance of the previous financial year and measures taken to improve performance. The 9 National KPI's listed below can be found within the Annual Performance Report across all the Business Units under each legislated Key Performance Area (KPA's), they are:

- ◊ **% of households with access to basic electricity;**
- ◊ **% of households with access to basic refuse removal;**
- ◊ **% of households earning less than R3500 pm with access to free basic electricity;**
- ◊ **% of households earning less than R3500 pm with access to free basic refuse removal;**
- ◊ **% of capital budget spent on IDP projects;**
- ◊ **Number of jobs created through LED initiatives including Capital projects;**
- ◊ **Number of staff in 3 highest levels that are from the designated group;**
- ◊ **% of budget spend on implementing WSP; and**
- ◊ **Finances (x3 KPI's) – Debt coverage, cost coverage & outstanding service debtors.**

The different KPA's which form basis of the reporting as legislated and found across all Business Units are:

- ◊ **Municipal Institutional Development & Transformation (MID & T)**
- ◊ **Good Governance & Public Participation (GG & PP)**
- ◊ **Local Economic Development (LED)**
- ◊ **Financial Viability and Management (FV & M)**
- ◊ **Basic Service Delivery and Infrastructure Development (BSD)**
- ◊ **Spatial Planning & Environmental Management (SP & EM)**

KwaDukuza Annual Report has therefore complied with all the relevant legislations in terms of the setting of performance indicators and targets, alignment to the IDP and the Performance Agreements of the Section 57 Senior Managers that have been developed from the Top Layer of the SDBIP as prescribed by Circular 13 of the MFMA 56 of 2003. The performance indicators and targets have been set in line with a SMART principle model, which states that they should be simple, measurable, achievable, realistic and time bound. The entire Annual Report also takes care of the assessment of the Service Providers as required by Circular 63 on the compilation of the Annual Report, which will appear on Appendix I. This assesses the efficiency and effectiveness of the services acquired from the service providers to ensure value for money for the municipality.

BACKGROUND TO THE ORGANISATIONAL SCORECARD.

SUMMARY OF 2019/2020 FINDINGS RAISED BY THE AG.

During the 2019/2020 financial year, the Auditor-General conducted audit of predetermined performance objectives. Their focus was on **Development Objective 5: Basic Service Delivery**.

The material findings in respect of the usefulness and reliability of the selected objective were as follows:

- ◊ I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the basic service delivery and infrastructure development objective presented in the municipality's annual performance report for the year ended 30 June 2020;
- ◊ I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete;
- ◊ I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of the **Basic Service Delivery and Infrastructure Development**

objective. As management subsequently corrected only some of the misstatements, I raised a material finding on the usefulness and reliability of the reported performance information. The finding that was not corrected is reported below :

- ◊ **OPMS Number 21:** The number of households with access to basic level of electricity (**NKPI**).
- ◊ I was unable to obtain sufficient appropriate audit evidence for the reported achievement of 63440 against the target of 63597 households due to the lack of accurate and complete records. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievement.

The evidence obtained from the work performed did not provide an appropriate basis for the reasonable assurance conclusions on the usefulness and reliability of the reported performance information. In AG’s opinion, the reported performance information of the **BASIC SERVICE DELIVERY** objective was not useful and reliable in all material respects, in accordance with the identified performance management and reporting framework.

AG identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of Basic Service Delivery and infrastructure objective. As management subsequently failed to provide portfolio of evidence in some Basic Service Delivery targets, they raised material findings on the usefulness and reliability of the reported performance information. The final conclusion was a **QUALIFIED** opinion on the reported performance information.

SUMMARY OF PERFORMANCE FOR THE 2020/2021 FINANCIAL YEAR:

- ◊ Below is the summary of performance results for all strategic objectives included in the organisational scorecard for the 2020/2021 as follows:

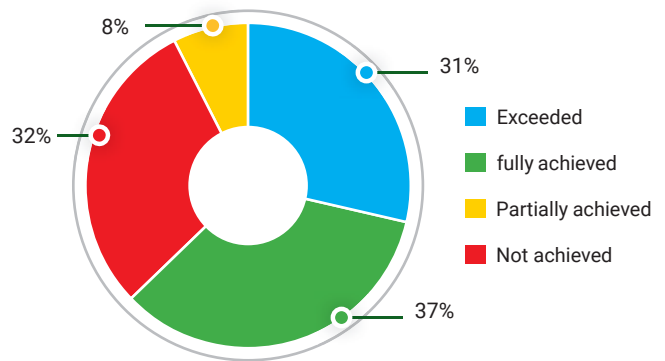
STRATEGIC OBJECTIVES:

Summary of performance results for all strategic objectives included in the organisational scorecard are as follows. Out of the total of 45 strategic objectives contained within all 6 National KPAs and 127 performance targets in the Organisational Scorecard, 9 targets were removed from the scorecard during adjustment budget (8%). The analysis below is based on the 118 targets that were due for reporting at

the end of Financial Year.

36 targets were exceeded (31%), 44 targets were fully achieved (37%), 38 targets were not achieved and would need urgent intervention in the first quarter of the new financial year (32%). However, it is of concern that the number of targets that were not met is above 5% threshold. The overall achievement for both targets exceeded and fully achieved at the end of June 2021 is 68% as graphically illustrated below:

2020/2021 Overview

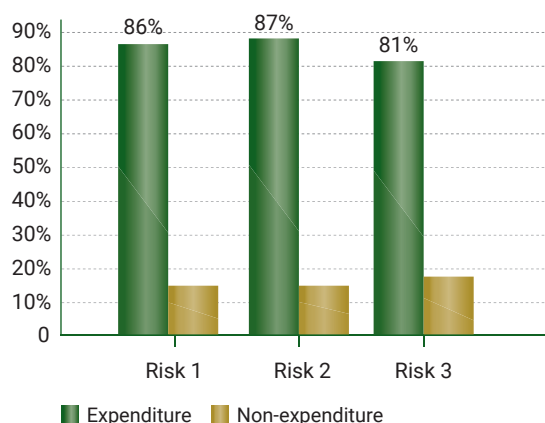


Graph 1: Performance Analysis 2020/2021

BUDGET SPENDING:

BUDGET EXPENDITURE	2018/2019 EXPENDITURE	2019/2020 EXPENDITURE	2020/2021
Green – Budget Expenditure	86%	87%	81%
Red – Non-expenditure	14%	13%	19%
TOTAL	100%	100%	100%

3 Year Budget Analysis



Graph 2: 3 Year Budget Comparison

The overall expenditure in 2020/2021 is 81%, which shows a 6% decrease in the overall budget expenditure when compared to 2019/2020 Financial Year. Although Capex expenditure was a bit low, however, the expenditure on MIG projects is 100%. This could be attributed to the lockdown which started as early as March 2020 resulting in budget being moved to COVID-19 disaster projects.

2020/2021 PERFORMANCE OVERVIEW OF NATIONAL KPAs:

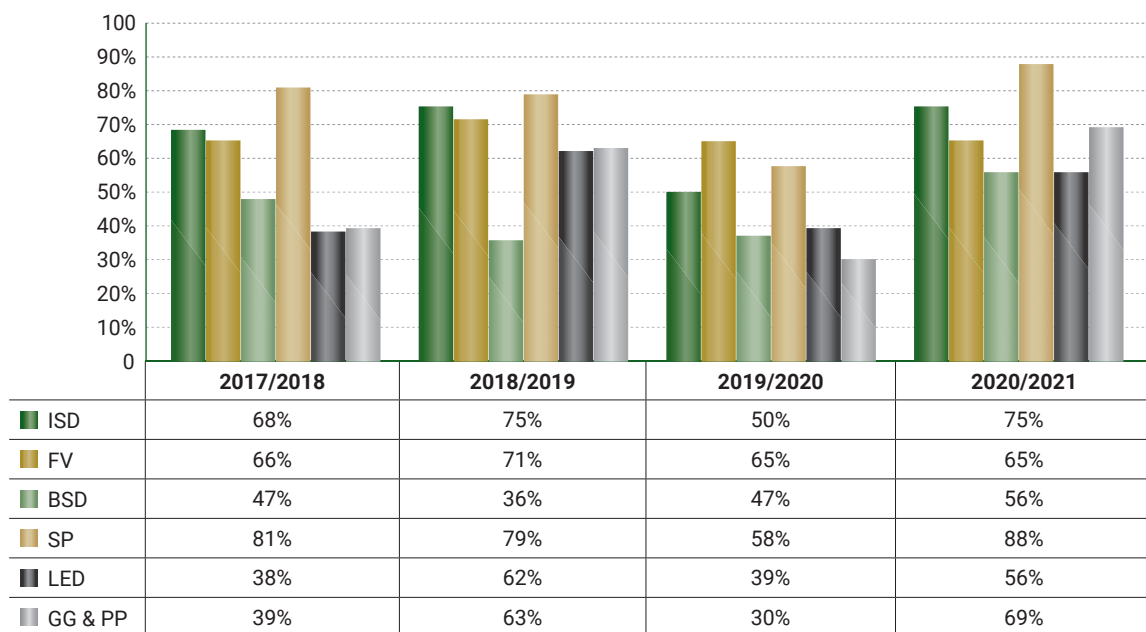
KPA	NO. OF STRATEGIC OBJECTIVES	TOTAL NO. OF INDICATORS IN SCORECARD	TOTAL NO. OF OPMS TARGETS YEAR END	EXCEEDED	ACHIEVED	NOT ACHIEVED	ADJUSTED MIDTERM	% ACHIEVED PER KPA
Institutional Transformation	2	17	16	3	9	4	1	75%
Spatial Planning & Environmental Management	7	24	24	11	10	3	0	88%
LED	2	9	9	2	3	4	0	56%
Financial Management & Viability	9	17	17	7	4	6	0	65%
Basic Service Delivery	13	41	39	11	11	17	2	56%
Good Governance & Public Participation	12	19	13	2	7	4	6	69%
TOTAL	45	127	118	36	44	38	9	
OVERALL ACHIEVEMENT				68%		32%	8%	

KPA	2016/2017 FY (% ACHIEVED)	2017/2018 FY (% ACHIEVED)	2018/2019 FY (% ACHIEVED)	2019/2020 FY (% ACHIEVED)	2020/2021 FY (% ACHIEVED)	% INCREASE (+) DECREASE (-) FROM 19/20
Institutional Transformation	65%	68%	75%	50%	75%	+25%
Financial Management and Viability	73%	66%	71%	65%	65%	0%
Basic Service Delivery	34%	47%	36%	47%	56%	+9%
Spatial Planning & Environmental Management	86%	81%	79%	87%	88%	+1%
Local Economic Development	80%	38%	62%	39%	56%	+17%
Good Governance and Public Participation	61%	39%	63%	30%	69%	+39%

5 Year Comparisons of KPAs

GRAPHICAL REPRESENTATION OF PERFORMANCE COMPARISON OF KPAs FROM YEAR TO YEAR

Graphical representation of performance comparison of KPAs from year to year








The Organisational Scorecard approach below reflects the 6 national KPA's and local priorities and enables a wider assessment of how the municipality is performing. The performance report is based on measures included within the Organisational Scorecard. This incorporates 19 priority measures selected from the IDP. These were agreed by Council vide resolution C 428. These targets were reviewed and updated at Council meeting in line with Section 72 of MFMA regulating adjustment budget and performance assessment of a municipality within the first 6 months of the financial year vide resolution C 369. The criteria used reflect factors such as previous performance levels, comparative performance and budget implications. The traffic light system used to report performance is as follow:

- ◊ **Blue** – Performance targets exceeded (overachieved)
- ◊ **Green** – Performance target met
- ◊ **Red** – Performance target not met







In relation to the 2020/2021-year end performance results, the final position shows that:

- ◊ 31% of measures have exceeded the year-end target;
- ◊ 37% of measures were fully achieved;
- ◊ 32% of measures have not been met;
- ◊ 8% of measures were adjusted during adjustment budget; and
- ◊ **Overall performance for 2020/2021 is 68%.**



2020/2021 ANNUAL PERFORMANCE REPORT

OPMS NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	WARD	2019/2020 TARGET	2019/2020 ACTUAL ACHIEVED	2020/2021 TARGET	2020/2021 ACTUAL ACHIEVED	MEASURES TO IMPROVE PERFORMANCE	STATUS
DEVELOPMENT OBJECTIVE 1: INSTITUTIONAL TRANSFORMATION AND MUNICIPAL DEVELOPMENT									
OPMS: 01	To build capable and transformed institutional capacity	The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan (NKPI) Highest Three levels:- 1) Top Management MM, ED, and Directors (Task Grade 19 - 26) 2) Senior Management (Task Grade 16 - 18) 3) Professionals (Task Grade 14 -15)	Internal	2 people from employment equity target groups employed in the three highest levels of management by 30 June 2020	TARGET EXCEEDED 4 people were appointed	2 people employed from employment equity target groups employed in the three highest levels of management by 30 June 2021	TARGET EXCEEDED 6 people employed in the three highest level	N/A	
OPMS: 02	To build capable and transformed institutional capacity	Execution of Council Human Resource Development Plan in terms of: Workplace Skills Development Plan	Internal	4 quarterly reporting on the number of trainings of Councillors and staff conducted by 30 June 2020	TARGET NOT MET 2 reports could not be submitted due to the country's national lockdown	4 quarterly reporting on the number of trainings of Councillors and staff conducted by 30 June 2021	TARGET MET 4 report submitted on trainings conducted on councillors and staff	N/A	
OPMS: 02a	To build capable and transformed institutional capacity	Maintain 50% employment of women and youth from all levels	Internal	Maintaining 50% employment of women and youth at all levels by 30 June 2020	TARGET MET In overall target was maintained at 56.5% achieved	Maintaining 50% employment of women and youth at all levels by 30 June 2021	TARGET EXCEEDED 85% employment of women and youth at all levels	N/A	
OPMS: 02b	To build capable and transformed institutional capacity	Number of disabled people appointed in accordance with 2016-2021 Employment Equity (EE) policy by 30 June 2019	Internal	Appointment of 2 disabled persons in line with Employment Equity plan by 30 June 2020	TARGET NOT MET due to national lockdown as the 2 appointments await MM's approval after interviews were conducted in Q3	Appointment of 2 disabled persons in line with employment equity plan by 30 June 2021	TARGET MET 2 disabled people appointed in line with employment equity	N/A	
OPMS: 03	To invest in skills development	The percentage of a municipality's budget actually spent on implementing its Workplace Skills Plan (WSP); (NKPI)	Internal	90% of a municipality's training budget spent on implementation of WSP by 30 June 2020	TARGET NOT MET 57% of budget was spent due to national lockdown which saw a cancellation of all planned trainings with funds being transferred to other votes for COVID-19 expenditure	90% of a municipality's training budget actually spent on implementing its workplace skills plan by 30 June 2021	TARGET EXCEEDED 98% spent in WSP	N/A	






2020/2021 ANNUAL PERFORMANCE REPORT

OPMS NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	WARD	2019/2020 TARGET	2019/2020 ACTUAL ACHIEVED	2020/2021 TARGET	2020/2021 ACTUAL ACHIEVED	MEASURES TO IMPROVE PERFORMANCE	STATUS
DEVELOPMENT OBJECTIVE 1: INSTITUTIONAL TRANSFORMATION AND MUNICIPAL DEVELOPMENT									
OPMS: 04	To build capable and transformed institutional capacity	Percentage IT activities raised by the AG audit contained in the AG action plan resolved	Internal	90% of IT activities raised by the AG audit contained in the AG action plan resolved by 30 June 2020	TARGET NOT MET 70% of issues raised were met mainly due to budgetary constraints	3 KDM Livelihood Skills Development Programme for the Disabled undertaken by 30 June 2021	N/A	TARGET REMOVED AT MID YEAR ADJUSTMENT	N/A
OPMS: 05	To build capable and transformed institutional capacity	Development and implementation of KDM IT Turnaround Strategy	Internal	NEW	NEW	Develop and implement KDM IT turnaround strategy by 30 June 2021	TARGET MET IT turnaround strategy developed	N/A	
OPMS: 06	To build capable and transformed institutional capacity	Percentage IT activities raised by the AG audit contained in the AG action plan resolved		NEW	NEW	90% of IT activities raised by the AG audit contained in the AG action plan resolved by 30 June 2021	TARGET NOT MET Only 50% percent of Audit finding resolved. The IT Charter and IT policies are submitted to LPA for noting in the 2020/21 financial year	Not provided	
OPMS: 07	To enhance organisational performance	Date adoption of the reviewed 2020/2021 PMS Framework and Procedure Manual		i) Adoption of PMS Framework/ Policy by Council	TARGET MET PMS Framework approved on the 04 July C 560	Adoption of the reviewed 2020/2021 PMS Framework and Procedure Manual by Council 31 July 2020	TARGET MET PMS framework submitted to Council on the 04 August 2020 through resolution C427	The Framework was ready for submission to Council by the 31 July, however, the Council was scheduled to sit on the 04 August	
OPMS: 08	To enhance organisational performance	Date of Adoption of the Top layer of SDBIP for 2020/2021. (Organisational Scorecard)	Internal	ii) Adoption of top layer of SDBIP for 2019/2020	TARGET MET Top layer of the SDBIP approved on the 04 July C 561	Adoption of top layer of SDBIP for 2020/2021 by 31 July 2020	TARGET MET SDBIP adopted by Council on the 04 August 2020 through resolution C428	The Top Layer of the SDBIP was ready for submission to Council by the 31 July, however, the Council was scheduled to sit on the 04 August	
OPMS: 08a	To enhance organisational performance	Number of S56 performance agreements submitted to the MEC for Local Government	Internal	iii) Signing and submission of 9 performance agreements for S56 to MEC for LG	TARGET MET 9 Performance agreements signed and submitted to the MEC	Submission of 9- S56 performance agreements to the MEC for Local Government by 15 August 2020	TARGET MET 9 S56 performance agreements submitted to Cogta on 19 August 2020	The 15 August fell on a weekend	
OPMS: 08b	To enhance organisational performance	Date Publication of Performance Agreements on the municipal website and local newspaper	Internal	iv) Publication of performance agreements on website 14 days after approval	TARGET NOT MET Performance agreements published on the website and the media within 14 days	Publication of Performance Agreements on the municipal website and local newspaper by 02 September 2021	TARGET NOT MET	This will be addressed in the new Financial year to ensure that all processes are adhered to	



2020/2021 ANNUAL PERFORMANCE REPORT

OPMS NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	WARD	2019/2020 TARGET	2019/2020 ACTUAL ACHIEVED	2020/2021 TARGET	2020/2021 ACTUAL ACHIEVED	MEASURES TO IMPROVE PERFORMANCE	STATUS
DEVELOPMENT OBJECTIVE 1: INSTITUTIONAL TRANSFORMATION AND MUNICIPAL DEVELOPMENT									
OPMS: 09	To enhance organisational performance	Date submission of the Annual Performance Report (APR) to the Auditor General (AG)	Internal	v) Submission of 2019/2020 APR & AFS to AG by 31 August	TARGET MET APR & AFS submitted to the AG on the 31 October 2020	Submission of 2019/2020 APR to AG by 31 October 2020	TARGET MET APR was submitted on the 30 October 2020.	There have been many delays due to COVID-19. The legislation allowed for 2 month delays in terms of compliance with the submission of the Annual Performance Report and the Annual Report	
OPMS: 09a	To enhance organisational performance	Date submission of the Oversight report to Council for adoption	Internal	18/19 Annual Report approved and adopted by Council by 31 March 2019	TARGET NOT MET The annual report was advertised in the website. The annual report was approved by Council on the 12 May C 352	Submission of the Oversight report to Council for adoption by 31 May 2021	TARGET NOT MET Submission of the Oversight report for adoption was done on 29 June 2021	There have been many delays due to COVID. The legislation allowed for 2 month delays in terms of compliance with the submission of the Annual Performance Report, Annual Report and by implication the Oversight Report	
OPMS: 09b	To enhance organisational performance	Date publication of the Oversight report 7 days after approval by Council	Internal	Submit Oversight Report for adoption by Council 60 days after tabling of Annual Report to Council	TARGET NOT MET The oversight report was advertised in the website The oversight report was approved by Council on the 12 May C 352	Publication of the Oversight report by 09 June 2021	TARGET NOT MET The Oversight report was not published on our municipal website	This is one of the targets that got delayed due to lockdown as some of the activities lost track of time due to in availability of key staff members at work due to COVID-19	
OPMS: 10	To enhance organisational performance	Number of quarterly performance analysis reports submitted to PAC and Council	Internal	i) Submission of Q4 (18/19) performance report to PAC and Council	TARGET MET Q4 (18/19) performance report submitted to PAC and Council	2 quarterly performance analysis reports submitted to PAC and Council by 30 June 2021	TARGET MET Q1 and Q2 quarterly analysis report submitted to PAC on 26 March 2021 and to Council on 28 January 2021. Q3 quarterly analysis report submitted to PAC on 20 May 2021	N/A	
OPMS: 11	To enhance organisational performance	Number of Performance evaluations conducted for S56	Internal	iv) Final Evaluation for 2018/2019 completed and a report to Council submitted for approval by 30 June 2020	TARGET MET Final Evaluations for 2018/2019 completed on the 29 May and the 05 June 2020 and a report to Council submitted for approval vide C 383 on the 23 June 2020	1 Mid-year Performance Evaluation/ Review conducted for S56 by 30 June 2021	TARGET MET 1 Mid-Term Performance evaluation conducted on: 17 February 2021 and 02 March 2021	Q2/Mid-year review is formally done and was conducted on 17 February 2021. Q1 and Q3 reviews are not required to be conducted formally. There have been delays due to COVID-19 and the final year evaluation for 2019/2020 cannot be done until the approval of the Annual Report which will only take place in June 2021. Thereafter final evaluations for 2019/2020 will take place	





2020/2021 ANNUAL PERFORMANCE REPORT

OPMS NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	WARD	2019/2020 TARGET	2019/2020 ACTUAL ACHIEVED	2020/2021 TARGET	2020/2021 ACTUAL ACHIEVED	MEASURES TO IMPROVE PERFORMANCE	STATUS
DEVELOPMENT OBJECTIVE 2: FINANCIAL MANAGEMENT AND VIABILITY									
OPMS: 12	To contribute to a safe and secure environment	Rand Revenue collected from all traffic licenses issued		R5 000 000 collected from all licenses issued by 30 June 2020	TARGET NOT MET R4 728 490 collected from all licenses issued	R5 000 000 collected from all traffic licenses issued by 30 June 2021	TARGET EXCEEDED R5 054 700 collected from all traffic licenses issued	N/A	
OPMS: 12a	To contribute to a safe and secure environment	Rand value revenue collected from outstanding fines and other traffic offences		R250 000 revenue collected from outstanding fines and other traffic offences by 30 June 2020	TARGET NOT MET R1 243 700 revenue collected from outstanding fines and other traffic offences	R1 000 000 revenue collected from outstanding fines and other traffic offences by 30 June 2021	TARGET NOT MET R316 000 revenue collected from outstanding fines and other traffic offences	1. Roadblocks were stopped to reduced physical contacts minimise to the spread of COVID-19 2. The directive from the Public protectors office to date all the fines issued now to after June that delays the process of payments	
OPMS: 13	To ensure municipal budget complies with MFMA and Treasury regulations	Submission of 2020/2021 credible, accurate and transparent budget to Council in line with MFMA, 56 of 2003		Submission of 2020/2021 credible, accurate and transparent budget to Council in line with MFMA, 56 of 2003 by 31 May 2020	TARGET MET The 2020/2021 Annual Budget was submitted to Council on the 23 June 2020, reference being C 393	Submission of 2021/2022 credible, accurate and transparent budget to Council in line with MFMA, 56 of 2003 by 31 May 2021 A	TARGET MET The budget was submitted to Council on the 27 May 2021. (C853). The advertisement of the final budget was done on the 04 June 2021.	N/A	
OPMS: 14	To improve expenditure on Municipal Infrastructure Grant (MIG) allocation	% expenditure implementation on of MIG infrastructure projects within budget		100% expenditure on implementation of MIG infrastructure projects within budget by 30 June 2020	TARGET MET 100% expenditure on implementation of MIG infrastructure projects within budget	90% expenditure on implementation of MIG infrastructure projects by 30 June 2021	TARGET MET 100% expenditure on implementation of MIG infrastructure projects	N/A	
OPMS: 15	To improve expenditure on Capital Budget	The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan (NKPI)		90% of a municipality's capital budget actually spent on capital projects	TARGET NOT MET 67% of a municipality's capital budget actually spent on capital projects	90% of a municipality's capital budget actually spent on capital projects by 30 June 2021	TARGET NOT MET Total spent is 61% 144 039 979 out of 235 267 125.	Departments have been requested to submit invoices timeously for payment. BU's need to improve their management processes over contractors and consultants. BU's need to implement consequence management against poor performing contractors. Cancellation of tenders due to material irregularities with the specifications. TSC's need to ensure that lawful tender specifications are approved. In addition, FBU has revised all standard tender specification documentation for implementation from the 2021/2022 financial year. BU'S need to strictly abide by the approved procurement plans.	


2020/2021 ANNUAL PERFORMANCE REPORT...continued

OPMS NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	WARD	2019/2020 TARGET	2019/2020 ACTUAL ACHIEVED	2020/2021 TARGET	2020/2021 ACTUAL ACHIEVED	MEASURES TO IMPROVE PERFORMANCE	STATUS
DEVELOPMENT OBJECTIVE 2: FINANCIAL MANAGEMENT AND VIABILITY									
OPMS: 16	To ensure that the revenue of the municipality is collected and accounted for by improving Credit Control and Debt Collection processes	Number of status reports on the implementation of Procurement Plan submitted to Council		4 status reports on the implementation of Procurement Plan submitted to Council by 30 June 2020	TARGET EXCEEDED 6 status reports on the procurement plan was submitted as follows: Q1 and Q2 - Q4 2018/2019 submitted on 11 July 2019 and Q1 (C1215) and a monthly procurement plan for October 2019 (C1214) report was submitted to Council on the 28 November 2019. Q3 - 1 report was submitted. Q4 - 2 reports were submitted	4 status reports on the implementation of Procurement Plan submitted to Council by 30 June 2020	TARGET MET 4 reports were submitted to Council as follows: Q1 – 30/07/2020. Q2 – 31/12/2020. Q3 -29/03/2021. Q4 – 08/06/2021, was submitted, however the committee clerk advised that the MM sighted repetition of the said items as they are submitted to FPC as well. Reference made to POE as proof of submission. The said reports were submitted to FPC as follows : 23 April 2021 (March report)- FIN 50, 18 June 2021 (April report) – FIN 78 (May report) – FIN 79	N/A	
OPMS: 17	To ensure that the revenue of the municipality is collected and accounted for by improving Credit Control and Debt Collection processes	Number of Budget implementation reports submitted to Council on budget spent.		i) 3 Budget implementation Section 52(d) reports by 30 June 2020 ii) 1 MFMA S72 Report submitted to Council on budget spent, by 31 March 2020	TARGET MET Q1 - 1 report was submitted to Council on the 25 July 2019 prior to the deadline. Q2 - 1 S52 (d) report was submitted to Council on the 31 October 2019. Q3 - The MFMA S72 report was submitted to Council on the 30 January 2020. Reference made to C10. Q4 - 1 reported was submitted on the 10 June 2020, this was considered on the 10 June 2020. This is within the revised legislative guidelines of 30 days of the state of disaster being lifted	i) 4 Budget implementation Section 52(d) reports by 30 June 2021 ii) 1 MFMA S72 Report submitted to Council on budget spent, by 31 January 2021	TARGET NOT MET The S52 (d) reports were submitted as follows: Q1 - 1 report was submitted to Council on the 30 July 2020. Q2 - 1 report was submitted to Council on the 29 October 2020. Q4 - The S52 report was submitted to Council on the 29 April 2021. The S72 report was submitted as follows: Q3 - 1 report was submitted to Council on the 28 January 2021 (ref : C09).	Target to be revised in the 2021/2022 financial year to indicate 3 Section 52 (d) budget implementation reports and 1 Section 72 Report	







2020/2021 ANNUAL PERFORMANCE REPORT...continued

OPMS NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	WARD	2019/2020 TARGET	2019/2020 ACTUAL ACHIEVED	2020/2021 TARGET	2020/2021 ACTUAL ACHIEVED	MEASURES TO IMPROVE PERFORMANCE	STATUS
DEVELOPMENT OBJECTIVE 2: FINANCIAL MANAGEMENT AND VIABILITY									
OPMS: 18	To ensure that the revenue of the municipality is collected and accounted for	% reduction of irregular expenditure when compared to the 2019/2020 financial year		60% reduction of irregular expenditure when compared to the 2018/2019 financial year.	TARGET NOT MET There has been a 7.91% reduction in irregular expenditure. 2018/2019 amount on irregular expenditure = R169 261 464 2019/2020 amount on irregular expenditure = R155 864 480 Difference between the 2 financial years = R13 396 983	60% reduction of irregular expenditure when compared to the 2019/2020 financial year	TARGET NOT MET Irregular expenditure decreased by 56%	Business units are to fast track all procurement processes related to contracts that are giving rise to irregular expenditure	
OPMS: 19	To ensure that the revenue of the municipality is collected and accounted for	% of Revenue collected from Electricity, Rates and Refuse		Revenue collected on: Electricity - 90% Rates - 90% Refuse - 90% by 30 June 2020	TARGET EXCEEDED Electricity - 98.74% Rates - 93.31% Refuse - 95.44% Overall target exceeded - 96.44%	Revenue collected on: Electricity - 90% Rates - 90% Refuse - 90% by 30 June 2021	TARGET EXCEEDED Electricity - 99.94% , Rates - 101.55% Refuse - 98.68% Overall - 100.52%	N/A	
OPMS: 20	To ensure that the revenue of the municipality is collected and accounted for by improving Credit Control and Debt Collection processes	% reduction of outstanding debtors		2% reduction in debt > 60 days as at 30 June 2020 when compared to 30 June 2019	TARGET NOT MET. There has been an increase in debt - 48.66% increase days as at 30 June 2020 when compared to 30 June 2019	2% reduction in debt > 60 days as at 30 June 2020 when compared to 30 June 2021	TARGET NOT MET. 0.32% decrease in debt - age analysis and summary reports and unallocated deposits reconciliation filed in the POE file	There is an on-going strategy to have debtors statement e - mailed and completion of debit order forms. Arrear debtors who utilises prepaid electricity are partially blocked from buying electricity. Reports on recovery of arrear debtors through disconnection and meter inspection are interrogated at energy loss task team in order to address any challenges experienced and expedite debt recovery. Vigorous disconnection of electricity and meter inspections of electricity has commenced in August 2020 by a newly appointed Service Provider	
OPMS: 21	To ensure proper Asset Management in line with prevailing accounting standards	Number of status reports on Annual Asset Plan indicating % achievement of Annual Asset Plan submitted to AMC		3 Status Reports of the Annual Asset Plan indicating 45% achievement of Annual Asset Plan submitted to AMC by 30 June 2020	TARGET EXCEEDED 4 reports were submitted to AMC	3 Status Reports of the Annual Asset Plan indicating 45% achievement of Annual Asset Plan submitted to AMC by 30 June 2021	TARGET EXCEEDED 5 status reports were submitted for the year. In Q4 - 3 status reports were submitted to the AMC although the requirement was one report. Dates of submission are as follows: 26 April 2021, 31 May 2021 and 21 June 2021. Further although the required percentage was 45%, the asset section reported a 55% achievement in terms of the annual asset plan	N/A	



2020/2021 ANNUAL PERFORMANCE REPORT...continued

OPMS NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	WARD	2019/2020 TARGET	2019/2020 ACTUAL ACHIEVED	2020/2021 TARGET	2020/2021 ACTUAL ACHIEVED	MEASURES TO IMPROVE PERFORMANCE	STATUS
DEVELOPMENT OBJECTIVE 2: FINANCIAL MANAGEMENT AND VIABILITY									
OPMS: 22	To improve expenditure on Capital Budget	Improved average turnaround of tender procurement processes in accordance with the procurement plan		Ensure improved average turnaround of tender procurement processes in accordance with the procurement plan with a maximum turnaround time of 12 weeks by 30 June 2020	TARGET NOT MET 171 days which is estimated at 24 weeks - turnaround time of tender procurement processes	Ensure improved average turnaround of tender procurement processes in accordance with the procurement plan with a maximum turnaround time of 12 weeks by 30 June 2021	TARGET NOT MET Average turnaround time was 142 days which equates to 20.3 weeks turnaround time	Business units should strictly adhere to the approved procurement plan. All bid committee members to prioritise attendance of the various bid committees. All tender specifications to ensure that the tender validity period is maintained at not more than 56 days. Business units to refrain from extending tender validity period and to ensure timeous submission of the pre- evaluation reports. Business units to consider moving away from 2 Stage billing processes. The CFO co-ordinated a process whereby all compulsory returnable schedules were revised and a standard pack per tender category was developed with a view of streamlining SCM bid processes thereby eliminating the need for tender cancellations. It is hoped that this initiative will assist in the turnaround time of SCM processes. A further initiative was the introduction of a revised format of the procurement plan that now requires User Departments to record the actual dates by which they will present reports before the various tender committees and by which they will be measured monitored and reported upon at the FPC	





2020/2021 ANNUAL PERFORMANCE REPORT...continued

OPMS NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	WARD	2019/2020 TARGET	2019/2020 ACTUAL ACHIEVED	2020/2021 TARGET	2020/2021 ACTUAL ACHIEVED	MEASURES TO IMPROVE PERFORMANCE	STATUS
DEVELOPMENT OBJECTIVE 2: FINANCIAL MANAGEMENT AND VIABILITY									
OPMS: 22a	To ensure that at least of 45% of procurement is awarded to designated sectors i.e. Youth, Women and disabled. ADJUSTMENT STRATEGIC OBJECTIVE: Promote radical socio-economic transformation agenda to address inequality	Number of progress reports submitted to Council on the percentage of awards made to designated sectors (i.e. Youth, Women and disabled) by 30 June 2021.		4 reports to Council on the 45% of procurement awarded to designated sectors i.e. Youth, Women and disabled by 30 June 2020	TARGET MET 4 reports were submitted to Council. Dates for submission of reports to Council were: 1. 28 November 2019 (2 reports) 2. 27 February 2020 3. 30 th June 2020	4 progress reports submitted to Council on the percentage of awards made to designated sectors (i.e. Youth, Women and disabled) by 30 June 2021	TARGET MET 4 reports were submitted to Council as follows: Q1 - 30 September 2020 Q2 - 26 November 2020. Q3 - 1 report was submitted to Council on the 29 March 2021- (C427). The report depicted the following percentages: Youth = 9%, Women = 6.23% Disabled = 13.33%. Q4 - 1 report was submitted to Council on the 27 May 2021 - (C847). The report depicted the following percentages: Youth =13.14%, Women = 6.71%, Disabled = 11.36%	N/A	
OPMS: 23	To ensure financial viability of the municipality	Financial Management and viability expressed in the ff ratios: (NKPI) Ratio of Current Assets: Current Liabilities		1.5:1	TARGET EXCEEDED Actual reporting 2.57:1	1.5:1	TARGET EXCEEDED Actual : 3.04:1	N/A	
OPMS: 23a	To ensure financial viability of the municipality	Ratio of Outstanding service debtors to annual revenue actually received for services (i.e. electricity and refuse)		Outstanding service debtors to revenue not greater than 0.5:1	TARGET EXCEEDED Overall target exceeded - 0.10% Electricity - 0.08% Refuse - 0.36%	Outstanding service debtors to revenue not greater than 0.5:1	TARGET EXCEEDED Electricity - 0.8% Refuse - 0.35% Overall - 0.10%	N/A	
OPMS: 23b	To ensure financial viability of the municipality	Debt coverage ratio. Total operating revenue received - operating grants/ debt service payments		15:01	TARGET EXCEEDED Actual : 48.93:1	Not less than 15:01	TARGET EXCEEDED Actual : 52.31:1	N/A	
OPMS: 23c	To ensure financial viability of the municipality	Ratio: Total operating revenue divided by debt service payments (i.e. interest plus redemption)		15:01	TARGET EXCEEDED Actual: 54.77:1	Not less than 15:01	TARGET EXCEEDED Actual: 59.96:1	N/A	
DEVELOPMENT OBJECTIVE 3: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT									
OPMS: 24	To involve local communities in matters of local government	Council approved 2020/2021 Online Customer Satisfaction Survey Report	All wards	2019/2020 Customer Satisfaction Survey Report approved by Council by 30 June 2020	TARGET NOT MET Customer Satisfaction Survey Report was not approved by Council	2020/2021 Online Customer Satisfaction Survey Report approved by Council by 30 June 2021	TARGET NOT MET Due to Council not approving the online survey to be conducted	To be conducted in the next financial year through placing of questionnaires in all municipal buildings	






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OPMS NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	WARD	2019/2020 TARGET	2019/2020 ACTUAL ACHIEVED	2020/2021 TARGET	2020/2021 ACTUAL ACHIEVED	MEASURES TO IMPROVE PERFORMANCE	STATUS
DEVELOPMENT OBJECTIVE 3: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT									
OPMS: 25	To facilitate provision of formal housing through construction of high quality houses	Number of new houses constructed	All Wards	365 new houses constructed by 30 June 2020	TARGET NOT MET 244 Houses constructed	184 new houses constructed by 30 June 2021	TARGET NOT MET 140 new houses constructed by 30 June 2021	Implementing Agents withdrew from 5 projects Lloyd, Ntshawini, Chris Hani, Sihle Phakathi and Sakhamkhanya then the Municipality has appointed new service providers for the above 5 mentioned projects. The service Providers and the Municipality started with Handover process and reconciliation of project finance versus the work on the ground. Furthermore, the Municipality has upgraded the status of the Project Managers to Implementing Agents to fastrack the appointment of contractors on site that was causing delays in the implementation of projects ,the letter of acceptance from service providers was received by the municipality Mid-June, therefore The Municipality is anticipating the conclusion of the reconciliation of work done on site and financial by end on August and the contractors to begin construction by the first week of September 2021	
OPMS: 25a	To ensure fair, transparent and compliant housing beneficiary management system	Number of houses handed over to beneficiaries	All Wards	365 houses handed over to beneficiaries by 30 June 2020	TARGET NOT MET 267 houses handed over	184 houses handed over to beneficiaries by 30 June 2021	TARGET NOT MET 159 houses handed over to beneficiaries by 30 June 2021	Implementing Agents withdrew from 5 projects Lloyd, Ntshawini, Chris Hani, Sihle Phakathi and Sakhamkhanya then the Municipality has appointed new service providers for the above 5 mentioned projects. The Service Providers and the Municipality started with Handover process and reconciliation of project finance versus the work on the ground. Furthermore, the Municipality has upgraded the status of the Project Managers to Implementing Agents to fast track the appointment of contractors on site that was causing delays in the implementation of projects ,the letter of acceptance from service providers was received by the municipality Mid-June, therefore the Municipality is anticipating the conclusion of the reconciliation of work done on site and financial by end on August and the contractors to begin construction by the first week of September 2021.	





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OPMS NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	WARD	2019/2020 TARGET	2019/2020 ACTUAL ACHIEVED	2020/2021 TARGET	2020/2021 ACTUAL ACHIEVED	MEASURES TO IMPROVE PERFORMANCE	STATUS
DEVELOPMENT OBJECTIVE 3: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT									
OPMS: 25b	Improved access to adequate housing ADJUSTMENT IN STRATEGIC OBJECTIVE: Expand and maintain the provision of quality basic services and the integrated human settlements	Number of sites serviced		NEW	NEW	400 sites serviced by 30 June 2021	TARGET EXCEEDED 414 sites serviced by 30 June 2021	N/A	
OPMS: 25c	To restore human dignity through asset ownership	Number of Post 1994 units transferred as per the business plan with Dept of Human Settlements (DOHS)		NEW	NEW	50 post 1994 units transferred as per business plan with DOHS by 30 June 2021	TARGET NOT MET 0 post 1994 units transferred as per business plan with DOHS by 30 June 2021	The financial contract expired during the course of the year and new contract had to be drawn out by Human Settlement in order to process payments for transfers and the payment for conveyancers. The municipality is still awaiting the finalisation of contracts by Dept of Human settlement on order for the process of transfers to continue	
OPMS: 25d	To restore human dignity through asset ownership	Number of meetings held with iLembe to write off the debts for the beneficiaries of EEDBS	All Wards	20 EEDBS units transferred as per business plan with DOHS by 30 June 2020	TARGET NOT MET 10 EEDBS units transferred	2 meetings held with iLembe in respect of settling of debts for the beneficiaries of EEDBS by 30 June 2021	TARGET NOT MET 1 meeting held with iLembe in respect of settling of debts for the beneficiaries of EEDBS by 30 June 2021	1. iLembe does not want to release the properties to the beneficiaries due to the owing of fees for water and sewer. 2. DOHS has made available money to allow KDM to settle the debts of the beneficiaries up to a limit of R2.7M	
OPMS: 26	To ensure citizens that have all an electricity service connection	Number of new households with access to basic level of electricity by 30 June 2021. (NKPI) (67280) households with access to basic level of electricity by 30 June 2021. (Baseline19/20) 66880+NEW 400 (Infill's) = 67 280	All Wards	1050 new households with access to basic level of electricity by 30 June 2020. (67076 households with access to basic level of electricity by 30 June 2020. 66026 (Baseline 18/19)+ 1050 (19/20 Infill's)	TARGET MET NOT 893 new households with access to basic level of electricity (Contour and Munsoft). The overall total number of households with access to electricity is 62547 + 893= 63440	Target 1: 975 households new with access to basic level of electricity by 30 June 2021. Target 2: TAC approval and appointment of Panel of Contractors by 30 June 2021	Target 1: Target Met =1444 new connections. (Munsoft 53 & Contour 1391). Target 2: Target not met TAC 050 dated 24 May 2021 cancelled the tender	Tender reviewed from a panel to a one-year appointment and new SCM process initiated. Tender at advertising stage. TEC and TAC approval by Q2 of 2021/2022	



2020/2021 ANNUAL PERFORMANCE REPORT...continued

OPMS NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	WARD	2019/2020 TARGET	2019/2020 ACTUAL ACHIEVED	2020/2021 TARGET	2020/2021 ACTUAL ACHIEVED	MEASURES TO IMPROVE PERFORMANCE	STATUS
DEVELOPMENT OBJECTIVE 3: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT									
OPMS: 26a	To ensure that all citizens have an electricity service connection	The percentage of households earning less than R3 500 per month with access to Free Basic Electricity (FBE) (NKPI)	All Wards	100% access to consumers registered on the indigent register by 30 June 2020	TARGET MET The actual number of indigent applications as at 30 June 2020 is 11 338	100% access to consumers registered on the indigent register by 30 June 2021	TARGET MET The actual number of indigent applications as at 30 June 2021 is 10994. The indigent register and confirmation by the Manager Billing forms part of the POE together with the application forms	N/A	
OPMS: 27	To ensure that energy losses are reduced within legislated guidelines	% of Energy kilowatts loss reduced by target date		Energy kilowatts loss reduced to 12% by 30 June 2020	TARGET NOT MET there was an increase to 20.94% on energy losses	Energy kilowatts loss reduced to 15 % by 30 June 2021	TARGET NOT MET Energy kilowatts loss increased to 21.44%	Energy Loss Task Team has been appointed, EBU and MM Office with an appointed contractor. From FY 19/20 to FY 20/21 indicates a reduction of 8.28%. from 29.72% to 21.44%. This is due to the task team weekly activities of illegal. disconnection (Tues & Thurs) and outstanding debt disconnection (Mon & Wed). Targets to be revised during 2021/2022	
OPMS: 28	To provide acceptable level of reliable / quality of electricity supply	TAC approval and appointment of contractor for 3 years for Replacement of Grid Prot Relays 11K P3 by target date		NEW	NEW	TAC approval and appointment of contractor for 3 years for the Replacement of Grid Prot Relays 11K P3 by 30 June 2021	TARGET MET TAC approved this appointment on 3 May 2021. Contractor appointed. Letter dated 23/06/2021. Yebo Yes Projects appointed	N/A	
OPMS: 28a	To provide acceptable level of reliable / quality of electricity supply	Replace 33kVA Point of Supply to Lavo. Sub by target date		NEW	NEW	Replace 33kVA Point of Supply to Lavo. Sub by 30 June 2021	TARGET MET Projected completed 31 March 2021. Completion certificate dated 09 April 2021	N/A	
OPMS: 28b	To provide acceptable level of reliable / quality of electricity supply	TEC approval, TAC approval and appointment of contractor for 33kV Cable between Lavopiere and Industrial Sub Phase by target date		NEW	NEW	TEC approval, TAC approval and appointment of contractor for the 33kV Cable between Lavopiere and Industrial Sub Phase by 30 June 2021	TARGET NOT MET TEC approved- 18,05,21. TAC 24/05/21 cancelled the tender due to non- responsive bids	A letter has been written to the Accounting Officer dated 30 July 2021 to give this priority to this project and to TAC for the appointment of a contractor, processes to be sped up so that appointments can be made by Q2 of 2021/2022	





2020/2021 ANNUAL PERFORMANCE REPORT...continued

OPMS NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	WARD	2019/2020 TARGET	2019/2020 ACTUAL ACHIEVED	2020/2021 TARGET	2020/2021 ACTUAL ACHIEVED	MEASURES TO IMPROVE PERFORMANCE	STATUS
DEVELOPMENT OBJECTIVE 3: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT									
OPMS: 28c	To provide acceptable level of reliable / quality of electricity supply	TEC approval, TAC approval and appointment of contractor for Tinley Manor 11kV OHL Phase 6 completed by target date		NEW	NEW	TEC approval, TAC approval and appointment of contractor for the Tinley Manor 11kV OHL Phase 6 completed by 30 June 2021	TARGET NOT MET TEC approved - 18 May 2021	Priority given to TAC and appointment of contractor in Q1 of 2021/2022	
OPMS: 29	To ensure that all citizens have an electricity service connection	Number of streetlights repaired per quarter		NEW	NEW	1000 streetlights repaired by 30 June 2021	TARGET EXCEEDED 3425 streetlights repaired to date as per report submitted to KDM Electrical Forum dated, 05 July 2021	N/A	
OPMS: 29b	To provide an acceptable level of lighting to all major roads, public open spaces and sports fields	% expenditure on capital budget for the installation of street lights in 7 Clusters		40% (10% retention) expenditure on capital budget for the installation of new street lights in 7 Clusters by 30 June 2020	TARGET NOT MET New street light project approved at TSC 20.05.2020. Budget= R 8 136 165 Expenditure= R 1 397 175.44 Resulting in 17% expenditure	90% (10% retention) expenditure on capital budget for the installation of new street lights in 7 Clusters by 30 June 2021	TARGET MET 100 % expenditure on projects with completion certificates and handover certificates dated 02 July 2021 to 08 July 2021	N/A	
OPMS: 30	To maintain and upgrade existing municipal infrastructure	Kilometres of existing unpaved regavelled roads	Wards 01, 2, 3, 7, 9, 10, 16, 17, 20, 21, 27	2 km of existing unpaved roads regavelled by 30 June 2020	TARGET EXCEEDED 3,981 km regavelled 0,382 km in Diphini Ward, 10, 0,457 km in Nduli Road, Ward 09, 600m in Khalafukwe, Ward 20, 542m in Driefontein, Ward 21, 2 km in Ohlange Ward 25	4 km of existing unpaved roads regavelled by 30 June 2021	TARGET EXCEEDED 10.48 roads regavelled. i) 1,8 km of Jomba (Zamani)roads bladded on 19 August 2020. ii) 2,5 km of Ohlange - Ward 25 bladded on 09 September 2020. iii) 2,6km of Ekamu - Ward 25 bladded on 21 September 2020. iv) 1km of Doringkop roads bladded on 20 August 2020. iiiv)0,620 km of Yeyeye road - Dube Village Ward 29 on 17 November 2020. v) 1.250 km of unpaved road regavelled by 5 May 2021 in Ward 10 - Mphenyane . vi) 0.490 km of unpaved road regavelled by 25 May 2021 in Ward 9 - Luthuli Area . vii)0.220 km of unpaved road regaverlled in Ward 29 - Mthethwa area on 21 May 2021	N/A	







2020/2021 ANNUAL PERFORMANCE REPORT...continued

OPMS NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	WARD	2019/2020 TARGET	2019/2020 ACTUAL ACHIEVED	2020/2021 TARGET	2020/2021 ACTUAL ACHIEVED	MEASURES TO IMPROVE PERFORMANCE	STATUS
DEVELOPMENT OBJECTIVE 3: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT									
OPMS: 30a	To maintain and upgrade existing municipal infrastructure	m ² of blacktop roads rehabilitated	Ward 19,16, 23, 28	36 282.4 m ² of blacktop roads rehabilitated by 30 June 2020	TARGET EXCEEDED 54912.91m ² rehabilitated 1. 1091 of First Avenue completed on 30 November 2019, 2. 1768 of Acacia, 7707.98 of Ebrahim and 266.8 m ² of Berthwell completed on 20 December 2019 & 06 March 2020 3. 2248.5 of Daffodil completed on 19 December 2019, 4. 1984 m ² of Goodwill rise completed on 18 December 2020 5. 2377.5m ² of Solly Street completed on 19 December 2019 6. 1205m ² of Paterson completed on 24 March 2020 & 1818,1 on 30 December 2019 7. 6081,12m ² of Buahmnia completed on 19 December 2019 and 13 March 2020 8. 2878.20 m ² of Geranium completed on 24 March 2020. 9. 25486.21m ² of Ocean Drive completed 30 June 2020	24 200 m ² of black top roads rehabilitated by 31 Dec 2021	TARGET EXCEEDED 29 666,32m ² of black top roads rehabilitated by 30 June 2021	N/A	
OPMS: 30b	To maintain and upgrade existing municipal infrastructure	m ² of blacktop roads rehabilitated	Ward 12, 09	4 roll over black tops roads rehabilitated by 31 March 2020	TARGET NOT MET 3 black tops roads rehabilitated 1. 3102.5 of Shakas Rock main road completed on 20 March 2020 2. 0.4 km's (612 m ² of Mfemfe and 0,35 (866,5m ²) Nengwe street completed on 23 December 2019 3. 5086 m ² of Hysom and Smithers road completed on 13 March 2020	20 800m ² of blacktop roads rehabilitated by 30 June 2021. i) Rehab of 4200 of Ward 3 (2900) & 8 (1300) ii) Rehab of 2700 of Blythedale 2700 roads (Mvoti) iii) Rehab of 2800 of Ward 02 internal road iv) Rehab of 5500 of Ward 12 internal road - Rehabilitation Tinley manor road (Lagoon/ Ocean view/sea view) v) Rehabilitation of 5600 of Ward 13 Glenhills - Steve Biko	TARGET EXCEEDED 21 252 m ² of blacktops roads rehabilitated	N/A	





2020/2021 ANNUAL PERFORMANCE REPORT...continued

OPMS NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	WARD	2019/2020 TARGET	2019/2020 ACTUAL ACHIEVED	2020/2021 TARGET	2020/2021 ACTUAL ACHIEVED	MEASURES TO IMPROVE PERFORMANCE	STATUS
DEVELOPMENT OBJECTIVE 3: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT									
OPMS: 31	To maintain and upgrade existing municipal infrastructure	Kilometres of access roads upgraded to blacktop	Ward 12, 09	6,3 kms of access roads upgraded to blacktop by 30 June 2020	TARGET NOT MET 2.7 kms of access roads upgraded to blacktop i) Khalafukwe Phase 2 completed on 30 June 2020	0.17 km of Khuboni access road upgraded to blacktop by 30 June 2021	TARGET EXCEEDED 0.421 km of Khuboni Access	N/A	
OPMS: 32	To maintain and upgrade existing municipal infrastructure	Number of roll over access roads upgraded to blacktop	Ward 4, 9,14, 16, 24,25, 26,	3 roll over access roads upgraded to blacktop by 30 June 2020	TARGET NOT MET 2 roll over access roads upgraded to blacktop i) Upgrade of 2.5 kms of Khalafukwe internal roads Phase 1 by 29 August 2019 ii) Upgrade of 1.3kms of Ward 2 internal roads by 30 /09/2019 iii) Upgrade of Roads to Dube Village - is practical complete by 08 July 2020	3 roll over (multi) year access roads upgraded to blacktop by 30 June 2021 (Hlalanathi, Ward 04 internal road and Gizenga)	TARGET NOT MET 1 roll over multi year access roads upgraded to blacktop - Hlalanathi road completed	Ward 04 internal road - The department has written a memo to MM to intervene on this project on the dispute about the final payment to the contractor and the rates used. Gizenga road - Engagements with community members. Contractor has returned to site and to complete by 15 July 2021.	
OPMS: 32a	To maintain and upgrade existing municipal infrastructure	Number of storm water infrastructure projects rehabilitated	Ward 04 21, 14, 18, 13, 26, 20, 29, 28, 15	10 storm water infrastructure projects rehabilitated by 30 June 2020	TARGET NOT MET 9 of 10 storm water infrastructure projects rehabilitated 1) Ward 4 completed by 27 December 2019 2) Ward 29 completed by 20 August 2019 3) Ward 18 completed by 21 November 2019 4) Ward 14 completed by 17 October 2019 5) Ward 13 completed by 11 December 2019 6) Ward 26 completed by 11 March 2020 7) Ward 20 completed by 19 November 2019 8) Ward 28 completed by 11 November 2019 9) Ward 21 completed by 27 November 2019	10 storm water infrastructure projects rehabilitated by 30 June 2021	TARGET MET 10 storm water infrastructure projects rehabilitated	N/A	
OPMS: 33	To ensure safety to road users	SCM processes approved (TSC, Advert and tender closing by target date	All Wards	29 speed humps completed in all 29 Wards by 30 June 2020	TARGET MET 29 speed humps completed by 22 June 2020 (1 in each Ward)	Tender Specifications Approved, Advert and tender closing of speed humps completed by 30 June 2021	TARGET EXCEEDED 15 speed humps constructed and completed i) 10 speed humps completed in Shayamoya and Shakaskraal completed on 19 January 2021. ii) 3 speed humps completed on Manqomfina Ward 11 by 17 February 2021 iii) 2 Speed humps in Tinley Manor Ward 12 completed by 15 April 2021	N/A	








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OPMS NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	WARD	2019/2020 TARGET	2019/2020 ACTUAL ACHIEVED	2020/2021 TARGET	2020/2021 ACTUAL ACHIEVED	MEASURES TO IMPROVE PERFORMANCE	STATUS
DEVELOPMENT OBJECTIVE 3: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT									
OPMS: 33a	To ensure safety to road users	Number of m ² of sidewalks completed	Ward 24	1400m ² of sidewalks constructed in Ward 19 by 30 June 2020	TARGET EXCEEDED 1742 m ² sidewalks constructed in Ward 19 by 30 June 2020	1200m ² of sidewalks completed by 31 March 2021	TARGET EXCEEDED 1732m ² of sidewalks completed	N/A	
OPMS: 33b	To ensure safety to road users	Number of wooden bridges completed	Ward 1	2 Wooden bridges completed by 30 June 2020	TARGET MET Target met 2 wooden bridges completed Kotshi completed on 05 November 2019 and Njekane completed on 28 November 2019	1 wooden bridge completed by 30 June 2021	TARGET MET 1 wooden bridge completed on 10 April 2021	N/A	
OPMS: 33c	To ensure safety to road users	Rehabilitation of Salt Rock culvert bridge	Ward 22	Construction of Nyathikazi bridge completed by 30 June 2020	TARGET MET Construction of Nyathikazi bridge completed on 30 October 2020	Rehabilitation of Salt Rock culvert bridge by 30 June 2021	TARGET NOT MET. The original scope is complete but there was a variation order issued to the contractor thus delaying completion	The contractor is currently busy on site with variation order but as per the original scope the work is complete. Extension of time was granted to the contractor. Completion certificate will be issued in Q1 of 2021/2022 FY	
OPMS: 34	To ensure that the community has access to functional public amenities	TSC approval, TEC Approval and appointment of contractor by target date	Ward 15	TEC, TAC for Chris Hani sport field completed by 30 June 2020	TARGET NOT MET Item for Chris Hani sport field was submitted to Tender Specifications Committee (TSC) in March	TSC approval, TEC Approval TAC approval and appointment of contractor by 30 June 2021	TARGET NOT MET TSC, Advert and tender closing	The tender has been advertised and the tender closed on the 07 July 2021	
OPMS: 35	To ensure safety to road users	Roll Over- Number of community halls completed	Ward 28	Completion of SCM process of Melville hall by 30 June 2020	TARGET NOT MET Draft document for Melville hall submitted for SCM processes to begin.	Completion of Mellow wood hall by 31 March 2021	TARGET MET Mellowwood community hall completed on 29 January 2021 completion certificate attached	N/A	
OPMS: 36	To ensure that the community has access to functional public amenities	(Roll over) Storm water Commuter Shelters (Nkobongo)	Ward 08	2 progress report for Nkobongo and SCM processes for Ballito taxi rank completed by 30 June 2020	TARGET NOT MET 2 x progress report submitted for Nkobongo commuter facility and Ballito taxi rank SCM processes not completed	Completion of commuter shelter by 31 March 2021	TARGET NOT MET Before termination, the contractor has completed the construction of retaining wall, hall parking, brickwork, roof and erection of steel structures and G5 layer. Project is 60% complete.	Contractor was placed on terms that resulted in termination of the contractor. Project has been rolled over and the new contractor will be appointed in the next financial year	








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OPMS NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	WARD	2019/2020 TARGET	2019/2020 ACTUAL ACHIEVED	2020/2021 TARGET	2020/2021 ACTUAL ACHIEVED	MEASURES TO IMPROVE PERFORMANCE	STATUS
DEVELOPMENT OBJECTIVE 3: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT									
OPMS: 37	To ensure that the community has access to functional public amenities	Ward 10 Sport Field Ablution Facility completed by target date	Ward 10	4 recreational sporting facilities upgraded by 30 June 2020 i) Ward 10 - Wall plate completed ii) Ward 13 - Wall plate completed iii) Ward 26 - Layer works and Surfacing iv) Appointment of a contractor. Earth works and grubbing of sports field	TARGET NOT MET i) Ward 10 - Wall plates not completed. ii) Ward 13 - Wall plates not completed. iii) Ward 26 - Layer works and surfacing not done. iv) Nkobongo sports field - appointment of a contractor. Earthworks and grubbing of sports field not achieved	Ward 10 Sport Field Ablution Facility completed by 30 June 2021	TARGET EXCEEDED Ward 10 Sport Field Ablution Facility completed on 08 March 2021 by Eswazi Projects (Pty) Ltd, ahead of schedule	N/A	
OPMS: 37a	To ensure that the community has access to functional public amenities	Ward 13 Sport Field Ablution Facility completed by target date	Ward 13	NEW	NEW	Ward 13 Sport Field Ablution Facility completed by 30 June 2021	TARGET EXCEEDED Ward 13 Ablution Facility completed on 23/03/2021 by Onombuthu (Pty) Ltd, ahead of schedule	N/A	
OPMS: 37c	To ensure that the community has access to functional amenities public	SCM processes (TEC approval, TAC approval and appointment service completed of provider by the target date	Ward 1	NEW	NEW	TEC approval TAC approval. Appointment of successful service provider by 30 June 2021	TARGET MET NOT TEC approval dated 01 June 2021. TAC not done. Appointment of successful service provider not achieved	The tender process took longer than anticipated. There are still negotiations with the successful service provider before procurement processes are concluded. TAC approval and service provider appointment will be done by Q1, 30 September 2021	
OPMS: 37d	To ensure that the community has access to functional public amenities	Ward 26 Combo Court completed by target date	Ward 26	4 recreational sporting facilities upgraded by 30 June 2020 i) Ward 10 - Wall plate completed ii) Ward 13 - Wall plate completed iii) Ward 26 - Layer works and Surfacing iv) Appointment of a contractor. Earth works and grubbing of sports field	TARGET NOT MET i) Ward 10 - Wall plates not completed. ii) Ward 13 - Wall plates not completed. iii) Ward 26 - Layer works and surfacing not done. iv) Nkobongo sports field - appointment of a contractor. Earthworks and grubbing of sports field not achieved	Ward 26 Combo Court completed by 30 June 2021	TARGET MET NOT	Poor performance by the appointed contractor which led to termination of services. A new service provider to complete Ward 26 Combo Court shall be appointed by Q1 September 2021. Completion of Ward 26 Combo Court will be achieved by the end of Q2, 30 December 2021	







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OPMS NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	WARD	2019/2020 TARGET	2019/2020 ACTUAL ACHIEVED	2020/2021 TARGET	2020/2021 ACTUAL ACHIEVED	MEASURES TO IMPROVE PERFORMANCE	STATUS
DEVELOPMENT OBJECTIVE 3: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT									
OPMS: 38	To ensure that the community has access to functional public amenities	Upgrade of Theunissen Road Park - Phase 1 by target date	Ward 19	Upgrade of Theunissen Road Park - Phase 1 by 30 June 2020 (Construction of amphitheatre, Landscaping and Completion certificate)	TARGET NOT MET Project could not be completed because of National lockdown due to COVID-19	Upgrade of Theunissen Road Park - Phase 1 completed by 30 June 2021	TARGET EXCEEDED Theunissen Road Park completed by Jamjo Civils cc on 25 March 2021	N/A	
OPMS: 39	To provide access to basic municipal services to all citizens	The percentage of households earning less than R3 500 per month with access to basic level of free solid waste removal (NKPI)	All Wards	100% indigent households earning less than R3 500 per month with access to basic level of free solid waste removal by 30 June 2020	TARGET MET 100% access to basic level of free solid waste removal for consumers registered on the Council approved indigent register.	100% indigent households earning less than R3 500 per month with access to basic level of free solid waste removal by 30 June 2021	TARGET MET 100% access to basic level of free solid waste removal for consumers registered on the Council approved indigent register	N/A	
OPMS: 39a	To provide access to basic solid waste services to all citizens	The percentage of households with access to basic level of solid waste removal (NKPI)	All Wards	100% households with access to basic level of solid waste removal by 30 June 2020	TARGET MET 100% of estimated households with access to basic level of solid waste removal	100% households with access to basic level of solid waste removal by 30 June 2021	TARGET MET 100% of estimated households with access to basic level of solid waste removal by 30 June 2021	N/A	
OPMS: 40	To ensure that the community has access to licenced burial facilities	TEC and TAC approval, Appointment of successful service provider by target date	Ward 05	TSC for the cremation filtration system by 30 June 2020	TARGET NOT MET TSC for the cremation filtration system not completed	TEC approval, TAC approval, Appointment of successful service provider by 30 June 2021	TARGET NOT MET Tender served before TEC on the 11 May 21 and TAC on the 17 May 21 and cancelled due to non-responsive bids received	A new procurement process for the appointment of a service provider to supply and install and commission a Cremator Filtration System shall be completed by Q1, 30 September 2021 as all bidders were deemed non-responsive	
OPMS: 41	To ensure that the community has access to functional public amenities	TEC approval, TAC approval, Appointment of successful service provider by target date	Ward 16	NEW	NEW	TEC approval, TAC approval, Appointment of successful service provider by 30 June 2021	TARGET NOT MET Tender served before TEC on the 04 May 2021 and TAC on the 10 May 2021 and cancelled due to non-responsive bids received	A new procurement process for the appointment of a service provider to do Fabrication of a temporary structure Crèche in Ward 16	
OPMS: 41a	To ensure that the community has access to functional public amenities	Practical Completion of Ward 28 Crèche by target date.	Ward 28	Crèche in Ward 28 foundation completed by 30 June 2020.	TARGET NOT MET Ward 28 Crèche foundation not completed due to National Lockdown	Practical Completion of Ward 28 Crèche by 30 June 2021.	TARGET MET Completion certificate dated 11 June 2021. Contractor: Ukhozi Distributors cc	N/A	
DEVELOPMENT OBJECTIVE 4: SPATIAL PLANNING & ENVIRONMENTAL MANAGEMENT (CROSS-CUTTING ISSUES)									
OPMS: 42	To contribute to a safe and secure environment.	Number of multi-disciplinary law enforcement operations conducted.	All wards	16 of multi-disciplinary Roadblocks conducted by 30 June 2020	TARGET EXCEEDED 19 multi-disciplinary roadblocks conducted.	16 multi-disciplinary law enforcement operations conducted by 30 June 2021	TARGET EXCEEDED 33 multi-disciplinary roadblocks conducted	N/A	





2020/2021 ANNUAL PERFORMANCE REPORT...continued

OPMS NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	WARD	2019/2020 TARGET	2019/2020 ACTUAL ACHIEVED	2020/2021 TARGET	2020/2021 ACTUAL ACHIEVED	MEASURES TO IMPROVE PERFORMANCE	STATUS
DEVELOPMENT OBJECTIVE 4: SPATIAL PLANNING & ENVIRONMENTAL MANAGEMENT (CROSS-CUTTING ISSUES)									
OPMS: 43	To prevent and reduce the impact of disasters within KDM jurisdiction	Number of disaster incident reports submitted to MS Portfolio	All Wards	12 monthly disaster incident reports logged in the occurrence book by 30 June 2020	TARGET EXCEEDED 13 reports submitted to MS Portfolio /LCC	12 monthly disaster incident reports submitted to MS Portfolio 30 June 2021	TARGET MET 12 monthly disaster incident reports submitted to MS Portfolio	N/A	
OPMS: 44	To prevent and reduce the impact of disasters within KDM jurisdiction	Number of inspections conducted in areas identified as high risk occupancies and sensitive land use	All Wards	48 fire compliance inspections conducted in areas identified as high risk occupancies and sensitive land use by 30 June 2020	TARGET EXCEEDED 154 fire inspections conducted	48 fire compliance inspections conducted in areas identified as high risk occupancies and sensitive land use by 30 June 2021	TARGET EXCEEDED 129 fire compliance inspections conducted	N/A	
OPMS: 45	To prevent and reduce the impact of disasters within KDM jurisdiction	Number of campaigns conducted in wards by target date	All Wards	40 campaigns conducted on fire safety, social crime and safety campaigns: i) 8 Fire safety campaigns ii) 8 Social Crime Prevention programme iii) 12 school's road safety campaigns by 30 June 2020 iv) 12 school's water safety campaigns	TARGET EXCEEDED 42 campaigns conducted	28 campaigns conducted by 30 June 2021	TARGET EXCEEDED 38 campaigns conducted	N/A	
OPMS: 46	Developing and sustaining the spatial, natural and built environment	Percentage of SPLUMA applications (Rezoning/ subdivision/Scheme Amendments) processed within stipulated time	All Wards	85% of SPLUMA applications processed within 90 days from the closing date of advert by 30 June 2020	TARGET NOT MET 78% of SPLUMA applications processed within 90 days from the closing date of advert	85% of SPLUMA applications processed within 90 days from the closing date of advert by 30 June 2021	TARGET MET 88% of SPLUMA applications processed within 90 days from the closing date of advert	N/A	
OPMS: 46a	Developing and sustaining the spatial, natural and built environment	Percentage of SPLUMA Record of Decision issued within 21 days after decision has been taken.	All Wards	77% of SPLUMA ROD issued within 21 days after MPT decision taken by 30 June 2020	TARGET EXCEEDED 85% of SPLUMA ROD issued within 21 days after MPT decision taken (TARGET MET)	77% of SPLUMA ROD issued within 21 days after MPT decision taken by 30 June 2021	TARGET EXCEEDED 100% of SPLUMA ROD issued within 21 days after MPT decision taken.	N/A	
OPMS: 46b	Developing and sustaining the spatial, natural and built environment	Percentage of consent applications (i.e. relaxations) processed within 60 days from closing date of advert or date of submission	All Wards	85% of consent applications processed within 60 days, from the closing date of advert or date of submission by 30 June 2020	TARGET EXCEEDED 92.25% of consent applications processed within 60 days, from closing date of advert or submission date by 30 June 2020 (TARGET EXCEEDED)	85% of consent applications processed within 60 days, from the closing date of advert or date of submission by 30 June 2021	TARGET EXCEEDED 98% of consent applications processed within 60 days, from closing date of advert or submission date	N/A	
OPMS: 46c	Developing and sustaining the spatial, natural and built environment	Percentage of building plans less than 500m ² processed within 30 days	All Wards	85% of building plans less than 500m ² processed within 30 days by 30 June 2020	TARGET EXCEEDED 88.05% of building plans less than 500m ² processed within 60 days by 30 June 2020	85% of building plans less than 500m ² processed within 30 days by 30 June 2021	TARGET MET 86% of building plans less than 500m ² processed with 30 days by 30 June 2021	N/A	






2020/2021 ANNUAL PERFORMANCE REPORT...continued

OPMS NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	WARD	2019/2020 TARGET	2019/2020 ACTUAL ACHIEVED	2020/2021 TARGET	2020/2021 ACTUAL ACHIEVED	MEASURES TO IMPROVE PERFORMANCE	STATUS
DEVELOPMENT OBJECTIVE 3: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT									
OPMS: 46d	Developing and sustaining the spatial, natural and built environment	Percentage of building plans more than 500m ² processed within 60 days	All Wards	85% of building plans more than 500m ² processed within 60 days by 30 June 2020	TARGET EXCEEDED 98.5% of building plans more than 500m ² processed within 60 days by 30 June 2020	90% of building plans more than 500m ² processed within 60 days by 30 June 2021	TARGET EXCEEDED 96% of building plans more than 500m ² processed with 60 days by 30 June 2021	N/A	
OPMS: 47	Developing and Sustaining the spatial, natural and built environment	Percentage reduction/ maintenance of building plans referral rate to improve business processes related to building plan assessment	All Wards	Reduction of building plans referral rate from 80% to 70% by 30 June 2020	TARGET NOT MET Reduction of building plans referral rate remains at 83.255%	Maintenance of building plan referral rate at 85% or less by 30 June 2021	TARGET NOT MET building plans referral rate at 86.4% or less by June 2021	Pre-scrutiny submissions will be strictly monitored in order to ensure that referrals are reduced	
OPMS: 48	Developing and sustaining the spatial, natural and built environment	Percentage of Site Development Plan (SDP) Applications processed within 60 days from date of submission	All Wards	NEW	NEW	85% of SDP Applications processed within 60 days from date of submission	TARGET EXCEEDED 100% of SDP Applications processed within 60 days from date of submission	N/A	
OPMS: 49	Developing and sustaining the spatial, natural and built environment	Review of KwaDukuza Spatial Development Framework in compliance with SPLUMA	All Wards	Review of KwaDukuza Spatial Development Framework (SDF) in compliance with SPLUMA by 30 June 2020	TARGET NOT MET	Review KwaDukuza Spatial Development of Framework (SDF) in compliance with SPLUMA by 30 June 2021	TARGET MET Reviewed SDF in compliance with SPLUMA was adopted by council on the 27 May 2021 vide Council Resolution C 842	N/A	
OPMS: 50	Developing and sustaining the spatial, natural and built environment	Completion of Shakaskraal/Umhali Central Business District (CBD) Regeneration Plan	All Wards	Completion of Shakaskraal/ Umhlali Central Business District (CBD) Regeneration Plan for council approval by 30 June 2020	TARGET NOT MET	Completion of Shakaskraal/ Umhlali Central Business District (CBD) Regeneration Plan for council approval by 30 June 2021	TARGET MET Shakaskraal/ Umhlali CBD Regeneration Plan was approved by Council on the 29 June 2021 vide Council Resolution C1013	N/A	
OPMS: 51	Developing and sustaining the spatial, natural and built environment	Review of KwaDukuza Central Business District (CBD) Regeneration Plan by target date	All Wards	Review the KwaDukuza CBD Regeneration Plan for approval by council by 30 June 2020	TARGET NOT MET No Review the KwaDukuza CBD Regeneration Plan for approval by council by 30 June 2020	Review the KwaDukuza CBD Regeneration Plan for approval by council by 30 June 2021	TARGET MET KwaDukuza CBD Regeneration Plan approved and adopted by council on the 27 May 2021 vide council resolution C844	N/A	






2020/2021 ANNUAL PERFORMANCE REPORT...continued

OPMS NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	WARD	2019/2020 TARGET	2019/2020 ACTUAL ACHIEVED	2020/2021 TARGET	2020/2021 ACTUAL ACHIEVED	MEASURES TO IMPROVE PERFORMANCE	STATUS
DEVELOPMENT OBJECTIVE 4: SPATIAL PLANNING & ENVIRONMENTAL MANAGEMENT (CROSS-CUTTING ISSUES)									
OPMS: 52	Developing and sustaining the spatial, natural and built environment	Completion of Draft Land Use Survey for Kwadukuza by target date	All Wards	Completion of Draft Land Use Survey for Kwadukuza by 30 June 2020	TARGET EXCEEDED Completion of Draft Land Use Survey for Kwadukuza was met in Q3	Completion of Draft Land Use Survey for Kwadukuza by 30 June 2021	TARGET NOT MET The Final Draft has been submitted by the service provider the item was tabled to EDP Portfolio Committee. A meeting was held with service provider (date: 23 June 2021) to rectify minor anomalies of the project - GIS section are in the process of finalising the mapping issues with service provider prior to submission of the close out report. (Target Partially met)	Meeting held with SP on the 23 June 2021, agreed to change anomalies identified. Close out report to be submitted to Council in August 2021	
OPMS: 53	Developing and sustaining the spatial, natural and built environment	Number of development planning bylaws blitz (joint planned enforcement operations) conducted	All Wards	8 Development Planning Bylaws blitz conducted by 30 June 2020	TARGET NOT MET 6 x Development Planning By-Laws blitz conducted by 30 June 2020	8 Development Planning By-Laws blitz conducted by 30 June 2021	TARGET EXCEEDED 22 Development planning By-Laws blitz conducted	N/A	
OPMS: 53a	Developing and sustaining the spatial, natural and built environment	Number of buildings with problems identified and subjected to the Problem Buildings By-Law enforcement	All Wards	2 Buildings with problems identified and subjected to the Problem Buildings By-Law enforcement by 30 June 2020	TARGET MET 2 Buildings with problems identified and subjected to the Problem Buildings By-Law enforcement by 30 June 2020	2 Buildings with problems identified and subjected to the Problem Buildings By-Law enforcement by 30 June 2021	TARGET EXCEEDED 5 buildings with problems identified	N/A	
OPMS: 53b	Developing and sustaining the spatial, natural and built environment	Number of gated estates visited to undertake By-Law enforcement operations	All Wards	4 Gated Estates visited to undertake By-Law enforcement operations by 30 June 2020	TARGET NOT MET 3 Gated Estates visited to undertake By-Law enforcement operations by 30 June 2020	4 Gated Estates visited to undertake By-Law enforcement operations by 30 June 2021	TARGET EXCEEDED 8 gated estates visited	N/A	







2020/2021 ANNUAL PERFORMANCE REPORT...continued

OPMS NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	WARD	2019/2020 TARGET	2019/2020 ACTUAL ACHIEVED	2020/2021 TARGET	2020/2021 ACTUAL ACHIEVED	MEASURES TO IMPROVE PERFORMANCE	STATUS
DEVELOPMENT OBJECTIVE 4: SPATIAL PLANNING & ENVIRONMENTAL MANAGEMENT (CROSS-CUTTING ISSUES)									
OPMS: 53c	Developing and sustaining the spatial, natural and built environment	Number of Development Enforcement Policies developed for council approval by 30 June 2020	All Wards	2 x development enforcement policies and SOPs adopted by 30 June 2020	TARGET MET 1) KDM EDP functions and By-Law enforcement strategy approved at EDP Portfolio in Oct 2019. 2) Illegal Developments Penalties Policy adopted as part of draft Rates Policy and tariff of charges introduced	2 x development enforcement policies and SOPs adopted by 30 June 2021	TARGET EXCEEDED 3 x policies approved by council. Quarter 1: 1x policy (Implementation of the unauthorised illegal development or use, and abandoned property or building) Quarter 2: 1 x Enforcement strategy approved by Council 29 October 2020; Quarter 3: 1 x Policy and/or Standard Operating Procedure dealing with the impounding of goods or animals	N/A	
OPMS: 54	Developing and sustaining the spatial, natural and built environment	Number of Environmental Awareness Programmes conducted	All Wards	8 Environmental Management Community awareness programmes held by 30 June 2020	TARGET EXCEEDED 16 Environmental Management Community awareness programmes held by 30 June 2020	4x Environmental Management Community awareness programmes conducted by 30 June 2021	TARGET EXCEEDED 9 Environmental Management Community awareness programmes conducted in the 2020-2021 financial year	N/A	
OPMS: 55	Promote and support Low Carbon Development Path	Percentage of climate change mitigation/adaptation projects implemented	All Wards	70% implementation of Climate change Mitigation / Adaptation projects completed by 30 June 2020	TARGET MET 70% implementation of Climate change Mitigation/ Adaptation (i.e. KwaDukuza Library Greening Project) projects completed by 30 June 2020	Adoption of Climate change Mitigation/ Adaptation (i.e. KwaDukuza Library Greening Project) project report and implementation of pilot project(s) by 30 June 2021	TARGET MET 100% completion of pilot project and draft close out report submitted (Close out report submitted approved vide EDP103 of the meeting 23 June 2021)	N/A	
OPMS: 55a	Promote and support Low Carbon Development Path	Number of progress report submitted to Climate Change Registry (ICLEI-Reporting Platform)	All Wards	NEW	NEW	Reports submitted to Climate Change Carbon Registry by 30 June 2021	TARGET MET 3 Reports submitted to Climate Change Carbon Registry	N/A	
OPMS: 55b	Promote and support Low Carbon Development Path	Number of climate change project funding proposal submitted to funders by 30 June 2021	All Wards	1 Climate Change proposal developed and submitted to potential funders/partners by 30 June 2020	TARGET NOT MET The Greenhouse Gas Inventory (GHGI) Final report is complete but was only received back from ICLEI-Africa 02 July 2020	1 Climate Change proposal developed and submitted to potential funders/partners by 30 June 2021	TARGET MET Submission of climate change funding proposal to funders by 30 June 2021 (Funding was received from EDTEA for Alien Plant removal at Zilungiselele Primary and Etete Primary)	N/A	






2020/2021 ANNUAL PERFORMANCE REPORT...continued

OPMS NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	WARD	2019/2020 TARGET	2019/2020 ACTUAL ACHIEVED	2020/2021 TARGET	2020/2021 ACTUAL ACHIEVED	MEASURES TO IMPROVE PERFORMANCE	STATUS
DEVELOPMENT OBJECTIVE 4: SPATIAL PLANNING & ENVIRONMENTAL MANAGEMENT (CROSS-CUTTING ISSUES)									
OPMS: 55c	To involve local communities in matters of local government	Number of Urban LEDS II projects implemented with international and local partners	All Wards	2 Urban LEDS II Projects implemented with international and local partners by 30 June 2020	TARGET EXCEEDED 2 Climate Change proposal developed and submitted to potential funders/partners by 30 June 2020 1) Leadership grant for technical assistance SANS10400XA was submitted to ICLEI- Africa	2 Urban LEDS II Projects implemented with international and local partners by 30 June 2021	TARGET NOT MET Urban LEDS 11 has been extended to September 2021, hence continuation of the project	Close out report to be completed after September 2021	
DEVELOPMENT OBJECTIVE 5: LOCAL ECONOMIC DEVELOPMENT AND SOCIAL DEVELOPMENT									
OPMS: 56	To use capital infrastructure and social investment to provide poverty and income relief through temporary work for the unemployed	The number of jobs created through municipality's local economic development initiatives. (NKPI)	All Wards	120 Jobs created through LED initiatives by 30 June 2020	TARGET NOT MET: 69 Jobs created through LED initiatives by 30 June 2020	120 Jobs created through LED initiatives by 30 June 2021	TARGET NOT MET 91 Jobs created through LED initiatives	The COVID-19 lockdown delayed initiative to support job creation initiatives for the 1 st and 2 nd quarter of the financial year. Programme will be fully implemented in the next financial year	
OPMS 57	To use capital infrastructure and social investment to provide poverty and income relief through temporary work for the unemployed	Number of business granted KwaDukuza COVID-19 Business Relief Scheme	All Wards	NEW	NEW	400 Formal and informal businesses Granted KDM COVID-19 Business Relief Scheme by 30 June 2020	TARGET MET 400 Formal and informal businesses Granted KDM COVID-19 Business Relief Scheme	N/A	
OPMS: 58	To use capital infrastructure and social investment to provide poverty and income relief through temporary work for the unemployed	The number of jobs created through municipality's capital projects. (NKPI)s	All Wards	305 Jobs created through Capital Projects by 30 June 2020: i) Civil & Human Settlement = 135 jobs ii) Comm Serv = 50 jobs iii) Electrical Services = 120 jobs	TARGET SIGNIFICANTLY EXCEEDED 661 Jobs created through Capital Projects by 30 June 2020: i) Civil & Human Settlement = 75 jobs ii) Comm Serv = 105 jobs iii) Electrical Services = 481 jobs	275 jobs created through municipality's Capital Projects in the IDP by 30 June 2021: ii) Electrical Services: 75 jobs created. iii) Civil and Human Settlement 100 jobs created iii) Community Services: 100 jobs created	TARGET EXCEEDED 410 jobs created through municipality's Capital Projects in the IDP: i) Electrical Services: 86 jobs created ii) Civil and Human Settlement 197 jobs created iii) Community Services: 127 jobs created	N/A	
OPMS: 59	To use capital infrastructure and social investment to provide poverty and income relief through temporary work for the unemployed	Number of job opportunities created through implementation of Expanded Public Works Programme (EPWP)	All Wards	150 job opportunities created through implementation of Expanded Public Works Programme by 30 June 2020	TARGET MET 150 job opportunities created through implementation of Expanded Public Works Programme	50 job opportunities created and maintained through implementation of Expanded Public Works Programme by 30 June 2021	TARGET MET, 51 job opportunities created through implementation of Expanded Public Works Programme by 30 June 2021	N/A	






2020/2021 ANNUAL PERFORMANCE REPORT...continued

OPMS NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	WARD	2019/2020 TARGET	2019/2020 ACTUAL ACHIEVED	2020/2021 TARGET	2020/2021 ACTUAL ACHIEVED	MEASURES TO IMPROVE PERFORMANCE	STATUS
DEVELOPMENT OBJECTIVE 5: LOCAL ECONOMIC DEVELOPMENT AND SOCIAL DEVELOPMENT									
OPMS: 60	To develop a prosperous, inclusive, transformative and diverse local economy	Number of emerging enterprise/s supported	All Wards	35 Emerging Contractors participating in the KDM Emerging Contractors development programme by 30 June 2020	TARGET NOT MET	20 emerging enterprise/s supported by 30 June 2021	TARGET MET 20 emerging enterprise/s supported.	N/A	
OPMS: 61	To develop a prosperous, inclusive, transformative and diverse local economy	Number of cooperatives supported	All Wards	30 Cooperatives supported by 30 June 2020	TARGET EXCEEDED 65 Cooperatives supported by 30 June 2020	30 Cooperatives supported by 30 June 2021	TARGET EXCEEDED 40 Cooperatives supported by 30 June 2021	N/A	
OPMS: 62	To develop a prosperous, inclusive, transformative and diverse local economy	Date approval of 5 year Local economic development plan	All Wards	5 year Local Economic Development Plan approved by 30 June 2020	TARGET NOT MET Draft LED Plan is pending approval	5 year Local Economic Development Plan approved by 30 June 2021	TARGET NOT MET: Draft LED Plan was developed prior to lockdown; however, an Economic Recovery Plan was developed and approved by Council for implementation. No budget was made available for this project during 2020/2021 financial year	Review of the existing scope of work to cover the new economic effects caused by COVID-19	
OPMS: 63	To develop a prosperous, inclusive, transformative and diverse local economy	Improving ease of doing business in KwaDukuza	All Wards	30 Business Development Sessions held by 30 June 2020	TARGET EXCEEDED 31 Business Development sessions held by June 2020	Implement 40% of KwaDukuza Ease of Doing Business Tools and Systems Project	TARGET NOT MET: No implementation of ease of doing business projects modules (40%)	New Tender was issued on the 29 March 2021 and closed on the 14 May 2021. The tender will be awarded during the 1 st Quarter of 2021/2022 as it is a stage 2 tender	
OPMS: 64	To develop a prosperous, inclusive, transformative and diverse local economy	Number of tourism adverts featured	All Wards	NEW	NEW	4 adverts featured by 30 June 2021	TARGET NOT MET: No Tourism adverts by 30 June 2021. Contract has been amended and website development is in progress	Website development in progress pending final approval	
DEVELOPMENT OBJECTIVE 6: GOOD GOVERNANCE & PUBLIC PARTICIPATION									
OPMS: 65	To ensure coordination and alignment of developmental programmes of the municipality with other spheres of government	Approval and adoption of the 2021/2022 IDP in line with S129 MFMA & Chapters 5 & 6 MSA by Council by target date	All Wards	2020/2021 IDP in line with Chapters 5&6 MSA approved by Council 31 May 2019	TARGET NOT MET IDP approved on 29/08/2019 Resolution: C916	2021/2021 IDP in line with Chapters 5 & 6 MSA approved by Council 31 May 2020	TARGET MET through Resolution C417, Council 30 July 2020	N/A	



2020/2021 ANNUAL PERFORMANCE REPORT...continued

OPMS NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	WARD	2019/2020 TARGET	2019/2020 ACTUAL ACHIEVED	2020/2021 TARGET	2020/2021 ACTUAL ACHIEVED	MEASURES TO IMPROVE PERFORMANCE	STATUS
DEVELOPMENT OBJECTIVE 6: GOOD GOVERNANCE & PUBLIC PARTICIPATION									
OPMS: 66	To involve local communities in matters of local government		All Wards	4 reports received from ward committees consolidated and submitted to Council by 30 June 2020	TARGET NOT MET 2 Reports submitted to Council. 1. Council Res: C970 of 26 July 2019 2. C553 of 07 September 2019		N/A	REMOVED DURING ADJUSTMENT: Council Resolution C443	N/A
OPMS: 67			All Wards	80 community engagement meetings held by 30 June 2020	TARGET NOT MET 75 community engagement meetings held				N/A
OPMS: 68	To involve communities local in matters of local government		All Wards	2020/2021 community based plans developed for 10 wards in line with MSA Sec16(1) and 29(b) by 30 June 2020	TARGET NOT MET Plans were submitted but there is no Council resolution				N/A
OPMS: 69	To ensure effective and efficient integrated legal and advisory Legal Services for Council	Number of days taken to sign all contracts issued.	Internal	All contracts issued signed within 30 days from date of receipt by 30 June 2020	TARGET MET All contracts issued signed within 30 days from date of receipt	All contracts issued signed within 30 days from date of receipt by 30 June 2021	TARGET MET 35 Contracts issued and signed within 30 days	N/A	
OPMS: 69a	To ensure effective and efficient integrated legal and advisory Legal Services for Council	Number of contract management reports submitted to Council		4 contract management reports submitted to Council by 30 June 2020	TARGET MET 4 Contract Management reports submitted to Council	4 contract management reports submitted to Council by 30 June 2021	TARGET MET 4 Contracts reports submitted to Council	N/A	
OPMS: 69b	To ensure effective and efficient integrated legal and advisory Legal Services for Council	Number of days for vetting and approving of SPLUMA legal documents	Internal	All SPLUMA legal documents vetted and approved within 21 days from date of receipt by 30 June 2020	TARGET MET All SPLUMA legal documents vetted and approved within 21 days from date of receipt	All SPLUMA legal documents vetted and approved within 21 days from date of receipt by 30 June 2021	TARGET MET 33 Spluma legal documents vetted and approved within 21 days by the municipality in the 2020/2021 financial year	N/A	
OPMS: 70	To provide effective and efficient Internal Audit services for Council	Approval of the 2020- 2021 Risk based Internal Audit Plan by Audit Committee and Council by target date	Internal	Risk Based Internal Audit Plan approved by the Audit Committee by 30 September 2019	TARGET MET Risk Based Audit Plan approved by Council on 26 September 2019 through C972	2020-2021 Risk based Internal Audit Plan approved by the Audit Committee and Council by 30 September 2020	TARGET MET NOT	N/A	
OPMS: 70a	To provide effective and efficient Internal Audit services for Council	Percentage of audit projects in the Audit plan completed	Internal	90% of Audits performed and completed in line with approved audit plan and statutory audit committee meetings held to ensure compliance with S166 of MFMA by 30 June 2020	TARGET NOT MET 60% of audit planned projects completed i) Audcom meeting held. ii) Internal Audit reports submitted to Audcom. iii) Report submitted to Council	90% of Audits performed and completed in line with approved audit plan and statutory audit committee meetings held to ensure compliance with S166 of MFMA by 30 June 2021	TARGET NOT MET i) Quarterly AUDCOM Meeting held on 30 April 2021, ii) 71% completed, iii) 1 Audit report submitted to Audcom on 30 April 2021	COVID-19 impacted on IA projects. The unavailability of management to complete the information	

2020/2021 ANNUAL PERFORMANCE REPORT...continued

OPMS NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	WARD	2019/2020 TARGET	2019/2020 ACTUAL ACHIEVED	2020/2021 TARGET	2020/2021 ACTUAL ACHIEVED	MEASURES TO IMPROVE PERFORMANCE	STATUS
DEVELOPMENT OBJECTIVE 5: LOCAL ECONOMIC DEVELOPMENT AND SOCIAL DEVELOPMENT									
OPMS: 70b	To ensure compliance with the laws and regulations	Percentage of AG findings resolved in the AG action plan	Internal	100% of AG findings resolved in the AG action plan by 30 June 2020	TARGET NOT MET The percentage achieved on implementation of AG Action Plan was sitting at 17%	100% of AG findings resolved in the AG action plan by 30 June 2021	TARGET NOT MET 33% of AG matters completed	To engage with Municipal Managers to fast track the implementation of AG matters.	
OPMS: 71	To enhance organisational performance	Approval and adoption of the Risk Register by Council	Internal	Risk Register approved and adopted by Council by 31 July 2019	TARGET MET	Risk Registers approved and adopted by Council by 30 June 2021	TARGET MET Risk Register adopted C999 on the 24 June 2021	N/A	
OPMS: 71a			Internal						N/A
OPMS: 71b	To perform follow-ups on implementation of action plans	Number of actions mitigated in the risk action plan	Internal	270 Actions mitigated in the risk action plans by 30 June 2020	TARGET NOT MET 16 Actions mitigated in the risk action plans	70% of 221 action plans implemented per quarter	TARGET MET 71% of (114) action plans were implemented from the 20/21 risk register	N/A	
OPMS: 71c	To address oversight requirements of risk management and institution's performance with regards to risk management	Number of reports submitted to Risk Committee, Audcom and Exco	Internal	4 reports submitted to Risk Committee, Audit Committee and Exco by 30 June 2020	TARGET NOT MET	4 reports submitted to Risk Committee, Audit Committee and Exco by 30 June 2021	TARGET MET 4 reports submitted to Risk Committee, Audit Committee and Exco by the end of the financial year	N/A	
OPMS: 71d	To address oversight requirements of risk management and institution's performance with regards to risk management	Number of Risk Committee meetings held by 30 June 2021	Internal	NEW	NEW	2 Risk Committee meetings held by 30 June 2021	TARGET EXCEEDED 4 Risk Committee meetings held - i) 26 February 2021 ii) 24 May 2021 iii) 2 June 2021 iv) 11 June 2021	N/A	
OPMS: 72			All Wards	4 Operation Sukuma Sakhe war-room intervention reports consolidated and submitted to Council by June 2020	TARGET NOT MET 2 programme reports submitted to Council				N/A
OPMS: 73			All Wards	4 HIV/AIDS program reports consolidated and submitted to Council by 30 June 2020	TARGET NOT MET 2 programme reports submitted to Council				N/A

2020/2021 ANNUAL PERFORMANCE REPORT...continued

OPMS NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	WARD	2019/2020 TARGET	2019/2020 ACTUAL ACHIEVED	2020/2021 TARGET	2020/2021 ACTUAL ACHIEVED	MEASURES TO IMPROVE PERFORMANCE	STATUS
DEVELOPMENT OBJECTIVE 5: LOCAL ECONOMIC DEVELOPMENT AND SOCIAL DEVELOPMENT									
OPMS: 74	To streamline empowerment and development of vulnerable groups	Number of programmes identified implemented for vulnerable groups	All Wards	10 programmes identified and implemented for vulnerable groups by 30 June 2020	TARGET NOT MET 0 programmes identified and implemented for vulnerable groups	7 programmes identified and implemented for vulnerable groups by 30 June 2021	TARGET EXCEEDED 10 programmes identified and conducted	N/A	
OPMS: 75	To ensure effective and efficient integrated running of the municipality	Date Approval of the Business Continuity Plan	Internal	NEW	NEW	Approval of the Business Continuity plan by 30 June 2021	TARGET NOT MET The business continuity plan has been handed over to Vuthela	Vuthela will be conducting the Business continuity plan for the municipality	

CONCLUSION

When taking a broad overview of the report, it is evident that the municipal performance increased by 4% to 68% when compared to the previous financial year which was 64%. There was a significant increase of 9% in Basic Service Delivery to 56% from the 47% achieved in the previous financial year. Due to COVID-19 and Lockdown, a lot of planned projects were delayed as most of the budget was transferred to COVID-19 Disaster projects, if it wasn't for the National Pandemic, it is evident there would have been a much higher significant increase in Basic Service Delivery.

There is still a challenge with the increase in energy losses which is 21.44% to the threshold of 15%, the municipality has established a Debt Reduction Steering Committee to intensify measures to reduce energy losses by conducting inspections on bigger consumers every Thursdays on a monthly basis. Consultants will be engaged to audit MD meters including other mechanisms that will be identified by the Council approved Revenue and Debt Steering Committee (RDSC).

Measures were put in place to deal with the repairs and maintenance of existing streetlights and also measures to deal with installation of new streetlights in the financial year 2020/2021. The municipality has also been dealing with repeated findings on irregular expenditure. However, the Solid Waste PPP was finalised and will be implemented in the current financial year and this will eliminate this irregular expenditure. The grass cutting tenders was finalised and this should eliminate irregular expenditure related to this service. The Electrical Business Unit has embarked upon various tender processes for the appointment of various service providers onto a panel and this eliminated the need for section 36 appointments which were deemed to be irregular.

On quarterly basis, the Section 56 Managers are required to develop an action plans for all the issues raised by the Performance Evaluation Committee to ensure that all issues raised by Internal Audit and the Performance Evaluation Committee are addressed.



CHAPTER
04

**Organisational Development
Performance**

4.1 INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT

Corporate Services Business Unit has, during the year under review (2020-21), endeavoured its utmost best to outstrip all the targets as contained in the performance plan as follows:

- a) Reviewed and adopted council policy as per the 2020-21 policy register;
- b) Appointed 41 interns and 8 in-service learners;
- c) Finalized 77% of the disciplinary cases reported to HR;
- d) Kept the staff turnover at 3.25 % (34 out of 1 043);
- e) Kept the staff vacancy rate at 6.6%;
- f) Regularly submitted the KDM land register to council for oversight;
- g) Provided the support for the regular sittings of council and its structures;
- h) Implemented the 2016 KDM Lekgotla Action Plan for Corporate Services; and
- j) Optimally participated in the IGR platforms and engagements.

CHALLENGE	INTERVENTION/S
1. Less appointment of women.	1. The KDM selection committees shall in the 2021-22 year ensure that out of all vacancies available per business unit, 60% of those shall be filled by women and HR shall advise the Municipal Manager regularly prior to approving of appointments per interview conducted.
2. Lack of training the targeted staff audience	2. The Budget for Training was reduced from R2.5 Million to R620 000 due to COVID-19 which only allowed for partially implementation of mandatory training.
3. Lack of communication tools under COVID-19	3. The support function is executed in consultation with stakeholders the lack of communication equipment such as screen and network has been identified as a challenge. Council has to review its cellphone policy and allocation of data bundles to staff members.

Table 60: Challenges and Corrective Actions

IMPACT OF COVID-19

COVID-19 had a measurable impact on institutional transformation and development in that the review of policies and other transformational activities requires consultation with stakeholders. Most trainings institutions were closed during 2020/21 financial year. Consultations with workforce to review policies has been a major challenge.

ORGANISATIONAL PERFORMANCE MANAGEMENT SYSTEMS (OPMS)

In terms of the Municipal Systems Act and the Municipal Performance Regulations, KwaDukuza has developed a Performance Management System to measure and assess the Performance of the Organisation and its Section 57 employees known as Executive Directors reporting directly to the Municipal Manager.

The organisational performance is based on the programmes in the IDP, Budget and is being implemented through the use of the Top layer of the Service Delivery Budget Implementation Plan (SDBIP) to monitor performance that is in the Organisational Scorecard and the Performance Agreements of the Municipal Manager and the Heads of Business units. Their performance is monitored quarterly by the Performance Evaluation Committee set up by Council and internally audited by the Internal Audit. A report is sent to Audit Committee and Performance Audit Committee and Council.

PERFORMANCE MONITORING & REVIEWS

In order to fulfil the objective of ensuring accountability, reviews are conducted according to certain lines of accountability:

RESPONSIBILITY	FREQUENCY	NATURE OF REVIEW
Supervisors	Monthly	Review performance of individual or groups of employees reporting directly to them, depending on the type of employee PMS that is adopted.
Line/ Functional Managers	Monthly	Review performance of their respective areas regularly (monthly). The reviews should at least cover all the organisational priorities respective to these functions.
Standing/ Portfolio Committees	Monthly	Manage performance of functions respective to their portfolios. They should at least review performance of organisational priorities that lie within their portfolio monthly, while maintaining a strategic role.
Admin Officers	Weekly/Monthly/Quarterly	The Admin Officers in each section has a responsibility of managing indicator information files as per the municipality's monitoring system. They are also responsible for collating this information in preparation for submission of performance reports to departmental heads by line managers. This responsibility is carried out on a weekly basis.
Executive Management (Municipal Manager and his Management Team)	Monthly/Quarterly	<p>Review performance of the municipality monthly, prior to and more often than the Mayoral Committee:</p> <p>Review performance more often, in order to intervene promptly on operational matters where poor performance or the risks thereof occur.</p> <p>Review performance before reporting to politicians so that they can prepare, control the quality of performance reports submitted and ensure that adequate response strategies are proposed in cases of poor performance.</p> <p>Review performance prior to being conducted by standing, portfolio or committees.</p>
Mayoral Committee	Quarterly	Review performance of the administration, and should remain strategic. It is proposed that reviews take place on a quarterly basis with the regular final quarterly review taking the form of an annual review. The content of the review should be confined to agreed and confirmed priority areas and objectives only. The Municipal Manager should remain accountable for reporting on performance at this level.
Council	Monthly/Quarterly/Annually	Review performance of the Municipal Council, its committees and the administration on monthly, quarterly and annual basis, in the form of a tabled annual report at the end of the financial year.
Public	Annually	Review performance of the Municipality and public representatives (Councillors) in the period between elections. It is required by legislation that the public is involved in reviewing municipal performance at least annually.

PERFORMANCE REPORTING:

There are various types of reports that must be generated and disseminated to all the relevant stakeholders:

- ◆ Monthly reports;
- ◆ Quarterly performance reports;
- ◆ Mid-year assessment report also known as section 72 reports;
- ◆ S57 Performance Assessment and Evaluation report; and
- ◆ Annual Performance Report.

Annual reports which are key reporting instruments for municipalities to report against performance targets and budgets outlined in IDP.

Annual Reports contain information of service delivery, performance and how the budget was implemented. The oversight report is the final major step in the annual reporting process of a municipality.

It is essential that all these reports are made accessible to everybody through publication in the municipal website in order to ensure transparency and access to information.

In order to ensure accountability and credibility, the quarterly reports are audited internally by the Internal Audit Unit, the Performance Audit Committee and annually by the Auditor-General. The Performance Audit Committee must then table audited performance reports to Council bi-annually.

In terms of this Policy, the frequency of reporting intervals is that all Quarterly Reports are due for submission to the PM&E unit on the 10th after the end of the quarter. If the 10th falls on a Sunday or Public Holiday, the report will be due on the following day, if the 10th falls on a Saturday, the reports are due a day before or the following Monday, but only if that has been negotiated with the PME unit.

PERFORMANCE AUDITING

In order for the Performance Management System to enjoy credibility and legitimacy from the public and other stakeholders, performance reports, must be audited. Audits should ensure that reported performance information is accurate, valid and reliable.

In terms of the provisions of the Municipal Systems Act and the Performance Regulations of 2001, the annual performance report must be audited internally, and before being tabled and made public, the annual performance report will also be audited by the Auditor-General. It is therefore important to allow sufficient time between completion of annual reports and the tabling of the annual report for auditing.

After being reviewed by the Council, the annual report must then be submitted to the Auditor-General before 31 August of every year, for auditing and be submitted to the MEC for local government in the province for the MEC to complete an annual report of performance of all municipalities in the province, identifying poor performing municipalities and proposing remedial action and submit the provincial report to the national minister. The national minister will then present a consolidated report to parliament.

INTERNAL AUDITING OF PERFORMANCE MEASUREMENTS

THE INTERNAL AUDIT UNIT OF THE KWADUKUZA MUNICIPALITY

In terms of Regulation 14 of the Planning and Performance Regulations of 2001, every municipality must develop and implement mechanisms, systems and processes for auditing the results of performance measurements as part of its internal auditing processes. The functions of the internal audit unit include the assessment of the following:

- ◆ The functionality of the municipality's Performance Management System;
- ◆ Whether the municipality's Performance Management System complies with the provisions of the Municipal Systems Act; and
- ◆ The extent to which the municipality's performance measurements are reliable in measuring performance of municipalities on its own indicators and the national indicators.

The Regulations further provides that the municipality's internal auditors must:

- ◆ On a continuous basis, audit the performance measurements of the municipality; and
- ◆ Submit quarterly reports on their audits to the municipal manager and the performance audit committee.

The KwaDukuza Municipality has complied with the Regulations by establishing an Internal Audit Unit. The Internal Audit Unit will be responsible for the assessment of the functionality of the system, whether the municipality's PMS complies with the provisions of the acts, and to validate whether the municipality's measurement (Indicators) both the municipality's and National governments are reliable. The Municipal Manager and the Mayor will place reliance on the performance audit risk assessments and audit reports to make informed decisions and motivate for any reviews and improvements to the municipal council and communities.

THE PERFORMANCE AUDIT COMMITTEE

Regulation 14 of the Planning and Performance Regulations stipulates the provisions that guide the establishment of the Performance Audit Committee and outline the functions and powers entrusted to the committee as the following:

- ◊ Review the quarterly reports submitted to it by the Internal Auditors;
- ◊ Review the municipality's performance management system and in doing so, focus on economy, efficiency, effectiveness and impact in so far as the key performance indicators and performance targets set by the KwaDukuza Municipality in its organizational scorecard are concerned;
- ◊ Make recommendations in this regard to the municipal council;
- ◊ At least twice during a financial year submit an audit report to the municipal council;
- ◊ Communicate directly with the council, municipal manager or the internal and external auditors of the municipality;
- ◊ Access any municipal records containing information that is needed to perform its duties or exercise its powers;
- ◊ Request any relevant person to attend any of its meetings, and if necessary, to provide information requested by the committee; and
- ◊ Investigate any matter it deems necessary in the performance of its duties and the exercise of its powers.

The KwaDukuza Municipality appointed the Performance Audit Committee. The municipality provides an annual budget for the running of this committee and also provides the relevant secretarial capacity for the committee.

III. THE ROLE OF PERFORMANCE AUDIT COMMITTEE IN PERFORMANCE PLANNING.

The audit committee plays an important role in the strategic planning and annual performance planning of each of the institutions. The audit committee plays an important oversight role to ensure that the strategic plans and the annual performance plans are credible and strategic. The PAC should ensure that the following key areas of performance have been attended to by the management team of the municipality:

- ◊ The Key Performance Indicators (KPIs) are strategic in order to have impact on achievement of the goals of the organisation.
- ◊ The KPIs set are relevant and appropriate to the mandate of the organisation and service delivery.
- ◊ The targets are measurable and indicators verifiable by means of supporting evidence where targets have been met.

- ◊ The targets are specific and the indicators well-defined in order to ensure that they are understood by everybody in the municipality and can be achieved as planned.
- ◊ The targets are achievable, which means due consideration should be given whether resources available will assist in achieving planned targets and that targets are not over-ambitious when comparing it to the previous performance of the municipality.

The PAC should monitor compliance to legislations as well as alignment between the IDP, SDBIP and Performance Agreements of Section 57 Managers.

They must review quarterly reports on performance management provided by Internal Audit.

The audit committee needs to ensure that internal audit audits the results of performance measurements, including the functionality of the PMS, compliance of the PMS with the relevant legislation, consistency between planning documents and reports, and reliability of performance information.

The PAC must review the PMS and make recommendations to the accounting officer by compiling an audit committee report at least twice a year.

The audit committee must review and comment on annual financial statements and the annual performance report and ensure timely submission to the Auditor-General.

The report of the audit committee needs to make reference to the following aspects relating to performance management:

- ◊ Compliance with statutory requirements and performance management best practices.
- ◊ Alignment among planning documents, budget, performance agreements and in-year and annual reports.
 - Quarterly reports submitted by internal audit.
 - Annual financial statements and timely submission to the Auditor-General.
 - Annual reports within the stipulated time frames.
 - The PMS, including recommendations for improvement

THE LINK TO TRAINING & DEVELOPMENT

Every employee is required to have an Individual Learning Plan (ILP) that is prepared at the end of the formal performance review. These plans should form a key part of the Skills Development Planning Process. ILPs provide an opportunity for Managers/Supervisors and employees to jointly identify training and development needs in order to improve job performance and support individual development.

THE LINK TO EMPLOYMENT EQUITY

Performance management can contribute to the achievement of the municipality's Employment Equity Strategy in a number of ways:

- By making Employment Equity a key objective for each Manager/Supervisor, the municipality is ensuring that line and senior management take responsibility for meeting their Employment Equity objectives; and

- The ILP must reflect training that can assist in the development of selected employees, thus contributing to the enhancement of their individual potential to carry out higher-level jobs.

During the planning phase of the Performance Management Cycle, objectives that are set for selected individuals should expose them to more and more challenging tasks so that when they are promoted, they have already been exposed to higher level tasks.

HUMAN RESOURCE PROFILE

LEVEL	REGION DEMOGRAPHICS	KWADUKUZA MUNICIPALITY OVERALL														
		EXECUTIVE DIRECTORS			DIRECTORS			SENIOR MANAGEMENT			MIDDLE MANAGEMENT			OTHER STAFF		
		SECTION 56/57			TASK GRADE 19			TASK GRADE 16 - 18			TASK GRADE 14 - 15			TASK GRADES 2- 13		
		EXIST	IDEAL	DIFF	EXIST	IDEAL	DIFF	EXIST	IDEAL	DIFF	EXIST	IDEAL	DIFF	EXIST	IDEAL	DIFF
African Males	45.8%	6	6	0	9	9	0	5	6	1	11	11	0	530	530	0
African Females	41.4%	0	2	2	3	5	2	4	6	2	9	12	3	330	334	4
Colored Males	0.5%	0	0	0	0	1	1	0	1	1	1	3	2	7	22	15
Colored Females	0.4%	0	0	0	0	0	0	0	1	1	0	2	2	4	18	14
Indian Males	5.4%	2	2	0	5	5	0	2	2	0	5	5	0	102	120	18
Indian Females	3%	0	0	0	1	2	1	1	2	1	3	4	1	62	77	15
White Males	2.5%	0	0	0	0	1	1	0	1	1	3	5	2	2	5	3
White Females	2.5%	0	0	0	0	1	1	0	1	1	0	2	2	6	9	3
Other Males	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Females	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	100%	8	10	2	18	24	6	12	20	8	32	44	12	1 043	1 115	72

Table 61: Employment Equity Statistics

4.2 COMPONENT A: MUNICIPAL PERSONNEL WORKFORCE EMPLOYEE TOTALS/ STAFFING INFORMATION

STAFF COMPLEMENT	ACTUAL	VACANCIES	TEMPORARY STAFF
Employees	1 058	51	83
Section 56 Managers	9	1	0

FUNCTION	NUMBER OF STAFF	NUMBER OF VACANCIES
Municipal Manager	2	0
Chief Operations Office	45	6
Corporate Services	76	4
Finance	102	4
EDP	67	2
Community Services	247	7
Community Safety	280	10
Civil Engineering	126	4
Electrical Engineering	105	12
Youth Development	8	2
Total	1 058	51

Table 62: Total Approved Posts on the Organogram

STAFF TURNOVER

This refers to the total number of terminations registered by KDM as a result of resignation, retirement, death, medical boarding, abscondment and dismissal. In total, there were 42 permanent employees while 37 were temporary employee staff turnovers recorded for the year under review.

VACANCY RATE PER POST LEVEL, FUNCTIONAL LEVEL

LEVEL	TASK GRADE	VACANCY RATE
Executive Directors	00	10%
Directors	19 and above	9%
Senior Managers	16 – 18	8%
Professionally Qualified	14 – 15	13%
Other	2 – 13	8%



4.3 COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE EXPENDITURE

HR POLICIES AND PLANS

Council approved the following policies during the period 2019/2020:

- ◊ KDM Staff Remuneration Policy;
- ◊ Human Resource Development Strategy;
- ◊ Priority Skills Strategy;
- ◊ Leave Management Strategy;
- ◊ Succession Planning;
- ◊ Supervisor Development Strategy;

- ◊ Recruitment and Selection Policy;
- ◊ Staff Conditions of Service;
- ◊ Performance Management Policy;
- ◊ Recognition of Prior Learning Policy;
- ◊ Conditions of Service Policy; and
- ◊ Exit Management Policy.

INJURIES

Human Resource Management and Development service is responsible for the reporting and administration of injuries on duty for permanent staff members. This involves the administrative process to report the injury that occurred after it has been reported by the employee or the head of department, the arranging of medical examination, arranging of follow-up visits for treatment and/or evaluation. The submission of accounts to the Compensation Commissioner is also done. For the year 2019/2020, there were thirty-one (31) injuries on duty that were reported to the compensation commissioner. It be noted that these were minor injuries not leading to any disability and it is an increase of the previous year's eighteen (18).

SUSPENSIONS

DISCIPLINARY ACTION 2020/2021

EMPLOYEE DETAILS	JOB TITLE & BUSINESS UNIT	NATURE OF MISCONDUCT AND DATE REPORTED	PERSON IN CHARGE	STATUS	NEXT ACTION	PROGRESS REPORT
P40038	Deputy Director: Electrical Engineering	Misconduct: Tender irregularity	Employer Rep: Livingstone Attorneys Employee Rep: SAMWU Legal	KDM reviewed Sanction of the Tribunal. Awaiting for progress report from Labour Court	Awaiting for progress report from Labour Court. PENDING	1. Pre suspension meeting was held On 10/12/2018 2. He was suspended on 22/12/2018 3. Disciplinary Sanction: 10 days of Punitive Suspension
P04251	Leading Firefighter Fire and Emergency Services	Unauthorized usage of KDM vehicle Driving under the influence of alcohol Putting the name of KDM into disrepute. Failure to conduct himself with honesty and integrity.	Presiding Officer: Mndeni Sibisi Prosecutor: M Gumede	The hearing sat on numerous occasions and will continue on 03 September 2021	The Disciplinary Hearing will continue on the 03 September 2021. PENDING	1. Pre suspension meeting was held On 13/11/2020. 2. He was suspended on 30/11/2020. 3. Disciplinary Outcome: Pending
P21019	Assistant Desktop Technician Corporate Services	Unauthorized usage of KDM vehicle Theft Putting the name of KDM into disrepute. Failure to conduct himself with honesty and integrity	Presiding Officer: Mndeni Sibisi Prosecutor: M. Gumede	The hearing sat on numerous occasions and will continue on 03 September 2021	The next date for a hearing is on 03 September 2021. PENDING	1. Pre suspension meeting was held On 21/12/2020. 2. He was suspended on 23/12/2020. 3. Disciplinary Outcome: Pending

SUSPENSIONS ...continued

DISCIPLINARY ACTION 2020/2021 ...continued

EMPLOYEE DETAILS	JOB TITLE & BUSINESS UNIT	NATURE OF MISCONDUCT AND DATE REPORTED	PERSON IN CHARGE	STATUS	NEXT ACTION	PROGRESS REPORT
P021017	Assistant Desktop Technician Corporate Services	Misconduct: Theft Failure to conduct duties diligently, honestly and with integrity	Presiding Officer: M.S Sibisi Prosecutor: P. Ngcobo	Disciplinary Hearing will sit on 03 September 2021.	PENDING	<ol style="list-style-type: none"> 1. Pre suspension meeting was held On 01/06/2021. 2. He was suspended on 09/06/2021. 3. Disciplinary Outcome: Pending
P07005	General Assistant Community Services and Public Amenities	Assault, Insolence	Presiding Officer: M.S Sibisi Prosecutor: P. Ngcobo	Disciplinary Hearing will sit on 06 August 2021	PENDING	<ol style="list-style-type: none"> 1. Pre suspension meeting was held On 02/06/2021. 2. He was suspended on 09/06/2021. 3. Disciplinary Outcome: Pending
P04506	Life guard Supervisor Community Safety	Misconduct; Assault	Presiding Officer: B.P. Kubheka Prosecutor: Olvin. Mhlongo	The employee has been found not guilty by the Chairperson on 27 January 2021	The suspension has been uplifted and the employee has returned to work on 04 February 2021 FINALISED	<ol style="list-style-type: none"> 1. Pre suspension meeting was held On 31/10/2018. 2. He was suspended on 06/12/2019. 3. Disciplinary Outcome: Finding of Not Guilty on 01/02/2021 and returned to work On 01/02/2021. Case Closed.
P04613	Assistant General Worker Community Safety	Theft	Presiding Officer: Mndeni Sibisi Prosecutor: P. Ngcobo	The Tribunal was conducted, which led to the Sanction of dismissal on 13 August 2021	The matter is now closed. FINALISED	<ol style="list-style-type: none"> 1. Pre suspension meeting was held On 10/12/2020. 2. He was suspended on 22/12/2020. 3. Disciplinary Sanction: Dismissal on 13/08/2021
P07041	General Assistant Parks and Gardens	Assault	Presiding Officer: Mndeni Sibisi Prosecutor: P Ngcobo	Disciplinary hearing sat which resulted to the dismissal of employee on 12 August 2021	The matter is now closed. FINALISED	<ol style="list-style-type: none"> 1. Pre suspension meeting was held On 10/02/2020. 2. He was suspended on 21/02/2020. 3. Disciplinary Sanction: Dismissal on 12/08/2021

SUSPENSIONS ...continued

DISCIPLINARY ACTION 2020/2021 ...continued

EMPLOYEE DETAILS	JOB TITLE & BUSINESS UNIT	NATURE OF MISCONDUCT AND DATE REPORTED	PERSON IN CHARGE	STATUS	NEXT ACTION	PROGRESS REPORT
P04186	Traffic Officer Community Safety	Misconduct: Assault Gross negligence, (All related shooting incident)	Presiding Officer: Mndeni Sibisi Prosecutor: Olvin. Mhlongo	Tribunal sat on numerous occasions 2018 to 2020 which resulted the Determination of Guilty from both charges on 11 November 2021. Penalty was immediate dismissal on 01 December 2020.	Matter is now closed FINALISED	<ol style="list-style-type: none"> 1. Pre suspension meeting was held On 30/07/2017. 2. He was suspended on 20/08/2017. 3. Disciplinary Outcome: Dismissal on 01/12/2020
P02223	Special Programs Officer Office of the Municipal Manager	Fraud and Gross Negligence	Presiding Officer: M.S. Sibisi Prosecutor: B.P. Kubheka	The Tribunal sat on five occasions, resulting to the finding of guilty. The employee was dismissed on 26 January 2021.	Matter is now closed. FINALISED	<ol style="list-style-type: none"> 1. Pre suspension meeting was held On 04/07/2019. 2. She was suspended on 15/07/2019. 3. Disciplinary Sanction: Dismissal on 27/01/2021
P58239	Manager: Electrical Engineering	Theft Failure to Disclose Business Interests Putting the name of KDM into disrepute	Presiding Officer: M.N Sibisi Prosecutor: B.P Kubheka	The Disciplinary Hearing earing sat on six occasions. Ruling was made available on 19 April 2021, with the finding of guilty from all five charges. Mitigating and Aggravating Factors to be submitted before 23 April 2021. Sanction was dismissed with immediate effect on 14 May 2021.	Case Closed: FINALISED	<ol style="list-style-type: none"> 1. Pre suspension meeting was held On 23/09/2020. 2. He was suspended on 28/09/2020. 3. Disciplinary Sanction: Dismissal on 14/05/2021.
P04533	Lifeguard Community Safety	Unlawful usage of social media. Intimidation, victimization and discrimination in the workplace	Presiding Officer: M.N Sibisi Prosecutor: B.P Kubheka	Tribunal sat resulting into a Plea Bargain on the 25 February 2021. Sanction was Final Written Warning.	Case Closed: FINALISED	<ol style="list-style-type: none"> 1. Pre suspension meeting was held On 23/10/2020. 2. He was suspended on 03/11/2020. Case Closed.

SUSPENSIONS ...continued

DISCIPLINARY ACTION 2020/2021 ...continued

EMPLOYEE DETAILS	JOB TITLE & BUSINESS UNIT	NATURE OF MISCONDUCT AND DATE REPORTED	PERSON IN CHARGE	STATUS	NEXT ACTION	PROGRESS REPORT
P07015	General Assistant Community Services and Public Amenities	AWOL	Presiding Officer: M.S Sibisi Prosecutor: P. Ngcobo	Disciplinary Hearing will sat on 25 June 2021. Sanction was Final Written Warning	Case Closed: FINALISED	1. Disciplinary Hearing was held on 25/06/2021 2. Disciplinary Outcome: Final Written Warning Effective from 02/07/2021
P215206	Cashier: Finance	Theft	Presiding Officer: M Faya Prosecutor: P. Ngcobo	Matter sat on 05 February 2021 and finalized with signing of acknowledgement of debt by A. Singh after he had resigned with immediate effect.	Case Closed: FINALISED	1. Pre suspension meeting was held On 19/02/2020. 2. He was suspended on 28/02/2020. 3. Disciplinary Outcome: Resigned with Immediate effect on 05/02/2021. Case Closed.
P04618	Traffic Officer: Community Safety	Sexual Harassment Gross Dishonesty Putting the name of KDM into disrepute.	Presiding Officer: Mndeni Sibisi Prosecutor: B.P Kubheka	Disciplinary hearing sat on 23 December 2020 and 8 January 2021. The hearing did not sit on 03 March 2021, due to sick note tendered by the employee representative. The Disciplinary Hearing sat on 29 April 2021, which was fourth and final. Employee submitted his letter for Early Retirement which was effective on the 31 July 2021.	Case Closed: FINALISED	1. Pre suspension meeting was held On 13/11/2020. 2. He was suspended on 30/11/2020. Case Closed.
P07010	General Assistant: Community Services and Public Amenities	Abscondment	Presiding Officer: M Faya Prosecutor: P. Ngcobo	Disciplinary Hearing was averted to sit due to approval of Early Retirement.	Case Closed: FINALISED	1. Applied for early retirement on 28/05/2021 2. Granted Early Retirement Effective from 30/06/2021. Case Closed.

Table 63: Disciplinary action

4.4 COMPONENT C: CAPACITATING MUNICIPAL WORKFORCE-OCCUPATIONAL LEVELS (GENDER)

OCCUPATIONAL CATEGORY	MALES	FEMALES	TOTAL
Legislators	0	0	0
Directors and Corporate Managers	6	1	7
Professionals	2	0	2
Technicians and Trade Workers	0	0	0
Community and Personal Service Workers	105	16	121
Clerical and Administrative Workers	0	0	0
Machine Operators and Drivers	0	0	0
Labourers	0	0	0
TOTAL	113	17	130

Table 64: Training Beneficiaries per Occupational Category

BURSARIES AWARDED TO INTERNAL STAFF

FIELD OF STUDY	NO. OF AWARDEES	RAND VALUE
N4-N6 FINANCIAL MANAGEMENT	9	R154 980.00
BACHELOR OF ACCOUNTING SCIENCE	1	R7 985.00
BA: PUBLIC ADMINISTRATION	1	R6 420.00
DIPL.IN FLEET MANAGEMENT	1	R21 344.00
ADV.DIPL.IN ACCOUNTING SCIENCE	1	R4 200.00
BACHELOR OF PUBLIC ADMINISTRATION	1	R29 400.00
ADV.DIPL.IN ACCOUNTING SCIENCE	1	R4 200.00
BACHELOR OF PUBLIC ADMINISTRATION	1	R29 400.00
BA: IN PUBLIC GOVERNANCE & POLICING	1	R9 180.00
BTECH: MANAGEMENT	1	R23 528.00
N4-N6 PUBLIC MANAGEMENT	13	R69 830.00
BTECH: HUMAN RESOURCES MANAGEMENT	1	R13 120.00
BA: DEVELOPMENT STUDIES	1	R13 405.00
BTECH: MANAGEMENT	2	R73 420.00
LLB	5	R68 481.00
BTECH: ARCHITECTURAL TECHNOLOGY	1	R35 040.00
POST GRADUATE DIPLOMA: PUBLIC MANAGEMENT	1	R9 390.00
ND: PUBLIC MANAGEMENT & ADMINISTRATION	1	R6 570.00
MASTERS IN REGIONAL & TOWN PLANNING	1	R25 488.00
BA: IN LOCAL ADMINISTRATION & DEVELOPMENT	1	R16 640.00
BA: IN POLITICAL LEADERSHIP & CITIZENSHIP	1	R16 410.00
DIPL.IN TRANSPORTATION MANAGEMENT	1	R19 540.00
ND: TRAFFIC MANAGEMENT & MUNICIPAL POLICING	5	R39 740.00
N1: CIVIL ENGINEERING	1	R12 000.00
N2: ELECTRICAL ENGINEERING	1	R11 200.00
ND: PUBLIC RELATIONS	1	R16 560.00
ND: HUMAN RESOURCES MANAGEMENT	1	R16 560.00
TOTAL	54	R720 431.00

Table 65: Bursaries Awarded

INTERNSHIP PROGRAMME

AREA OF FOCUS	NUMBER OF INTERNS
Office of Municipal Manager	06
Corporate Services	05
Finance	05
Economic Development and Planning	06
Community Services and Public Amenities	04
Civil Engineering and Human Settlement	02
Community Safety	04
Electrical Engineering	05
Youth Development	02

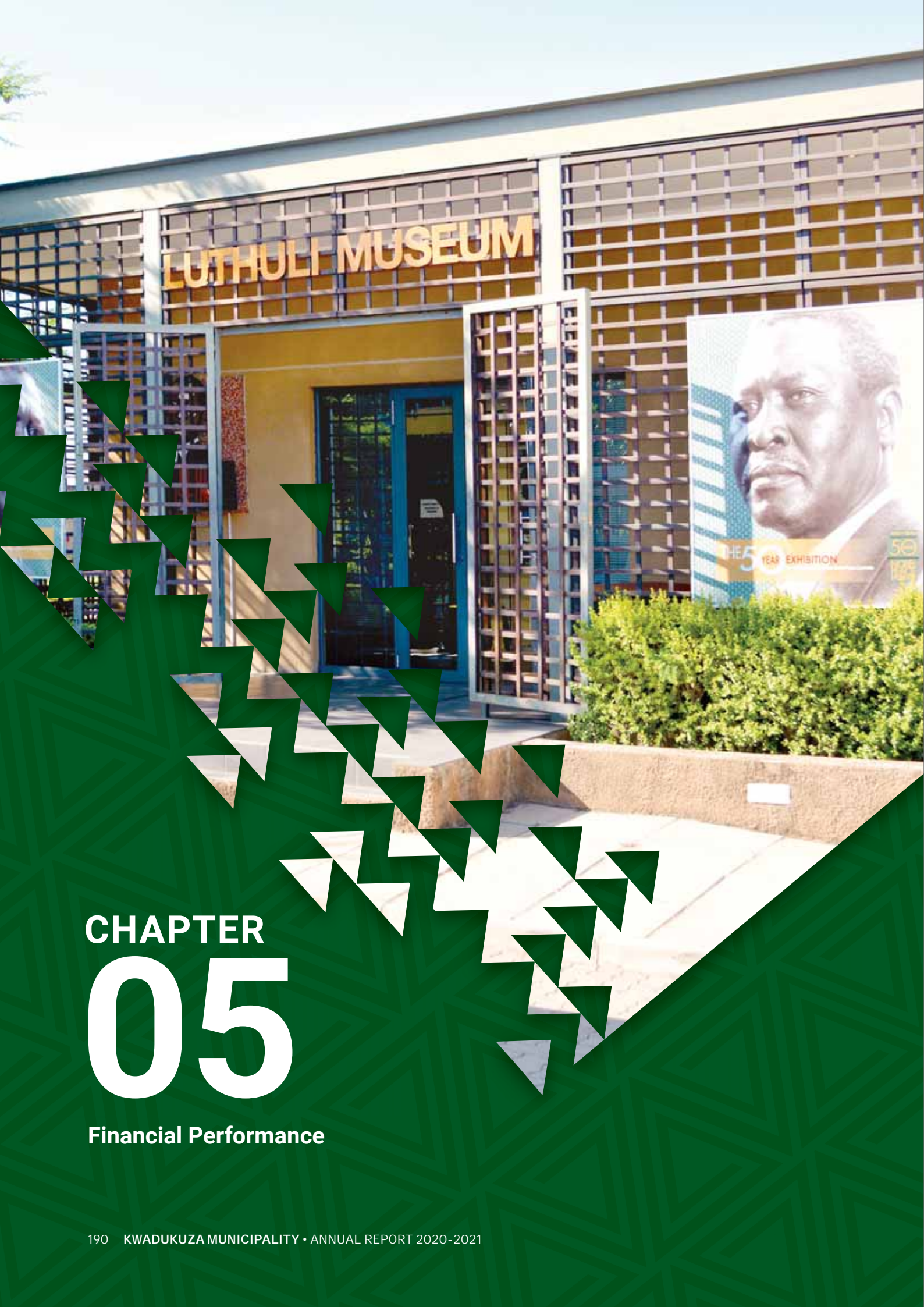
Table 66: Internship Programme

Budget allocation to skills development **R2 177 584**

MFMA COMPETENCY TRAINING FOR SENIOR MANAGERS

NAME OF OFFICIAL	A	B	C	D	E	F
	TOTAL NUMBER OF EMPLOYEES EMPLOYED BY THE MUNICIPALITY: REGULATION 14(4)(A)(C)	TOTAL OF OFFICIALS EMPLOYED BY THE MUNICIPAL ENTITY REGULATION 14(A)(C)	CONSOLIDATED TOTAL OF A AND B	CONSOLIDATED COMPETENCY ASSESSMENTS COMPLETED FOR A AND B: REGULATION 14(4)(B)(D)	CONSOLIDATED TOTAL NUMBER OF OFFICIALS WHOSE PERFORMANCE AGREEMENTS COMPLY WITH REGULATION 16: REGULATION 14(4)(F)	CONSOLIDATED TOTAL NUMBER OF OFFICIALS THAT MEET THE PRESCRIBED COMPETENCY LEVELS: REGULATION 14(4)(E)
FINANCIAL OFFICIALS						
Accounting Officer	1	0	1	1	1	1
Chief Financial Officer	1	0	1	1	1	1
Executive Directors	7	0	7	6	7	7
Directors	21	0	21	18	0	18
SUPPLY CHAIN MANAGEMENT OFFICIALS						
Head of SCM	1	0	1	1	1	1
SCM Managers	1	0	1	1	1	1
Any other financial officials	12	0	12	10	12	10
TOTAL	42	0	42	25	42	38

Table 67: Minimum Competency Levels for Senior Managers



LUTHULI MUSEUM



CHAPTER
05

Financial Performance

COMPONENT A: STATEMENT OF FINANCIAL PERFORMANCE

REVENUE

KwaDukuza Municipality's (KDM) operating revenues grew by 7.3% from R1 799 358 466 (restated) in 2020 to R1 923 869 550 in 2021. Major attributes to the increase in revenue are Other Income of a 50% increase from 2020 and marginal increases in Licenses and permits by 31.98%. However, the year on year growth has seen a decline in operating revenue. This is mainly attributable to the effects on COVID 19 on the economy and the subsequent roll-on effect on the investment portfolio of KDM and collection rates.

Own revenue remained within the 85% range of total revenue. This indicates that the Council is not dependent on grant funding as it operates successfully on its own.

Assessment rates reflected an increase of 6.23% (2020: 11.11% restated), refuse income increased by 4.66% (2020: 9.94%) and electricity revenue increased by 4.42%. The increase in the percentage year-on-year electricity revenue can be attributable to a combination of higher electricity tariff increases compared to the previous year, additional growth of the consumer database and rigorous energy losses procedures put in place. It should also be noted that ESKOM bulk tariff increases for 2020/2021 was 6.9% growth in bulk electricity costs.

EXPENDITURE

An overall increase of 4.29% was recognised compared to prior financial year (increase of 9.51%). The following key categories contributed to the increase:

- ♦ **Impairment Loss:** an increase in expenditure by 207.72% in 2021
- ♦ **Employee and long service benefits:** an increase of 686.11%

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

The capital budget is committed largely to new infrastructure projects and the renewal of existing capital assets with a focus on direct service delivery projects. KDM had an approved Capital Budget of R235 267 125. The total spending for the year amounted to R157 265 226 which represents 66% of the total approved adjusted capital budget.

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENT

The cash and cash equivalents of the municipality as at 30 June 2021 amounts to R835 239 337. This represents an increase of 29.77% as compared to the previous financial year. This however excludes the short-term deposits.

The interest earned on investments in the 2020/2021 financial year amounted to R29 453 425 which represents a 32.37% decrease from 2019/2020.

Finance costs have decreased by 6.88% in the 2020/2021 financial year.

The purchase of PPE resulted in an outflow of R157 265 226 in 2021 amounting to a 66% capital spend. The following ratios confirm the liquidity of our municipality:

- ♦ Current ratio is at 2.91:1 as compared to the previous year of 2.48:1
- ♦ The acid test ratio is at 2.88:1 as compared to the previous year 2.46:1

It should be noted that the ratios are within the norm however there is a marginal increase in the liquidity ratios.

Although it may appear that our cash reserves have increased, a substantial component of the cash reserves are ring fenced for statutory or constructive obligations. Further the 2021/2022 capital budget relies heavily on cash reserves which will reduce our cash holdings as the 2021/2022 financial year progresses.

COMPONENT D: OTHER FINANCIAL MATTERS

KwaDukuza Municipality has ensured that it improves its financial management through the implementation of relevant internal controls and adhering to legislation.

Financial reporting – finance reports are presented to the Finance Portfolio Committee on a monthly basis. All statutory returns have been submitted to National Treasury on a monthly, quarterly, bi-annually and annually basis. S71, S52 (d) & S72 reports are compiled and submitted to National Treasury.

During the 2020/2021 Financial Year KwaDukuza closely monitored the implementation of mSCOA. This process commenced in the 2017/18 financial year.

Various awareness and training sessions were held throughout the municipality to ensure that all necessary role-payers were au fair with the implications and enhancements which mSCOA had on our operations. We will continue to improve on our internal controls in order to ensure that we achieve our goal of obtaining a clean audit opinion.

APPENDIX C: REPORT OF THE AUDIT & PERFORMANCE AUDIT COMMITTEE

The Honourable Speaker
KwaDukuza Municipality
14 Chief Albert Luthuli Street
Stanger Central
4450

REPORT OF THE AUDIT, RISK AND PERFORMANCE AUDIT COMMITTEE TO THE COUNCIL OF KWADUKUZA MUNICIPALITY FOR THE PERIOD ENDED 30 JUNE 2021

The Audit, Risk and Performance Audit Committee (“Audit Committee”) hereby submits this report to the Council of KwaDukuza Municipality. This report is submitted in terms of the provisions of sections 121 (3) (j), 166(2) (b) and 166(2) (c) of the Municipal Finance Management Act of 2003 (“the MFMA”) and covers the financial year from 1 July 2020 to 30 June 2021.

The legal responsibilities of the Audit Committee are set out in terms of the Municipal Finance Management Act, No. 56 of 2003 (Section 166) read in conjunction with the National Treasury’s MFMA Circular 65.

AUDIT COMMITTEE MEMBERS AND ATTENDANCE AT MEETINGS

The Audit Committee is comprised of 6 independent, external members.

The Committee is required to meet at least 4 times per annum as per the Audit Committee Charter and the MFMA. However, additional meetings may be called as the need arises. Members’ attendance at the meetings is listed below:

NAME	MEETINGS SCHEDULED	MEETINGS ATTENDED
Ms. N Mchunu (<i>AC chairperson appointed on 01/01/2021</i>)	7	7
Mr C Meyiwa (<i>PAC chairperson appointed on 01/01/2021</i>)	7	7
Mr A Jordan (<i>appointed on 01/01/2021</i>)	7	7
Ms S Gertze (<i>appointed on 01/01/2021</i>)	7	7
Ms S Mthembu (<i>appointed 01/01/2021</i>)	7	7
Mr M Litile (<i>appointed 01/01/2021 – resigned on 10/05/2021</i>)	7	2

The following are standing invitees to the Audit Committee Meetings.

- ◊ Representative from Office of the Auditor-General (AG)
- ◊ Representatives from Provincial Treasury and COGTA
- ◊ Honourable Mayor
- ◊ MPAC Chairperson
- ◊ Risk Committee Chairperson
- ◊ Internal Audit Manager
- ◊ The Municipal Manager (MM)
- ◊ The Chief Financial Officer (CFO)
- ◊ Executive Directors
- ◊ Director: PMS

AUDIT COMMITTEE RESPONSIBILITY

The Audit Committee has been set up in accordance with the Municipal Finance Management Act, No. 56 of 2003 (Section 166) and operates within the terms of the Audit Committee Charter which has been approved by the Council of the KwaDukuza Municipality.

Section 121(4) (g) of the Municipal Finance Management Act, No. 56 of 2003 also requires that the annual report must include any recommendations of the Municipality's Audit Committee.

In the conduct of its duties, the Audit Committee has performed the following statutory duties:

1. REVIEWED INTERNAL FINANCIAL CONTROL AND INTERNAL AUDITS

For the purposes of executing its statutory duties as contained in section 166(2)(a) of the MFMA as well as its mandate as set out in the Audit Charter, the Audit Committee relies on the work performed by the Internal Audit Unit.

The risk based internal audit plan for the financial year ending 30 June 2021 was approved by Audit Committee. The Audit Committee at each meeting assesses performance against the plan and reviews the plan to assess whether critical risks relating to the administration and operations of KwaDukuza Municipality are identified and addressed.

Internal audit was functional throughout the financial year, however there were various challenges encountered with the implementation of the annual audit plan for 2020/21. These included inadequate capacity within the Internal audit department, delays or non-submission of information required for audit, delays in the responses from management regarding findings raised and lastly delays caused by the lockdown imposed in line with the COVID-19 Regulations. Consequently, this impacted the finalisation of some of the audits, thus some of the reviews had to be moved to the 2021/22 financial year.

The reports for audits completed were tabled to the Audit Committee in meetings held during the reporting period. These reports contained findings, recommendations, and management actions to be implemented. The audit conclusions relating to the areas reviewed were assessed as High-Risk Exposure, and management was urged to identify the root causes and implement corrective actions accordingly. The committee noted with concern that some of the findings had been raised in previous audits, which implies that management has not adequately addressed some of the matters that had been previously raised by Internal Audit and the Auditor General.

It is important to note that the maintenance of an effective system of internal control and risk management, remains the responsibility of management. Leadership both political and administration is accordingly urged to hold those charged with a duty of responsibility to account when it comes to non-compliance with the internal processes and non-implementation of recommendations made.

2. RISK MANAGEMENT

The MFMA requires the accounting officer of the municipality to take all reasonable steps to ensure that the municipality has and maintains effective, efficient, and transparent systems of financial, risk management and internal control.

Risk management is the identification, assessment and prioritisation of risks and the application of resources to minimise, monitor and control the probability and/or impact of the risks. The Audit Committee is responsible for the oversight of the internal and external audit function as well as financial reporting. The assessment of internal controls over financial reporting is risk based, and as a result the Audit Committee is responsible for overseeing management's risk policies and discussing the municipality's key risk exposure with management.

The municipality currently has a system of managing risk, as required in terms of S 62 of the MFMA. This function involves an annual assessment of municipal risk, and periodic risk reviews carried out by management and the Risk Committee and relevant personnel at the municipality. However, the Manager. The committee has noted with pleasure that the vacancy of the Manager: Risk has been filled.

The committee was furnished with the Risk Management report which was presented by the Risk Committee Chairperson. Report revealed that the municipal has a functional risk management process. It was however noted that some of the departments had low implementation of the risk action plans, and therefore requires stricter monitoring with the respective departments affected. Critical matters that required intervention included,

- ◊ The Development, testing and implementation of the Disaster Recovery and Business Continuity plans;
- ◊ Finalisation of the Fraud and Ethics Risk assessment; and
- ◊ IT Risk exposure.

3. REVIEW OF FINANCIAL STATEMENTS AND ACCOUNTING POLICIES.

The Audit Committee has the obligation to review the Municipality's Annual Financial Statements and provide the Council with an authoritative and credible view of the Municipality's financial position, performance, and cash flow position. To do this, the Audit Committee relies on the work conducted by the Internal Auditors, and therefore such reviews have been provided for in the Annual Internal Audit Plan.

The Audit Committee was furnished with the report on the status of implementation of action plans to address the findings raised by the AG in the 2018/19 and 2019/20 audits. It was noted with concern that the action plans had not been fully implemented at year end. This impacted the audit outcomes for 2020/21 as there were repeat findings that were raised by the AG.

4. THE ADEQUACY, RELIABILITY AND ACCURACY OF FINANCIAL REPORTING AND INFORMATION

The Audit Committee is also required to advise council on the adequacy, reliability and accuracy of financial reporting and information in accordance with S 166 of the MFMA.

The AUDCOM also has the obligation to review the Municipality's annual financial statements and provide the Council with an authoritative and credible view of the Municipality's financial position, performance, and cash flow position.

The AUDCOM sat to review the annual financial statements (AFS) for the year ended 30 June 2021, in a meeting held on 25 August 2021. The matters raised by the AUDCOM from the review of the AFS were addressed by management before submission to the AG. The financial statements were accordingly submitted to the office of the AG by 31 August 2021, as per MFMA.

The following key matters were noted from the review of the 30 June 2021 AFS:

- ◊ The municipality remains in a favourable financial position with current assets exceeding current liabilities as at year end, which implies that the municipality can fulfil its day to day financial obligation and continue to operate into the foreseeable future.
- ◊ All conditional grants were cash backed.
- ◊ KwaDukuza Municipality still has challenges with collecting some of the revenue due, and therefore has long outstanding debtors' balances that were mostly aged for over 120 days. The municipality implemented measures to recover, however there were still long outstanding balances.
- ◊ The municipality continues to incur substantial amount of electricity losses. Electricity losses for the year ended 30 June 2021 amounted to R 181 million (2020: R 152 million). These amounts represent 22.82% (2019:20.95%) of electricity purchased, and allowable technical losses amount to 6%, therefore non-technical losses amount to 16.82% (2019: 14.95%). This implies that the municipality is potentially losing up to 16.82% of electricity purchased, which has a negative impact on revenue generated.

- ◊ The audit committee noted with appreciation the reduction of unauthorised, fruitless and wasteful expenditure from R 155,53 million in 2020 to R 68,75 million in 2021. There is however huge concern that irregular expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure as required by S32(2)(b) of the MFMA.
- ◊ The capital budget was significantly under utilised, which impacts service delivery programs.
- ◊ Completion of some of the targets had been mainly impacted by the lockdown due to the COVID-19 pandemic.

The above indicates that although the municipality appears to be in a solvent position, this may negatively be impacted by the inability to collect all the revenue that is due to the municipality and the financial impact of electricity losses. The municipality must therefore develop a clear plan for the collection of long outstanding debtors to improve and sustain its financial position, including involving other spheres of government. Further to that management must implement action plans to curb the incurrence of electricity losses to minimise loss of revenue.

The AUDCOM would like to congratulate the municipality on achieving an unqualified opinion, with no material adjustments, on the AFS for the year 30 June 2021. Council and management are commended for this achievement.

5. PERFORMANCE MANAGEMENT

The Audit Committee also serves as the Performance Audit Committee for KwaDukuza Municipality. The legal responsibilities of the Audit Committee in this regard are set out in terms of the Local Government: Municipal Planning and Performance Management Regulations 2001.

The AUDCOM also sat to review the Annual Performance Report in a meeting held on 25 August 2021 and noted

instances where targets were either partially achieved or not achieved mainly due to the lockdown restrictions.

Management assured the AUDCOM that targets that were impacted were going to be prioritised during the first quarter of the 2021/22 financial year.

The AUDCOM would like to congratulate the municipality on achieving an unqualified opinion from the AG on the audit of performance information. Council and management are again commended for this achievement.

6. EFFECTIVE GOVERNANCE

The Audit Committee fulfils an oversight role regarding the Municipality's reporting process, including the system of internal financial control. It is responsible for ensuring that the Municipality's internal audit function is independent and has the necessary resources, standing and authority within the Municipality to enable it to discharge its duties. Furthermore, the Audit Committee oversees cooperation between the internal and external auditors and serves as a link between the Council and these functions.

The internal and external auditors, Council and Council Committees and Management have unlimited direct access to the Audit Committee, primarily through its chairperson(s).

To strengthen and accountability the Mayor, Deputy Mayor and MPAC chairperson are standing invitees in the Audit and Performance Audit Committee meetings. Further engagements were held via the mayor's office to discuss affecting Governance and Accountability in the Municipality.

The Committee trusts that these engagements will strengthen governance and oversight by the Audit Committee and result in the improvement of systems and promotion of a clean administration.

7. COMPLIANCE WITH LEGISLATION AND ETHICS

The Audit Committee noted some instances of non-compliance with policies and procedures, the Municipal Finance Management Act and other related legislation. These instances were brought to attention of management. The municipality has developed an Ethics policy however there is no clear plan for the implementation thereof.

There were instances of non-compliance with SCM Regulations and policies that were reported throughout the year. These were reported to Council and some accordingly investigated, however no conclusions were reached hence the Irregular Expenditure was reported in the 2020/21 financial statements. The audit committee had raised concerns during the year regarding the level of irregular expenditure, various non-compliances, and lack of consequence management. This was unfortunately still the case at year, and this is evident from the matters of non-compliance that were raised by the AG in the audit report for the year ended 30 June 2021.

Council must investigate matters of non-compliance and irregularities reported in line with S 32 of the MFMA, and decisively implement the outcomes thereof including consequence management.

8. RECOMMENDATIONS

- ♦ **Consequence Management Policy** – in the absence of consequence management for repeat transgression and non-compliance, a policy was developed and was adopted by Council. It is therefore recommended that this policy is consistently implemented by management and council to assist in the addressing matters of non-adherence to policies and applicable laws and regulations.
- ♦ **Compliance** – Audit Committee recommends that compliance is a standing item for MANCO and Portfolio Committee meetings and that a senior manager be made responsible for compliance across the municipality.
- ♦ **Irregular Expenditure** – Council is urged to take action in addressing the incurrence of irregular expenditure and implement consequence management, where necessary.
- ♦ **Internal Audit Department** – The Internal Audit Department has been strained in terms of resources, which has impacted the completion of the approved annual audit plan. Management must prioritise the filling of the vacancies within the Internal Audit Unit.
- ♦ **Risk Management** – Council and management to exercise oversight over the implementation of risk action plans.
- ♦ **IT Risk management** – Audit Committee noted with concern the challenges experienced around the IT environment (especially with COVID-19 restrictions and lockdown) and recommends that the action plan and IT risk register be a standing item for MANCO.
- ♦ **Business Continuity and Disaster Recovery** – it was noted that the municipality prepared the COVID-19 Risk register and implemented strategies to deal with COVID-19 during the lockdown. It is recommended that risk adjusted plans (including Disaster Recovery and Business Continuity) are revisited from time to time to evaluate the municipality's exposure.

9. CONCLUSION

The implementation and maintenance of proper systems of internal controls, risk management, the prevention of fraud and errors, safeguarding of the assets of the municipality and compliance with relevant laws and regulations, are the responsibility of Council. The role of the audit committee is to monitor the efficiency of the procedures and mechanism which Council has put in place to ensure that its policies and procedures are adhered to.

The Audit Committee confirms its commitment to assist Council in making progress towards a clean administration and wishes to thank Council, management, internal and external audit for their support and contributions.

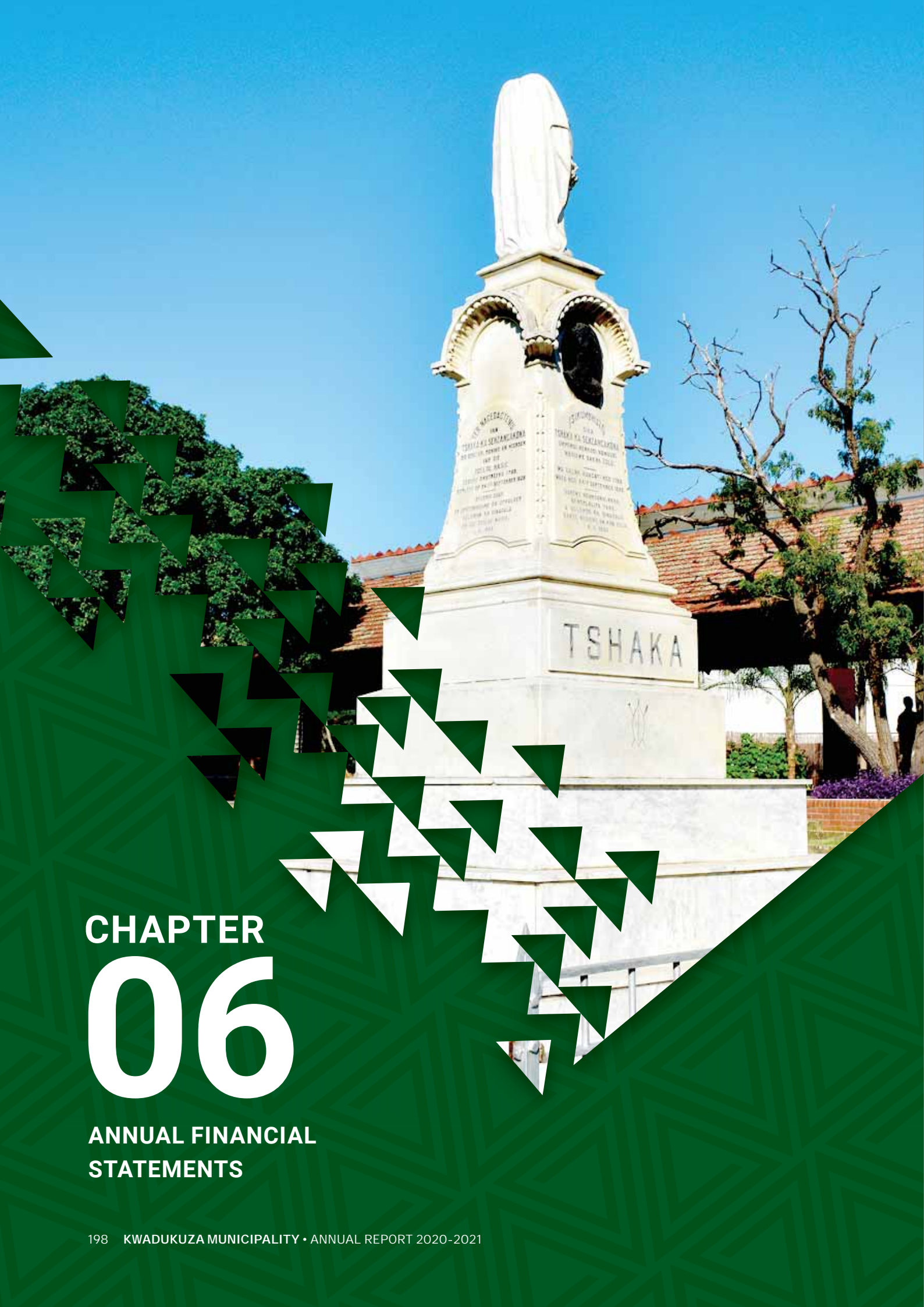
On behalf of the Audit Committee



Ms N Mchunu

On behalf of the **Audit, Risk and Performance Audit Committee**

Date: 17 January 2022



CHAPTER 06

ANNUAL FINANCIAL STATEMENTS

REPORT OF THE AUDITOR-GENERAL TO KWAZULU-NATAL PROVINCIAL LEGISLATURE AND THE COUNCIL ON KWADUKUZA MUNICIPALITY

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

1. I have audited the financial statements of the Kwadukuza Municipality set out on pages 208 to 287, which comprise the statement of financial position as at 30 June 2021, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Kwadukuza Municipality as at 30 June 2021, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2020 (Act No. 4 of 2020) (Dora).

BASIS FOR OPINION

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the municipality in accordance with the *International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

EMPHASIS OF MATTERS

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

CONTINGENT LIABILITIES

7. As disclosed in note 38 to the financial statements, the municipality entered into service level agreements with property developers to reimburse them for the cost of bulk electricity supplies. The reimbursements are dependent on the developers meeting future targets as set out in the service level agreements. The timing and outcome of the reimbursement cannot currently be determined and no provision for any liability that may result has been made in the financial statements.

MATERIAL LOSSES – ELECTRICITY

8. As disclosed in note 52 to the financial statements, material electricity losses of 153 728 734 kwh (2019-20: 137 297 168 kwh) amounting to R181,21 million (2019-20: R152,56 million) were incurred, which represents 22,82% (2019-20: 20,95%) of total electricity purchased. The losses were due to transmission/distribution losses and illegal connections.

UNDERSPENDING OF CAPITAL BUDGET

9. As disclosed in the statement of comparison of budget with actual information, the municipality materially underspent on its' capital budget by R78 million which represents 33% of the total capital budget. The main reason for this underspending was as a result from delays in construction due to the nationwide lockdown.

OTHER MATTER

10. I draw attention to the matter below. My opinion is not modified in respect of this matter.

UNAUDITED DISCLOSURE NOTES

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

RESPONSIBILITIES OF THE ACCOUNTING OFFICER FOR THE FINANCIAL STATEMENTS

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

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

14. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
15. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

INTRODUCTION AND SCOPE

16. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected objective presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
17. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
18. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the basic service delivery and infrastructure development objective presented in the municipality's annual performance report for the year ended 30 June 2021.
19. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
20. I did not identify any material findings on the usefulness and reliability of the reported performance information for the selected key performance area.

OTHER MATTER

21. I draw attention to the matter below.

ACHIEVEMENT OF PLANNED TARGETS

22. Refer to the annual performance report on pages 150 to 175 for information on the achievement of planned targets for the year and management's explanations provided for the under achievement of targets.

REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

INTRODUCTION AND SCOPE

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

EXPENDITURE MANAGEMENT

25. Reasonable steps were not taken to prevent irregular expenditure amounting to R68,75 million as disclosed in note 49 to the annual financial statements, as required by section 62(1)(d) of the MFMA.

PROCUREMENT MANAGEMENT

26. Some of the goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by Supply Chain Management(SCM) regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM regulation 36(1). Similar non-compliance was also reported in the prior year.

CONSEQUENCE MANAGEMENT

27. Irregular expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

ASSET MANAGEMENT

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

OTHER INFORMATION

29. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, The other information does not include the financial statements, the auditor's report and those selected objective presented in the annual performance report that have been specifically reported in this auditor's report.
30. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
31. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected objective presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
32. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

INTERNAL CONTROL DEFICIENCIES

33. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.
34. Oversight and monitoring over compliance with laws and regulations was not diligent performed. Policies and procedures relating to procurement and contract management were not adhered to by assigned officials.

OTHER REPORTS

35. I draw attention to the following engagements conducted by various parties which had, or could have, an impact on the matters reported in the municipality's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
36. At the request of the accounting officer, the municipality contracted the services of an external service provider to conduct a forensic investigation over alleged fraud and irregularities within the municipality's fleet management unit covering the period 1 May 2020 to 31 May 2021. The investigation was completed subsequent to year end and the appropriate action is still to be implemented based on the recommendation contained in the report.

AUDITOR - GENERAL

Pietermaritzberg
17 December 2021



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNEXURE – AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

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

FINANCIAL STATEMENTS

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

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

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



AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

I am responsible for the preparation of these Annual Financial Statements, which are set out on pages 208 to 287, in terms of Section 126(1) of the Municipal Finance Management Act No. 56 of 2003 and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in note 29 of these Annual Financial Statements are within the upper limits of the framework envisaged in Section 219 of the Constitution of South Africa Act No.108 of 1996, read with the Remuneration of Public Officer Bearers Act No. 20 of 1998 and the Minister of Provincial and Local Government's determination in accordance with this Act.

31 August 2021

N J MDAKANE (MUNICIPAL MANAGER)

Date

ANNUAL FINANCIAL STATEMENTS FOR KWADUKUZA MUNICIPALITY

for the year ended

30 June 2021

Province:

KwaZulu-Natal

AFS rounding:

R

CONTACT INFORMATION:

Name of Municipal Manager:

Mr N J Mdakane

Name of Chief Financial Officer:

Mr S M Rajcoomar

Contact telephone number:

032 - 4375500

Contact e-mail address

Shamirr@kwadukuza.gov.za

Name of contact at Provincial Treasury:

Mr Sandeep Gobind

Contact telephone number:

033 - 897 4354

Contact e-mail address:

SANDEEP.GOBIND@kzntreasury.gov.za

Name of relevant Auditor:

The Auditor-General

Contact telephone number:

033 - 264 7603

Contact e-mail address:

ntombifuthim@agsa.co.za

Name of contact at National Treasury:

Ms Elsabe Rossouw

Contact telephone number:

012 - 315 5534

Contact e-mail address:

Elsabe.rossouw@treasury.gov.za

KWADUKUZA MUNICIPALITY

AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

GENERAL INFORMATION

MEMBERS OF THE COUNCIL

G Govender	Mayor
L R Makhatini	Deputy Mayor
O L Nhaca	Speaker
N R Khumalo	Member of the Executive Committee
M S Sing	Member of the Executive Committee
T V Ntuli	Member of the Executive Committee
J A Vallan	Member of the Executive Committee
J S Phahla	Member of the Executive Committee
M S C M Motala	Member of the Executive Committee
T P Du Toit	Member of the Executive Committee
D W Ndimande	Chief Whip
V Govender	Councillor
M E Ngidi	Councillor
I P Dube	Councillor
N J Mpanza	Councillor
H Mbatha	Councillor
S W Ntuli	Councillor
M Suleman	Councillor
M S Mhlongo	Councillor
T T Dube	Councillor
C D Mthembu	Councillor
V V Mdluli	Councillor
M Ndlela	Councillor
N R Shezi	Councillor
T S Ngidi	Councillor
P B Mabaso	Councillor
B I Dindi	Councillor
S L Cele	Councillor
N Qwabe	Councillor
A L Sahadew	Councillor
T Colley	Councillor

V Pillay	Councillor
S Naidoo	Councillor
A L Nzama	Councillor
P Naidoo	Councillor
N Dasrath	Councillor
D H Mthembu	Councillor
L I Mthembu	Councillor
T Nkosi	Councillor
C M Ntleko	Councillor
M M Madlala	Councillor
N Zulu	Councillor
N P Dube	Councillor
E B Majola	Councillor
G J Van Whye	Councillor
R Singh	Councillor
T K Gumede	Councillor
A K Dawood	Councillor
S M R Mfeka	Councillor
G Z Mngomezulu	Councillor
I T Nxumalo	Councillor
B Mvulana	Councillor
M M Sibisi	Councillor
Z M Mncube	Councillor
M Vembali	Councillor
E E Dlamini	Councillor
V Mathonsi	Traditional Leader
D Z Gumede	Traditional Leader
A M Zulu	Traditional Leader
M B Cele	Traditional Leader
H K Dube	Traditional Leader
V S Mthembu	Traditional Leader

MUNICIPAL MANAGER

Mr N J Mdakane

CHIEF FINANCIAL OFFICER

Mr S M Rajcoomar

GRADING OF LOCAL AUTHORITY

Category 4

AUDITORS

Auditor General South Africa (AGSA)

PRIMARY BANKERS

ABSA Bank

Registered Office: KwaDukuza Municipality

Physical address: 14 Chief Albert Luthuli Street
KwaDukuza
4450

Postal address: PO BOX 72
KwaDukuza
4450

Telephone number: (032) 437 5000

E-mail address: municipalm@kwadukuza.gov.za

KWADUKUZA MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

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AUDITED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2021

	NOTE	2021	2020 RESTATED
		R	R
ASSETS			
Current assets		1 214 675 273	1 031 186 488
Inventories	8	9 877 909	4 773 157
Receivables from exchange transactions	9	105 901 590	111 141 549
Receivables from non-exchange transactions	10	106 064 440	118 095 215
VAT receivable	11	6 997 303	9 625 147
Current portion of long-term receivables	7	22 313	35 523
Short term investments	12	150 572 381	143 899 677
Cash and cash equivalents	13	835 239 337	643 616 220
Non-current assets		2 447 076 562	2 368 066 678
Investment properties	2	171 625 000	170 100 000
Property, plant and equipment	3	2 273 160 651	2 194 731 667
Intangible assets	4	1 565 873	2 519 719
Heritage Assets	5	105 386	105 386
Long-term receivables	7	619 652	609 906
Total Assets		3 661 751 835	3 399 253 166
LIABILITIES			
Current liabilities		429 269 915	416 630 433
Leases	16	870 986	1 040 740
Employee benefit obligations	6	3 309 000	3 253 000
Trade and other payables	20	329 053 783	319 421 620
Unspent conditional grants, receipts and Public contributions	17	42 853 042	42 372 618
Current provisions	18	1 941 467	1 837 706
Consumer Deposits	21	36 991 209	35 326 269
Long service awards	6	2 613 000	2 607 000
Current portion of long term liabilities	19	11 637 428	10 771 480
Non-current liabilities		327 968 208	321 169 850
Leases	16	53 776	561 585
Employee benefit obligations	6	96 661 000	79 840 000
Non-current provisions	18	20 302 298	19 629 703
Long service awards	6	22 262 000	20 812 000
Long-term liabilities	19	188 689 134	200 326 562
Total Liabilities		757 238 123	737 800 283
Net Assets		2 904 513 713	2 661 452 887
NET ASSETS			
Reserves			
Revaluation reserve	14	18 313 137	18 313 137
Housing Operating Account	15	8 728 156	8 728 156
Accumulated surplus		2 877 472 423	2 634 411 593
Total Net Assets		2 904 513 713	2 661 452 887

AUDITED STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2021	2020 RESTATED
		R	R
REVENUE			
Revenue from exchange transactions			
Service charges	22	948 659 842	908 383 051
Rental of facilities and equipment		1 938 237	2 549 502
Interest earned outstanding debtors		4 471 515	7 842 191
Other income	23	65 255 848	43 493 216
Interest received - investments	24	29 453 425	43 548 079
Total revenue from exchange transactions		1 049 778 867	1 005 816 039
Taxation revenue			
Property rates	25	522 690 862	492 048 557
Property rates - penalties imposed	25	9 785 339	19 792 877
Licences and permits (Non-exchange)		9 915 254	7 512 760
Transfer and other revenue			
Government grants, subsidies & Public Contributions	26 & 27	301 677 939	251 453 508
Donations	3	25 972 693	575 440
Fines	43	4 048 596	11 445 971
Employee and Long Services Gains	6	-	10 713 315
Total revenue from non-exchange transactions		874 090 684	793 542 427
Total Revenue		1 923 869 550	1 799 358 466
EXPENDITURE			
Employee related costs	28	426 158 240	405 910 414
Remuneration of councillors	29	22 847 709	22 560 037
Adjustments to Provisions	18	776 357	1 344 527
Depreciation and amortisation	30	77 133 344	73 514 128
Impairment loss	31	23 992 839	7 796 883
Finance costs	32	20 023 659	21 503 557
Debt Impairment and write offs	33	12 165 160	60 520 091
Bulk purchases	34	778 234 052	716 028 548
Contracted services	44	168 604 288	162 907 428
General Expenses	35	129 380 478	134 278 798
Employee and Long Services Benefits	6	18 333 000	2 332 125
Total Expenditure		1 677 649 125	1 608 696 536
Operating Surplus		246 220 425	190 661 930
Loss on disposal of assets and liabilities	3	(4 684 595)	(2 691 061)
Fair value adjustments	36	1 525 000	(5 330 000)
		(3 159 595)	(8 021 061)
SURPLUS FOR THE YEAR		243 060 830	182 640 870

AUDITED STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 30 JUNE 2021

	REVALUATION RESERVE	HOUSING OPERATING ACCOUNT	TOTAL RESERVES	ACCUMULATED SURPLUS	TOTAL NET ASSETS
	R	R	R	R	R
Restated Surplus for the year 2018/2019				250 119 263	250 119 263
Adjustment to Rates Revenue prior to 2019/2020 due to S78 and other related adjustments				-3 239 182	-3 239 182
Adjustments to Depreciation - capitalisation of Woodmead Road				-600 256	-600 256
Adjustments to Depreciation - Woodmead				-455 329	-455 329
Balance at 30 June 2019	18 313 137	8 728 156	27 041 293	2 451 770 802	2 478 812 013
Surplus for the year 2019/2020	-	-	-	182 640 870	182 640 870
Balance at 30 June 2020	18 313 137	8 728 156	27 041 293	2 634 411 593	2 661 452 883
Surplus for the year 2020/2021	-	-	-	243 060 830	243 060 830
Balance at 30 June 2021	18 313 137	8 728 156	27 041 293	2 877 472 423	2 904 513 713
Note(s)	14	15			

Note 41 provides further details of adjustments pertaining to the 2018/2019 and 2019/2020 financial years.

AUDITED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2021	2020 RESTATED
		R	R
Cash flows from operating activities			
Receipts			
Interest income		29 453 425	43 548 079
Cash received		1 871 123 600	1 677 644 447
		1 900 577 025	1 721 192 527
Payments			
Finance costs		(20 023 659)	(21 503 557)
Cash paid		(1515 160 217)	(1433 406 192)
		(1535 183 876)	(1454 909 749)
Net cash flows from operating activities	42	365 393 150	266 282 777
Cash flows from investing activities			
Purchase of Property, Plant & Equipment	3	(157 265 226)	(168 518 703)
Proceeds from sale of property, plant and equipment	3	-	-
Purchase of other intangible assets	4	(47 999)	-
Movement in short term investments		(6 672 704)	(11 142 830)
Net cash flows from investing activities		(163 985 928)	(179 661 532)
Cash flows from financing activities			
Consumer deposits		1 664 940	1 825 652
Movement in long term liabilities		(10 771 480)	(9 830 016)
Finance lease payments		(677 563)	(939 758)
Net cash flows from financing activities		(9 784 103)	(8 944 122)
Net increase/(decrease) in cash and cash equivalents		191 623 118	77 677 123
Cash and cash equivalents at the beginning of the year		643 616 219	565 939 097
Cash and cash equivalents at the end of the year	13	835 239 336	643 616 219

AUDITED STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS

FOR THE YEAR ENDED 30 JUNE 2021

	APPROVED BUDGET	ADJUSTMENTS	ADJUSTMENTS BUDGET	
	R	R	R	
Statement of Financial Performance				
Revenue				
Revenue from Exchange Transactions:				
Service Charges	984 895 125	-25 409 035	959 486 089	
Rental of facilities & Equipment	4 086 504	35 000	4 121 504	
Interest earned outstanding debtors	11 900 004	-2 500 000	9 400 004	
Other Income	41 974 848	7 186 666	49 161 514	
Gains on disposal of property, plant and equipment	-	-	-	
Interest received - investments	38 703 672	-4 858 935	33 844 737	
TOTAL REVENUE FROM EXCHANGE TRANSACTIONS	1 081 560 153	-25 546 305	1 056 013 848	
Revenue from Non-Exchange Transactions:				
Taxation Revenue				
Property rates	527 978 184	-	527 978 184	
Property rates - penalties imposed	-	-	-	
Licences & permits (including agency fees)	447 756	120 000	567 756	
Transfer and Other Revenue				
Government grants and subsidies	220 387 836	31 811 008	252 198 844	
Public contributions and donations	-	-	-	
Fines	45 421 032	-8 500 000	36 921 032	
Employee and Long Services Gains	-	-	-	
TOTAL REVENUE FROM NON-EXCHANGE TRANSACTIONS:	794 234 808	23 431 008	817 665 816	
Total Revenue	1 875 794 961	-2 115 297	1 873 679 664	
Expenditure				
Employee Related Costs	474 992 328	-2 867 713	472 124 615	
Remuneration of Councillors	25 357 932	-298 317	25 059 615	
Depreciation, amortisation and impairment / reversal of impairment	95 176 356	-	95 176 356	
Finance Costs	30 152 400	-9 150 179	21 002 221	
Debt Impairment and write offs	162 631 920	-10 000 000	152 631 920	
Bulk purchases	783 831 276	-21 976 932	761 854 344	
Contracted services	174 009 576	48 794 193	222 803 769	
Other Expenditure	137 897 424	-5 918 871	131 978 553	
Loss on disposal of assets	-	-	-	
Transfers and subsidies	6 900 012	-926 000	5 974 012	
Total Expenditure	1 890 949 224	-2 343 819	1 888 605 405	

		30 JUNE 2021 FINAL BUDGET	ACTUAL AMOUNTS	DIFFERENCE BETWEEN FINAL BUDGET AND ACTUAL	PERCENTAGE VARIANCE	NOTE REFERENCE
	R	R	R	R		
	-	959 486 089	948 659 842	-10 826 247	-1%	
	-	4 121 504	1 938 237	-2 183 267	-53%	58.1
	-	9 400 004	4 471 515	-4 928 489	-52%	58.2
	-	49 161 514	65 255 848	16 094 334	33%	58.3
	-	-	-	-	0%	
	-	33 844 737	29 453 425	-4 391 311	-13%	
	-	1 056 013 848	1 049 778 867	-6 234 981		
	-	527 978 184	522 690 862	-5 287 322	-1%	
	-	-	9 785 339	9 785 339	100%	58.4
	-	567 756	9 915 254	9 347 498	1 646%	58.5
	-	252 198 844	234 388 536	-17 810 309	-7%	
	-	-	25 972 693	25 972 693	100%	58.6
	-	36 921 032	4 048 596	-32 872 436	-89%	58.7
	-	-	-	-		
	-	817 665 816	806 801 280	-10 864 536		
	-	1 873 679 664	1 856 580 147	-17 099 517		
	-	472 124 615	426 158 240	-45 966 375	-10%	
	-	25 059 615	22 847 709	-2 211 906	-9%	
	-	95 176 356	101 126 183	5 949 827	6%	
	-	21 002 221	20 023 659	-978 562	-5%	
	-	152 631 920	12 165 160	-140 466 760	-92%	58.8
	-	761 854 344	778 234 052	16 379 708	2%	
	-	222 803 769	168 604 288	-54 199 481	-24%	58.9
	-	131 978 553	148 489 835	16 511 282	13%	
	-	-	4 684 595	4 684 595	100%	58.10
	-	5 974 012	-	-5 974 012	-100%	58.11
	-	1 888 605 405	1 682 333 721	-206 271 684		

AUDITED STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS ...continued

FOR THE YEAR ENDED 30 JUNE 2021

	APPROVED BUDGET	ADJUSTMENTS	ADJUSTMENTS BUDGET	
	R	R	R	
Operating Surplus				
Transfers recognised - capital	83 949 744	678 870	84 628 614	
Contributions recognised - capital	15 247 716	11 166 848	26 414 564	
Fair Value Adjustments	-	-	-	
	99 197 460	11 845 718	111 043 178	
Surplus before taxation	84 043 197	12 074 240	96 117 437	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement				
Surplus for the year	84 043 197	12 074 240	96 117 437	
Funding of Capital				
Non-Current Assets				
Transfers recognised - capital	76 717 504	888 212	77 605 716	
Internally generated funds	158 133 179	-33 503 392	124 629 787	
Public Contributions and Donations	18 531 622	-500 000	18 031 622	
Borrowings	42 000 000	-27 000 000	15 000 000	
Total Sources of capital funds	295 382 305	-60 115 180	235 267 125	
Cash Flow Statement				
Cash flows from operating activities				
Payments				
Net cash from/(used) - Operating activities	293 621 944	71 753 733	365 375 677	
Cash flows from investing activities				
Net cash from/(used) - Investing activities	-272 945 852	56 285 420	-216 660 432	
Net increase/(decrease) in cash and cash equivalents	11 632 167	141 807 257	153 439 425	
Net cash from/(used) - Financing activities	-9 043 925	13 768 105	4 724 180	
Cash/cash equivalents at the year end	669 652 167	271 303 154	940 955 322	

		30 JUNE 2021 FINAL BUDGET	ACTUAL AMOUNTS	DIFFERENCE BETWEEN FINAL BUDGET AND ACTUAL	PERCENTAGE VARIANCE	NOTE REFERENCE
	R	R	R	R		
	-	84 628 614	54 962 125	-29 666 489	-35%	58.12
	-	26 414 564	12 327 278	-14 087 286	-53%	58.13
	-	-	1 525 000	1 525 000		
	-	111 043 178	68 814 404	-42 228 774		
	-	96 117 437	243 060 830	146 943 393		
	-	96 117 437	243 060 830	146 943 393		
	-	77 605 716	54 962 125	-22 643 591		
	-	124 629 787	89 975 822	-34 653 965		
	-	18 031 622	12 327 278	-5 704 344		
	-	15 000 000	-	-15 000 000		
	-	235 267 125	157 265 226	-78 001 900	-33%	58.14
		365 375 677	365 393 150	17 473		
	-	-216 660 432	-163 985 928	52 674 504		
	-	153 439 425	191 623 118	38 183 693		
	-	4 724 180	-9 784 103	-14 508 283		
		940 955 322	643 616 219	-297 339 102		

AUDITED REPORTABLE SEGMENTS

FOR THE YEAR ENDED 30 JUNE 2021

For management purposes, the municipality is organised and operates in nine key functional segments (or business units). To this end, management monitors the operating results of these business units for the purpose of making decisions about resource allocations and assessment of performance.

Revenues and expenditures relating to these business units are allocated at a transactional level.

	CORPORATE SERVICES	YOUTH DEVELOPMENT	CHIEF OPERATIONS OFFICER	COMMUNITY SERVICES & PUBLIC AMENITIES	
	R	R	R	R	
Segment Revenue					
External revenue from non-exchange transactions	106 473 261	5 957 664	9 739 500	76 509 167	
External revenue from exchange transactions	3 918 245	-	-3 936	73 677 108	
Revenue from transactions with other segments	-	-	-	491 763	
Interest revenue	-	-	-	-	
Gain on disposal of property, plant and equipment					
Segment Expenses					
Total segment expenses	-105 685 293	-5 330 659	-46 586 870	-219 387 235	
Depreciation and amortisation	-1 628 649	-44 292	-127 378	-16 920 749	
Interest expense	-	-	-	-	
Internal charges	-2 575 213	-	-4 300	-415 210	
Surplus / deficit for the year	502 351	582 713	-36 982 985	-86 045 156	
Other Information					
Segment assets	164 686 584	-10 281 549	-64 985 788	12 614 947	
Segment liabilities	36 039 786	282 955	46 015 708	1 247 570	
Additions to non-current assets	2 366 861	2 872 861	-	23 408 202	
Non-cash revenue (included above)	25 972 693	-	-	-	
Non-cash expense (included above)	23 325 526	44 292	127 378	41 792 119	
Cash flows from operating activities	27 487 053	958 985	-43 423 976	-43 621 319	
Cash flows for investing activities	-2 366 861	-2 872 861	-	-23 408 202	
Cash flows from financing activities	-56 317	-	-	-32 755	

	COMMUNITY SAFETY	FINANCE	ECONOMIC DEVELOPMENT & PLANNING	CIVIL ENGINEERING & HUMAN SETTLEMENTS	ELECTRICAL ENGINEERING SERVICES	TOTAL
	R	R	R	R	R	R
	17 628 478	538 212 344	18 627 930	64 093 785	38 373 555	875 615 684
	128 629	29 533 176	17 257 568	1 098 739	894 715 913	1 020 325 441
	-	-	-	-	11 526 123	12 017 885
		29 444 751	-	8 674		29 453 425
						-
	-144 736 255	-60 098 595	-43 111 126	-68 033 220	-892 207 465	-1 585 176 718
	-2 089 458	-933 370	-1 089 808	-29 383 954	-24 915 686	-77 133 344
	-	-	-	-6 967 076	-13 056 583	-20 023 659
	-360 978	-329 107	-107 983	-332 889	-7 892 206	-12 017 885
	-129 429 584	535 829 199	-8 423 419	-39 515 941	6 543 651	243 060 830
	193 925 314	2 810 018 593	113 722 133	-353 067 880	795 119 481	3 661 751 835
	3 001 094	408 669 557	9 309 262	110 224 461	142 447 730	757 238 123
	24 280 665	103 714	681 836	77 501 175	52 070 602	183 285 917
	-	1 525 000	-	-	-	27 497 693
	3 130 790	2 417 521	1 089 808	33 125 267	32 032 595	137 085 295
	-129 124 347	510 589 813	-121 993	-4 843 671	47 492 603	365 393 148
	-24 280 665	-6 776 418	-681 836	-55 501 175	-48 097 909	-163 985 928
	-	1 715 688	-7	-3 165 483	-8 245 230	-9 784 104

ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2021

1. BASIS OF PRESENTATION

The unaudited Annual Financial Statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 112(3) of the Municipal Finance Management Act (Act 56 of 2003).

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

The Minister has determined the following Standards of GRAP for Municipalities.

- GRAP 1** Presentation of Financial Statements
- GRAP 2** Cash Flow Statements
- GRAP 3** Accounting Policies, Changes in Accounting Estimates and Errors
- GRAP 4** The effects of Changes in Foreign Exchange Rates
- GRAP 5** Borrowing Costs
- GRAP 6** Consolidated and Separate Financial Statements
- GRAP 7** Investments in Associates
- GRAP 8** Investment in Joint Ventures
- GRAP 9** Revenue from Exchange Transactions
- GRAP 10** Financial Reporting in Hyperinflationary Economics
- GRAP 11** Construction Contracts
- GRAP 12** Inventories
- GRAP 13** Leases
- GRAP 14** Events after the Reporting Date
- GRAP 16** Investment Property
- GRAP 17** Property, Plant and Equipment
- GRAP 18** Segment Reporting
- GRAP 19** Provisions, Contingent Liabilities and Contingent Assets
- GRAP 20** Related-party disclosures
- GRAP 21** Impairment of Non-cash generating Assets
- GRAP 23** Revenue from Non-exchange Transactions (Taxes and Transfers)
- GRAP 24** Presentation of Budget Information in Financial Statements
- GRAP 25** Employee Benefits
- GRAP 26** Impairment of Cash Generating Assets
- GRAP 27** Agriculture
- GRAP 31** Intangible Assets

GRAP 32 Service concession arrangements: Grantor

GRAP 100 Discontinued Operations

GRAP 103 Heritage Assets

GRAP 104 Financial Instruments

GRAP 105 Transfers of Function between Entities under Common Control

GRAP 106 Transfers of Function between Entities Not under Common Control

GRAP 107 Mergers

GRAP 108 Statutory receivables

GRAP 109 Accounting by principals and agents

In addition the municipality has applied all the other Interpretation Standards and directives determined by the Minister in the updated Directive 5.

1.1 CHANGES IN ACCOUNTING POLICY AND COMPARABILITY

Changes in accounting policies due to adoption of newly effective Standards of GRAP have been applied retrospectively in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy or where allowed transitional provisions had been adopted. In such cases the municipality would restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with GRAP 3 requirements. Details of changes in estimates are disclosed in the notes to the annual financial statements where applicable.

Errors are corrected retrospectively in the period in which the error has occurred in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the municipality would restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

ACCOUNTING POLICIES *...continued*

FOR THE YEAR ENDED 30 JUNE 2021

The municipality changes an accounting policy only if the change:

- a) is required by a Standard of GRAP; or
- b) results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the performance or cash flow.

1.2 COMPARATIVE INFORMATION

When the presentation or classification of items in the Annual Financial Statements is amended, prior period comparative amounts are reclassified. The nature and reasons for the reclassification are disclosed.

1.3 PRESENTATION OF BUDGET INFORMATION IN THE FINANCIAL STATEMENTS

The municipality presents a comparison of the budget amounts for which it is held publicly accountable and actual amounts as a separate statement called the 'Statement of Comparison of Budget and Actual Amounts'. This statement compares the budget amounts with the amounts in the financial statements adjusted to be on a comparable basis. The comparison of budget and actual amounts presents separately for each level of legislative oversight the following:

- ♦ the approved and final budget amounts;
- ♦ the actual amounts ; and
- ♦ by way of note disclosure, an explanation of material differences between the budget for which the municipality is held publicly accountable and actual amounts, unless such explanation is included in other public documents issued in conjunction with the financial statements, and a cross reference to those documents is made in the notes.

1.4 CRITICAL JUDGMENTS, ESTIMATIONS AND ASSUMPTIONS

The following are the critical judgments, apart from those involving estimations, that the management has made in the process of applying the municipality's Accounting Policies and that have the most significant effect on the amounts recognised in Annual Financial Statements:

REVENUE RECOGNITION

Accounting Policy 1.22 on Revenue from Exchange Transactions and Accounting and Revenue from Non-exchange Transactions describes the conditions under which revenue will be recorded by the management of the municipality.

In making their judgement, the management considered the detailed criteria for the recognition of revenue as set out in GRAP 9: Revenue from Exchange Transactions and GRAP 23: Revenue from Nonexchange Transactions. In particular when services are rendered, whether the service has been rendered. The management of the municipality is satisfied that recognition of the revenue in the current year is appropriate.

FINANCIAL ASSETS AND LIABILITIES

The classification of financial assets and liabilities into categories is based on relevant accounting standards as assessed by management.

IMPAIRMENT OF FINANCIAL ASSETS

Accounting Policy 1.15.4 on Impairment of Financial Assets describes the process followed to determine the value by which financial assets should be impaired. In making the estimation of the impairment, the management of the municipality considered the detailed criteria of impairment of financial assets as set out in GRAP 104: Financial Instruments. The management of the municipality is satisfied that the impairment of financial assets recorded during the year, is appropriate.

USEFUL LIVES OF PROPERTY, PLANT AND EQUIPMENT ("PPE")

As described in Accounting Policies 1.12.3 and, 1.13.2 the municipality depreciates/amortises its property, plant and equipment, and intangible assets over the estimated useful lives of the assets, taking into account the residual values of the assets at the end of their useful lives, which is determined when the assets are available for use. The useful lives and residual values of the assets are based on industry knowledge.

IMPAIRMENT: WRITE DOWN OF PPE AND INVENTORIES

Significant estimates and judgments are made relating to PPE impairment tests and write down of inventories to net realisable values.

ACCOUNTING POLICIES *...continued*

FOR THE YEAR ENDED 30 JUNE 2021

DEFINED BENEFIT PLAN LIABILITIES

As described in Accounting Policy 1.18, the municipality obtains actuarial valuations of its defined benefit plan liabilities. The defined benefit obligations of the municipality that were identified are Post-retirement Health Benefit Obligations and Long-service Awards. The estimated liabilities are recorded in accordance with the requirements of GRAP 25 Employee Benefits. Details of the liabilities and the key assumptions made by the actuaries in estimating the liabilities are provided in Note 6 to the Annual Financial Statements.

Multi-employer defined benefit funds are accounted for as defined contribution plan as set out in note 6.

IMPLEMENTATION OF MUNICIPAL STANDARD CHART OF ACCOUNTS

The municipality has with effect from 1 July 2017 implemented the Municipal Standard Chart of Accounts as a result of the legislative requirements. The main aim of this reform is to ensure a standard approach to classification of various accounting transactions within the local government sphere.

Where required the implementation thereof will result in the re-classification of certain line items according to management's best estimate in order to provide the users information on a more credible and comparable basis. The first time implementation is regarded as an anomalous event due its uniqueness and legislative origins.

1.5 PRESENTATION CURRENCY

These unaudited Annual Financial Statements are presented in South African Rand, which is the functional currency of the municipality.

1.6 GOING CONCERN ASSUMPTION

These unaudited Annual Financial Statements have been prepared based on the expectation that the municipality will continue to operate as a going concern basis for at least the next 12 months. The municipality has assessed the potential effects of the COVID-19 Pandemic and we are confident that barring any unforeseen events we will be able to continue as a going concern.

1.7 OFFSETTING

Assets, liabilities, revenues and expenses have not been offset, except when offsetting is required or permitted by a Standard of GRAP.

1.8 STANDARDS AND INTERPRETATIONS EFFECTIVE AND ADOPTED IN THE CURRENT YEAR

Council has adopted the following GRAP standard on Segment Reporting to determine its disclosure on specific operational objectives and major activities of the municipality.

GRAP 18: SEGMENT REPORTING

OBJECTIVE

The objective of segment reporting is to provide information about the specific operational objectives and major activities of an entity as well as the resources devoted to and the cost of these objectives and activities.

The segment is an activity of the municipality:

- ♦ that generates economic benefit of service potential;
- ♦ whose results are regularly reviewed by management to make decisions about resources to be allocated to the activity and in assessing its performance and;
- ♦ For which separate financial information is available.

DISCLOSURE REQUIREMENTS

An entity shall disclose information to enable users of its financial statements to evaluate the nature and financial effects of the activities in which it engages and the economic environments in which it operates.

To give effect to the above principle, an entity shall disclose the following:

- ♦ General Information.
- ♦ Disclosure about segment surplus or deficit, Disclosure about segment assets and liabilities and cash flow information.

The standard was applied for the first time in the current financial year in line with Directive 3.

ACCOUNTING POLICIES *...continued*

FOR THE YEAR ENDED 30 JUNE 2021

GRAP 108: STATUTORY RECEIVABLES

Municipalities are required to separately account for receivables arising from legislation, regulations or similar means. Examples include receivables related to property rates and fines. Statutory receivables are accounted for initially in accordance with GRAP 23 Revenue from Non-exchange Transactions (Taxes and Transfers) and subsequently at cost less impairment using GRAP 108. Separate disclosure is required for statutory and other receivables.

The effective date of the standard is for years beginning on or after 01 April 2019.

The municipality shall take advantage of the transitional provisions applied allowing three years implementation provision.

As part of the adoption process, the municipality shall conduct a review of current receivables against the provisions of GRAP 108, which arise from GRAP 9 and GRAP 23, identification of receivables that fall within the scope of statutory receivables, assess changes to potential measurement bases, identify and assess disclosure changes and make the necessary amendments to the accounting records.

1.10 HOUSING OPERATING ACCOUNT

The Housing Operating Account was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from National and Provincial Government used to finance housing selling schemes undertaken by the municipality were extinguished on 1 April 1998 and transferred to the Housing Operating Account. Housing selling schemes both complete and in progress as at 1 April 1998, were also transferred to the Housing Operating Account.

In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Operating Account. Where the municipality experiences a nett loss on proceeds realised these are funded by the accumulated surplus. Monies standing to the credit of the Housing Operating Account can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

1.11 INVESTMENT PROPERTY

1.11.1 INITIAL RECOGNITION

Investment property includes property (land or a building, or part of a building, or both land and buildings held under a finance lease) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of services, or the sale of an asset in the ordinary course of operations.

At initial recognition, the municipality measures investment property at fair value including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction or at a nominal value its cost is its fair value as at the date of acquisition.

The cost of self-constructed investment property is the cost at date of completion.

Based on management's judgement, the following criteria have been applied to distinguish investment properties from owner occupied property or property held for resale:

- ◊ All properties held to earn market-related rentals or for capital appreciation or both and that are not used for administrative purposes and that will not be sold within the next 12 months are classified as Investment Properties;
- ◊ Land held for a currently undetermined future use. (If the municipality has not determined that it will use the land as owner-occupied property or for short-term sale in the ordinary course of business, the land is regarded as held for capital appreciation);
- ◊ Property that is being constructed or developed for future use as investment property;
- ◊ A building owned by the municipality (or held by the municipality under a finance lease) and leased out under one or more operating leases; and
- ◊ A building that is vacant but is held to be leased out under one or more operating leases on a commercial basis to external parties.

ACCOUNTING POLICIES *...continued*

FOR THE YEAR ENDED 30 JUNE 2021

The following assets do not fall in the ambit of Investment Property and shall be classified as Property, Plant and Equipment, Inventory as appropriate:

- ◊ Property intended for sale in the ordinary course of operations or in the process of construction or development for such sale;
- ◊ Property being constructed or developed on behalf of third parties;
- ◊ Owner-occupied property, including (among other things) property held for future use as owner-occupied property, property held for future development and subsequent use as owner-occupied property, property occupied by employees such as housing for personnel (whether or not the employees pay rent at market rates) and owner-occupied property awaiting disposal;
- ◊ Property that is leased to another entity under a finance lease;
- ◊ Property held to provide a social service and which also generates cash inflows, e.g. property rented out below market rental to sporting bodies, schools, low income families, etc; and
- ◊ Property held for strategic purposes or service delivery.

1.11.2 SUBSEQUENT MEASUREMENT - FAIR VALUE MODEL

Investment property is measured using the fair value model. Investment property is carried at fair value, representing open market value determined annually by external valuers at the reporting date. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. A gain or loss arising from a change in the fair value of investment property is included in surplus or deficit for the year.

The carrying amount of an investment property is derecognised on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from de-recognition of an investment property is included in surplus or deficit for the year when the asset is derecognised.

Gains or losses are calculated as the difference between the net book value of assets (fair value) and the sales proceeds.

1.12 PROPERTY, PLANT AND EQUIPMENT

1.12.1 INITIAL RECOGNITION

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of services, rental to others, or for administrative purposes, and are expected to be used during more than one year.

The cost of an item of property, plant and equipment is recognised as an asset if, and only if:

- ◊ it is probable that future economic benefits or service potential associated with the item will flow to the municipality, and
- ◊ if the cost of item can be measured reliably.

Property, plant and equipment are initially recognised at cost on its acquisition date or in the case of assets acquired by grant or donation, deemed cost, being the fair value of the asset on initial recognition. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost, where applicable, also includes the necessary costs of dismantling and removing the asset and restoring the site on which it was located.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

ACCOUNTING POLICIES *...continued*

FOR THE YEAR ENDED 30 JUNE 2021

The cost of an item of property, plant and equipment acquired in exchange for a non-monetary assets or monetary assets, or a combination of monetary and non-monetary assets is measured at its fair value. If the acquired item could not be measured at its fair value, its cost is measured at the carrying amount of the asset given up.

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

1.12.2 SUBSEQUENT MEASUREMENT

Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that future economic benefits or potential service delivery associated with the subsequent expenditure will flow to the municipality and the cost or fair value of the subsequent expenditure can be reliably measured. Subsequent expenditure incurred on an asset is only capitalised when it increases the capacity or future economic benefits associated with the asset. Where the municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component.

Subsequently all property plant and equipment, are measured at cost (which includes deemed cost for previously unrecognised assets), less accumulated depreciation and accumulated impairment losses.

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up is included in surplus or deficit when the compensation becomes receivable.

1.12.3 DEPRECIATION

Land is not depreciated as it is regarded as having an indefinite life. Depreciation of assets other than land is calculated, using the straight line method, to depreciate their cost to their residual values over the estimated useful lives of the assets. The depreciation method used reflects

the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the municipality. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The depreciation rates are based on the following estimated useful lives.

Depreciation only commences when the asset is available for use, unless stated otherwise.

DETAILS	YEARS
Infrastructure	
Roads	10 – 45
Electricity	5 – 50
Storm Water	10 – 80
Solid Waste Disposal	10 – 45
Community	
Community and Recreation Facilities	5 – 50
Other Assets	2 – 50
Vehicles	3 – 10
Furniture and Fittings	3 – 5

The assets' residual values, estimated useful lives and depreciation method are reviewed annually, and adjusted prospectively if appropriate, at each reporting date.

1.12.4 WORK IN PROGRESS

Work in progress is stated at historical cost. Depreciation only commences when the asset is available for use.

1.12.5 FINANCE LEASES

Assets capitalised under finance leases are depreciated over their expected useful lives on the same basis as PPE controlled by the entity or where shorter, the term of the relevant lease.

1.12.6 INFRASTRUCTURE ASSETS

Infrastructure Assets are any assets that are part of a network of similar assets. Infrastructure assets are shown at cost less accumulated depreciation and accumulated impairment. Infrastructure assets are treated similarly to all other assets of the municipality.

ACCOUNTING POLICIES *...continued*

FOR THE YEAR ENDED 30 JUNE 2021

1.12.7 DE-RECOGNITION OF PROPERTY, PLANT AND EQUIPMENT

The carrying amount of an item of property, plant and equipment is derecognised on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from de-recognition of an item of property, plant and equipment is included in surplus or deficit for the year when the item is derecognised.

Gains or losses are calculated as the difference between the net book value of assets (cost less accumulated depreciation and accumulated impairment losses) and the sales proceeds.

1.12.8 IMPAIRMENT OF ASSETS

1.12.8.1 CASH - GENERATING ASSETS

IDENTIFICATION:

The municipality assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

VALUE IN USE

Value in use of a cash generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

DISCOUNT RATE

The discount rate is a rate that reflects current market assessments of the time value of money, represented by the current risk free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

RECOGNITION AND MEASUREMENT

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit for the year.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit as follows:

- ◊ To the assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

A municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in surplus or deficit for the year.

1.12.8.2 IMPAIRMENT OF NON-CASH GENERATING ASSETS

IDENTIFICATION

The municipality assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

ACCOUNTING POLICIES *...continued*

FOR THE YEAR ENDED 30 JUNE 2021

If there is any indication that an asset may be impaired, the recoverable service amount is estimated for the individual asset. If it is not possible to estimate the recoverable service amount of the individual asset no impairment is recognised.

VALUE IN USE

Value in use of an asset is the present value of the asset's remaining service potential.

The present value of the remaining service potential of an asset is determined using the following approach:

DEPRECIATED REPLACEMENT COST APPROACH:

The present value of the remaining service potential of a non cash generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the municipality would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

RECOGNITION AND MEASUREMENT

If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit for the year.

An impairment loss is recognised for non-cash-generating units if the recoverable service amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit as follows:

- ◊ To the assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

A municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable service amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in surplus or deficit for the year.

1.13 INTANGIBLE ASSETS

1.13.1 INITIAL RECOGNITION

Identifiable non-monetary assets without physical substance which are held for use in the production or supply of services, for rental to others, or for administrative purposes are classified and recognised as intangible assets. The municipality recognises an intangible asset only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality and the cost or fair value of the asset can be measured reliably.

Internally generated intangible assets are subject to strict recognition criteria before they are capitalised. Research expenditure is recognised as an expense when incurred.

ACCOUNTING POLICIES *...continued*

FOR THE YEAR ENDED 30 JUNE 2021

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use on a straight-line basis over its useful life. Development assets are tested for impairment annually.

Intangible assets are initially recognised at cost. Where an intangible asset is acquired at no cost or for a nominal consideration, its cost is its fair value as at the date it is acquired. Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

The municipality does not recognise electricity servitudes arising from a legal right as intangible assets.

1.13.2 SUBSEQUENT MEASUREMENT, AMORTISATION AND IMPAIRMENT

Subsequently all intangible assets are measured at cost, less accumulated amortisation and accumulated impairment losses.

Amortisation is charged on a straight-line basis over the intangible assets' useful lives, which are estimated to be between 2 to 7 years. Where intangible assets are deemed to have an indefinite useful life, such intangible assets are not amortised, for example servitudes (excluding electricity servitudes) obtained by the municipality give the municipality access to land for specific purposes for an unlimited period - however, such intangible assets are subject to an annual impairment test.

Intangible assets are annually tested for impairment, including intangible assets not yet available for use. Where items of intangible assets have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified except where the impairment reverses a previous revaluation. The impairment loss is the difference between the carrying amount and the recoverable amount.

The estimated useful life and amortisation method are reviewed annually. Any adjustments arising from the annual review are applied prospectively as a change in accounting estimate in surplus or deficit for the year.

1.13.3 DE-RECOGNITION OF INTANGIBLE ASSETS

The carrying amount of an intangible asset is derecognised on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from de-recognition of an intangible asset is included in surplus or deficit when the asset is derecognised. Gains are not included in revenue.

Gains or losses are calculated as the difference between the net book value of assets (cost less accumulated amortisation and accumulated impairment losses) and the sales proceeds. This is included in surplus or deficit for the year as a gain or loss on disposal of intangible assets.

1.14 HERITAGE ASSETS

Heritage assets, which are culturally significant resources and which are shown at cost, are not depreciated owing to uncertainty regarding their estimated useful lives.

1.15 FINANCIAL INSTRUMENTS

The municipality has various types of financial instruments and these can be broadly categorised as either Financial Assets or Financial Liabilities.

1.15.1 FINANCIAL ASSETS - CLASSIFICATION

A financial asset is any asset consisting of cash or a contractual right to receive cash. The municipality has the following types of financial assets as reflected on the face of the Statement of Financial Position or in the notes thereto:

- ◊ Investments in Fixed Deposits (Banking Institutions, etc)
- ◊ Long-term Receivables
- ◊ Consumer Debtors
- ◊ Certain Other Debtors
- ◊ Short-term Investment Deposits
- ◊ Cash and Cash Equivalents

ACCOUNTING POLICIES *...continued*

FOR THE YEAR ENDED 30 JUNE 2021

In accordance with GRAP 104, the Financial Assets of the municipality are classified as follows into the three categories allowed by this standard:

TYPE OF FINANCIAL ASSET	CLASSIFICATION IN TERMS OF GRAP 104
Short-term Investment Deposits	Financial assets at amortised cost
Cash and Cash Equivalents	Financial assets at amortised cost
Long-term Receivables	Financial assets at amortised cost
Consumer Debtors	Financial assets at amortised cost
Other Debtors	Financial assets at amortised cost
Investments in Fixed Deposits	Financial assets at amortised cost

Financial assets at amortised cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months, which are classified as non-current assets.

Cash and cash equivalents include cash on hand (including petty cash) and cash with banks (including call deposits). Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts. The municipality categorises cash and cash equivalents as financial assets: loans and receivables.

1.15.2 FINANCIAL LIABILITIES – CLASSIFICATION

A financial liability is a contractual obligation to deliver cash or another financial asset to another entity. The municipality

has the following types of financial liabilities as reflected on the face of the Statement of Financial Position or in the notes thereto:

- ◊ Long-term Liabilities
- ◊ Certain Other Creditors
- ◊ Current Portion of Long-term Liabilities
- ◊ Consumer Deposits

In accordance with GRAP 104, the Financial Liabilities of the municipality are classified into the following category as allowed by this standard

- ◊ Financial liabilities at amortised cost.

Financial liabilities at amortised cost are initially measured at fair value, net of transaction costs. These are subsequently measured at amortised cost using the Effective interest method, with interest expense recognised on an effective yield basis.

1.15.3 INITIAL AND SUBSEQUENT MEASUREMENT

1.15.3.1 FINANCIAL ASSETS:

Financial assets at amortised cost are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. Subsequently, these assets are measured at amortised cost using the Effective Interest Method less any impairment, with revenue recognised on an effective yield basis.

1.15.3.2 FINANCIAL LIABILITIES:

Financial Liabilities at amortised cost are initially measured at fair value net of transaction costs. Subsequently, these liabilities are measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Financial liabilities are recognised on the trade date at which the municipality becomes a party to the contractual provisions of the instrument.

ACCOUNTING POLICIES *...continued*

FOR THE YEAR ENDED 30 JUNE 2021

1.15.4 IMPAIRMENT OF FINANCIAL ASSETS

Financial assets are assessed for indicators of impairment at reporting date. Financial assets are impaired where there is objective evidence of impairment of Financial Assets (such as the probability of insolvency or significant financial difficulties of the debtor). If there is such evidence the recoverable amount is estimated and an impairment loss is recognised in accordance with GRAP 104.

Initially Accounts Receivable are valued at fair value and subsequently carried at amortised cost using the effective interest rate method. An estimate is made for doubtful debt based on past default experience of all outstanding amounts at year-end. Amounts receivable within 12 months from the date of reporting are classified as current.

A provision for impairment of trade receivables is established when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The provision is made whereby the recoverability of Consumer Debtors is assessed individually or collectively after grouping the assets in financial assets with similar credit risk characteristics if individual assessment was not possible.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets and recognised in surplus or deficit for the year with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in surplus or deficit for the year.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through surplus or deficit for the year to the extent that the carrying amount of the instruments at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

1.15.5 DE-RECOGNITION OF FINANCIAL ASSETS

The municipality derecognises Financial Assets only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity, except when Council approves the write-off of Financial Assets due to non-recoverability.

If the municipality neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the municipality recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the municipality retains substantially all the risks and rewards of ownership of a transferred financial asset, the municipality continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

1.15.6 DE-RECOGNITION OF FINANCIAL LIABILITIES

The municipality derecognises Financial Liabilities when, and only when, the municipality's obligations are discharged, cancelled or they expire.

1.16 LEASES

THE MUNICIPALITY AS LESSEE

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and equipment or Intangible Assets subject to finance lease agreements are capitalised at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Corresponding liabilities are included in the Statement of Financial Position as Finance Lease Liabilities. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred. Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred.

ACCOUNTING POLICIES *...continued*

FOR THE YEAR ENDED 30 JUNE 2021

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to Property, plant, equipment or Intangible Assets. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to de-recognition of financial instruments are applied to lease payables. The lease asset is depreciated over the shorter of the asset's useful life or the lease term.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised as an expense in surplus or deficit for the year on a straight-line basis over the term of the relevant lease.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

THE MUNICIPALITY AS LESSOR

Operating lease rental income is recognised on a straight-line basis over the term of the relevant lease.

1.17 INVENTORIES

Inventories comprising consumable stores, raw materials and finishing goods are initially measured at cost except where inventories are acquired at no cost, or for nominal consideration, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value, determined on the weighted average cost.

Inventories are measured at the lower of cost and current replacement cost where they are held for:

- ◊ Distribution at no charge or for a nominal charge; or
- ◊ Consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Unsold properties represent unsold units in economic selling schemes where the net realisable value of each unit is either nil or a nominal amount. As a consequence

of the passage of time the municipality is not in a position to determine the cost of such inventory. Furthermore, the use of current replacement cost would not only distort the statement of financial position by inflating the value of inventories but would also result in a credit to the Housing operating account contrary to section 14 of the Housing Act, 1997. Accordingly unsold properties are stated in the annual financial statements at net realisable value.

Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values.

1.18 EMPLOYEE BENEFITS

The objective of GRAP 25 is to prescribe the accounting and disclosure for employee benefits. The Standard of GRAP requires a municipality to recognise:

- ◊ a liability when an employee has provided service in exchange for employee benefits to be paid in the future; and
- ◊ An expense when a municipality consumes the economic benefits or service potential arising from service provided by an employee in exchange for employee benefits.

The Standard of GRAP states the recognition, measurement and disclosure requirements of:

- ◊ Short term employee benefits;
- ◊ All short term employee benefits;
- ◊ Short term compensated absences;
- ◊ Bonus, incentive and performance related payments;
- ◊ Post-employment benefits;
- ◊ Other long term employee benefits; and
- ◊ Termination benefits.

The municipality has adopted GRAP 25 Employee Benefits in the current year.

The objective of GRAP 25 is to prescribe the accounting and disclosure for employee benefits. The municipality has recognised:

- ◊ a liability when an employee has provided service in exchange for employee benefits to be paid in the future; and
- ◊ an expense when a municipality consumes the economic benefits or service potential arising from service provided by an employee in exchange for employee benefits.

This municipality recognises all actuarial gains and losses and past service costs immediately in the statement of financial performance once occurred.

ACCOUNTING POLICIES *...continued*

FOR THE YEAR ENDED 30 JUNE 2021

SHORT-TERM EMPLOYEE BENEFITS

Remuneration to employees is recognised in surplus or deficit for the year as the services are rendered, except for non-accumulating benefits, which are only recognised when the specific event occurs.

The costs of all short-term employee benefits such as leave pay, are recognised during the period in which the employee renders the related service. The liability for leave pay is based on the total accrued leave days at year end and is shown as an accrual in the Statement of Financial Position. The municipality recognises the expected cost of performance bonuses only when the municipality has a present legal or constructive obligation to make such payment and a reliable estimate can be made.

PAST SERVICE COSTS

Past service costs are recognised immediately in surplus or deficit, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

POST-EMPLOYMENT BENEFIT: DEFINED CONTRIBUTION PLANS

Defined contribution plan is a plan under which the municipality pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient asset to pay all employee benefits relating to employee service in the current and prior periods.

The municipality's contributions to the defined contribution funds are established in terms of the rules governing those plans. Contributions are recognised in surplus or deficit for the year in which the service is rendered by the relevant employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available. The municipality has no further payment obligations once the contributions have been paid.

POST-EMPLOYMENT BENEFITS: DEFINED BENEFIT PLANS

Defined benefit plan is a post-employment benefit plan other than a defined contribution plans.

For defined benefit plans the cost of providing the benefits is determined using the projected unit credit method.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged to surplus or deficit for the year in which they arise.

PENSION OBLIGATIONS

The municipality and its employees contribute to the Natal Joint Municipal Pension Fund (Superannuation, Retirement and Provident fund). The contributions to fund obligations for the payment of retirement benefits are charged against income in the year they become payable. Natal Joint Superannuation & Retirement Funds are defined benefit funds. The Natal Joint Provident Fund is a defined contribution funds.

The schemes are funded through payments to fund administrator or trustee-administered funds, determined by periodic actuarial calculations.

Defined benefit plans have been accounted for as defined contribution plans in accordance with the requirements on multi-employer plans where sufficient information is not available to account for such plans as defined benefit plans. As the fund administrators do not have sufficient information available to allocate the shortfall on liabilities to individual employers, no liability is recognised for any shortfall of fund asset as compared to fund liabilities. Any surcharges that may be levied by the fund from time to time in order to compensate for shortfalls, are recognised as expenses in the period in which they become payable to the fund. As surcharges are advised long in advance, based on actuarial valuations of the fund as a whole, the necessary provision for the payment thereof is made in the course of the municipality's normal budgeting processes.

***Post-retirement Health Care Benefits:**

The municipality has an obligation to provide Post-retirement Health Care Benefits to certain of its retirees. According to the rules of the Medical Aid Funds, with which the municipality is associated, a member (who is on the current Conditions of Service), on retirement, is entitled to remain a continued member of the Medical Aid Fund, in which case the municipality is liable for a certain portion of the medical aid membership fee.

ACCOUNTING POLICIES *...continued*

FOR THE YEAR ENDED 30 JUNE 2021

The defined benefit liability is the aggregate of the present value of the defined benefit obligation and recognised actuarial gains and losses, adjusted by past service costs where applicable. The plan is unfunded. The present value of the defined benefit obligation is calculated using the projected unit credit method, incorporating actuarial assumptions and an appropriate discount rate. Valuations of these obligations are carried out every year by independent qualified actuaries.

Actuarial gains or losses are accounted for in full and are recognised in the Statement of Financial Performance.

***Long-service Allowance**

The municipality has an obligation to provide Long-service Allowance Benefits to all of its employees. According to the rules of the Long-service Allowance Scheme, which the municipality instituted and operates, an employee (who is on the current Conditions of Service), is entitled to a cash allowance, as well as additional once-off leave calculated in terms of the rules of the scheme, after 10, 15, 20, 25, 30, 35, 40 and 45 years of continued service.

The municipality's liability is based on an actuarial valuation. The projected unit credit method has been used to value the liabilities. Actuarial gains and losses on the long-term incentives are accounted for in surplus or deficit for the year.

Actuarial gains or losses are accounted for in full and are recognised in surplus or deficit for the year.

1.19. PROVISIONS

Provisions are recognised when:

- ◊ the municipality has a present or constructive obligation as a result of past events,
- ◊ it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- ◊ a reliable estimate can be made of the obligation.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will

occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

Provisions are reviewed at reporting date and the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. When the effect of discounting is material, provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money. The impact, if any, of the periodic unwinding of the discount is recognised in the Statement of Financial Performance as a finance cost as it occurs.

1.20 CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in the notes to the annual financial statements.

1.21 CAPITAL COMMITMENTS

In terms of GRAP 17, contractual commitments are disclosed for all assets. The commitment is measured at the value of the contract less amounts paid until year end. Where contracts or letters of awards have been issued, this is classified as an approved and contracted commitment.

1.22 REVENUE RECOGNITION

Revenue from exchange transactions

Revenue from exchange transactions refers to revenue that accrued to the municipality directly in return for services rendered / goods sold, the value of which approximates the consideration received or receivable.

Revenue comprises the fair value of the consideration received or receivable for the sale or rendering of services in the ordinary course of the municipality's activities. Revenue is shown net of value-added tax, returns, rebates and discounts.

ACCOUNTING POLICIES *...continued*

FOR THE YEAR ENDED 30 JUNE 2021

The municipality recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits or service potential will flow to the municipality and when specific criteria have been met for each of the municipality's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The municipality bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue from non-exchange transactions

Revenue from non-exchange transactions refers to transactions where the municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

REVENUE FROM EXCHANGE TRANSACTIONS

SERVICE CHARGES

Service charges relating to electricity are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption, based on the consumption history, are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced, except at year-end when estimates of consumption up to year-end are recorded as revenue without being invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the average monthly consumption of consumers.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property.

In circumstances where services cannot readily be measured and quantified, a flat rate service charge is levied monthly on such properties.

PRE-PAID ELECTRICITY

Revenue from the sale of electricity pre-paid meter cards are recognised at the point of sale. Revenue from the sale of electricity prepaid meter cards made in the last month of the financial year is recognised based on an estimate of the prepaid electricity consumed as at the reporting date with reference to the consumption patterns of the individual users.

FINANCE INCOME

Interest earned on investments is recognised in surplus or deficit for the year on the time proportionate basis that takes into account the effective yield on the investment.

TARIFF CHARGES

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant authorised tariff. This includes the issuing of licences and permits.

RENTALS

Revenue from the rental of facilities and equipment classified as operating leases is recognised on a straight-line basis over the term of the lease agreement where material, where such lease periods span over more than one financial year.

1.23 REVENUE FROM NON-EXCHANGE TRANSACTIONS

RATES AND TAXES

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportion basis with reference to the principal amount receivable and effective interest rate applicable. A composite rating system charging different rate tariffs is employed. Rebates are granted to certain categories of ratepayers and are deducted from revenue.

ACCOUNTING POLICIES *...continued*

FOR THE YEAR ENDED 30 JUNE 2021

FINES

Fines constitute both spot fines and summonses.

Revenue from traffic fines is initially measured on the value stipulated on the notice, summons or equivalent document.

The revenue from traffic fines is subject to further judicial process which is outside the municipality's control. These reductions are not considered in measuring the revenue and receivable on initial recognition. This is because of the high degree of uncertainty in estimating the likely outcome of this process. Once this separated process has been concluded, any reductions are accounted for as a change in estimated revenue and in accordance with IGRAP1.

PUBLIC CONTRIBUTIONS

Revenue from public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment are brought into use. Revenue is recognised at the fair value of the consideration received. Where public contributions have been received and the municipality has not met the condition, a liability is recognised.

REVENUE FROM RECOVERY OF UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain. Such revenue is based on legislated procedures.

TARIFF CHARGES

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant authorised tariff. This includes the issuing of licences and permits.

1.24 GOVERNMENT GRANTS AND RECEIPTS

Income received from conditional grants, donations and funding are recognised as revenue to the extent that the

municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met, a liability is recognised. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the municipality with no future related costs, are recognised as Accounts Receivable in the period in which they become receivable.

Interest earned on investments is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the liability and if it is the municipality's interest it is recognised as interest earned in surplus of deficit for the year.

1.25 BORROWING COSTS

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

The municipality has opted to expense all borrowing costs.

1.26. CASH AND CASH EQUIVALENTS

Cash includes cash-on-hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks and investments in financial instruments, net of bank overdrafts.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdrafts are expensed as incurred.

1.27 UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No 56 of 2003). The definition thereof is more fully defined in the MFMA.

ACCOUNTING POLICIES *...continued*

FOR THE YEAR ENDED 30 JUNE 2021

1.28 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. The definition thereof is more fully defined in the MFMA.

1.29 IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No 56 of 2003), the Municipal Systems Act (Act No 32 of 2000), and the Public Office Bearers Act (Act No 20 of 1998) or is in contravention of the Municipality's or Municipal Entities' supply chain management policies. Irregular expenditure excludes unauthorised expenditure.

1.30 RELATED PARTIES

Individuals, including councillors, as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Key management personnel is defined as the Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

The objective of this Standard of GRAP is to ensure that a municipality's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and surplus or deficit may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

This Standard of GRAP requires disclosure of related party relationships, transactions and outstanding balances, including commitments, in the consolidated and separate financial statements of the municipality in accordance with the Standard of GRAP on Consolidated and Separate Financial Statements. This Standard of GRAP also applies to individual financial statements.

This Standard of GRAP requires that only transactions with related parties where the transactions are not concluded within normal operating procedures or on terms that are no

more or no less favourable than the terms it would use to conclude transactions with another municipality, entity or person are disclosed.

The Standard of GRAP sets out the requirements, inter alia, for the disclosure of:

- ♦ control;
- ♦ related party transactions; and
- ♦ remuneration of management.

1.31 EVENTS AFTER THE REPORTING DATE

Events after the reporting date that have been classified as adjusting events have been accounted for in the Annual Financial Statements. The material events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the Annual Financial Statements.

1.32 VALUE ADDED TAX

The Municipality accounts for Value Added Tax on the payments basis.

1.33 SERVICE CONCESSION ARRANGEMENTS: GRANTOR

The objective of this Standard is to prescribe the accounting for service concession arrangements by the grantor, a public sector entity.

An entity that prepares and presents financial statements under the accrual basis of accounting shall apply this Standard in accounting for service concession arrangements.

Arrangements within the scope of this Standard involve the operator providing a mandated function related to the service concession asset on behalf of the grantor. The operator providing the mandated function can either be a private party or another public sector entity.

Arrangements outside the scope of this Standard are those that do not involve the delivery of a mandated function and arrangements that involve the provision or management of services where the asset is not controlled by the grantor (e.g., outsourcing, service contracts, or privatisation).

ACCOUNTING POLICIES *...continued*

FOR THE YEAR ENDED 30 JUNE 2021

1.33 ACCOUNTING BY PRINCIPLES AND AGENTS

The objective of this Standard is to outline principles to be used by an entity to assess whether it is party to a principal-agent arrangement, and whether it is a principal or an agent in undertaking transactions in terms of such an arrangement.

The definition of a principal-agent arrangement refers to an entity acting on behalf of another entity in relation to transactions with third parties. A principal is an entity that directs another (an agent) to undertake transactions with third parties, for the benefit of the principal, in terms of a binding arrangement. The focus of this Standard is establishing whether one entity directs another in relation to specific transactions with third parties within a particular arrangement, rather than considering whether one entity directs or has the power over another entity generally.

When an entity is party to a principal-agent arrangement, it shall assess whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement. The assessment of whether an entity is a principal or an agent requires the entity to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Principal-agent arrangements are governed by a binding arrangement. The requirements of these binding arrangements, particularly the rights and obligations established for the various parties, inform an entity's assessment of whether it undertakes transactions for its own benefit, or for the benefit of another entity. The terms and conditions of the binding arrangement should be assessed to determine the roles, responsibilities and authority of parties in relation to the activities and resulting transactions undertaken in terms of that arrangement.

When an entity in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If an entity concludes that it is not the agent, then it is the principal in the transactions.

An entity is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- (a) It does not have the power to determine the significant terms and conditions of the transaction.
- (b) It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- (c) It is not exposed to variability in the results of the transaction.

Accounting by a principal or an agent

- ◊ A principal recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement.
- ◊ An agent recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal.
- ◊ An entity recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of other Standards of GRAP.

1.34 REPORTABLE SEGMENTS

The reportable segments of the municipality has been identified in accordance with GRAP 18. Reportable segments are the actual segments which are reported on in the Segment Report. The municipality has the following segments:

- ◊ Corporate Services
- ◊ Youth Development
- ◊ Chief Operations Officer
- ◊ Community Services & Public amenities
- ◊ Community Safety
- ◊ Finance
- ◊ Economic Development & Planning
- ◊ Civil Engineering & Human Settlements
- ◊ Electrical Engineering Services

KwaDukuza operates in a relatively contained geographical area with no foreign, national or interprovincial operations. All operations occur within the iLembe district in accordance with the developmental nature of local government. Any further breakdown is currently not available and the cost to develop will be excessive.

Management shall consider the cost benefit of the above segment in the upcoming financial year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *...continued*

FOR THE YEAR ENDED 30 JUNE 2021

	2021			2020		
	COST	ACCUMULATED AMORTISATION AND IMPAIRMENT	CARRYING VALUE	COST	ACCUMULATED AMORTISATION AND IMPAIRMENT	CARRYING VALUE
	R	R	R	R	R	R
2. INVESTMENT PROPERTIES						
Investment Property	171 625 000	-	171 625 000	170 100 000	-	170 100 000
	171 625 000	-	171 625 000	170 100 000	-	170 100 000

	OPENING BALANCE	FAIR VALUE ADJUSTMENTS	TRANSFERS	CLOSING BALANCE
	R	R	R	R
Reconciliation of Investment Property - 2021				
Investment Property	170 100 000	1 525 000	-	171 625 000
	170 100 000	1 525 000	-	171 625 000

Rent income received on the above investment properties during 2020/2021 financial year is R863 007.20
There is no expenditure relating to repairs and maintenance in the investment properties.

	OPENING BALANCE	FAIR VALUE ADJUSTMENTS	TRANSFERS	CLOSING BALANCE
	R	R	R	R
Reconciliation of Investment Property - 2020				
Investment Property	175 430 000	(5 330 000)	-	170 100 000
	175 430 000	(5 330 000)	-	170 100 000

The decrease in the fair value is as a result of expansion of informal settlements into a municipal owned property.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *...continued*

FOR THE YEAR ENDED 30 JUNE 2021

	2021			2020-RESTATED		
	COST	ACCUMULATED DEPRECIATION AND IMPAIRMENT	CARRYING VALUE	COST	ACCUMULATED DEPRECIATION AND IMPAIRMENT	CARRYING VALUE
	R	R	R	R	R	R
3. PROPERTY, PLANT AND EQUIPMENT						
BUILDINGS	336 918 833	(113 708 905)	223 209 928	306 289 099	(95 130 548)	211 158 551
SOLID WASTE	7 730 302	(2 989 837)	4 740 465	7 550 951	(2 524 683)	5 026 268
VEHICLES	90 011 828	(52 343 297)	37 668 531	84 284 006	(47 657 094)	36 626 912
INFRASTRUCTURE ROADS	1 077 753 167	(305 020 621)	772 732 546	1 013 224 007	(256 862 397)	756 361 609
INFRASTRUCTURE STORMWATER	270 478 668	(88 401 274)	182 077 394	269 498 500	(82 653 467)	186 845 033
INFRASTRUCTURE ELECTRICAL	903 503 212	(293 148 177)	610 355 034	855 880 981	(273 154 259)	582 726 722
FURNITURE & FITTINGS	70 101 232	(53 774 256)	16 326 976	63 022 749	(49 840 002)	13 182 746
CEMETERIES	16 813 189	(4 918 238)	11 894 951	14 592 514	(4 343 446)	10 249 068
LAND	411 162 974	-	411 162 974	389 477 974	-	389 477 974
HOUSING	9 283 091	(7 719 084)	1 564 007	8 972 974	(7 392 004)	1 580 970
LEASED ASSETS	3 898 102	(2 470 255)	1 427 847	3 302 526	(1 806 713)	1 495 813
	3 197 654 596	(924 493 944)	2 273 160 651	3 016 096 281	(821 364 614)	2 194 731 667

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *...continued*

FOR THE YEAR ENDED 30 JUNE 2021

	OPENING BALANCE	ADDITIONS	ASSETS PREVIOUSLY NOT RECOGNISED	DONATIONS	
	R	R	R	R	
3. PROPERTY, PLANT AND EQUIPMENT ...continued					
RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - 2021					
Buildings	211 158 551	30 629 735			
Solid Waste	5 026 268	179 350.40			
Vehicles	36 626 913	5 772 832			
Infrastructure Roads	756 361 609	64 051 966			
Infrastructure Stormwater	186 844 988	1 954 379			
Infrastructure Electrical	582 726 722	36 868 221		3 972 693	
Furniture & Fittings	13 182 748	7 105 990			
Cemeteries	10 249 068	2 220 674.33			
Land	389 477 974	-		22 000 000	
Housing	1 580 970	310 117			
Leased Assets	1 495 812	595 576			
	2 194 731 622	149 688 840	-	25 972 693	

	OPENING BALANCE	ADDITIONS	COMPLETED PROJECTS	WRITE OFFS	
	R	R	R	R	
Classification of Assets Under Construction 2020/2021:					
Buildings	41 297 153	21 532 757	(16 190 349)		
Cemeteries	1 537 129	2 385 707	(833 307)		
Electricity	37 946 629	36 079 495	(14 331 568)	(782 079)	
Roads	109 742 289	76 425 864	(57 286 484)	(3 355 543)	
Solid Waste	431 823	1 320 469	(1 752 292)		
Total Assets under construction	190 955 023	137 744 291	(90 393 999)	(4 137 622)	

	2020/2021
	R
Loss on disposal as reflected on the Statement of Financial Performance consists of:	
Derecognition of Assets	(315 000)
Assets Written Off	(4 350 346)
Intangible Assets	(19 250)
	(4 684 595)

	RECOGNITION OF EXPENSED ITEMS	DERECOGNITION OF ASSETS	ASSETS WRITTEN OFF	DEPRECIATION	IMPAIRMENT LOSS	IMPAIRMENT REVERSAL	CLOSING BALANCE
	R	R	R	R	R	R	R
				(15 294 047)	(3 284 311)		223 209 927
				(465 154)			4 740 464
	12 990		(46 389)	(4 697 814)			37 668 531
			(3 506 033)	(24 891 215)	(20 257 994)		771 758 333
				(5 724 729)	(23 077)		183 051 561
	7 563 396		(782 079)	(19 921 450)	(72 468)		610 355 034
			(15 845)	(3 945 744,97)	(171)		16 326 977
				(574 791)			11 894 951
		(315 000)					411 162 974
				(327 081)			1 564 007
				(663 541)			1 427 847
	7 576 386	(315 000)	(4 350 346)	(76 505 568)	(23 638 021)	-	2 273 160 651

	ACCUMULATED IMPAIRMENT	CLOSING BALANCE
	R	R
	(3 284 311)	43 355 249
		3 089 529
		58 912 477
	-19 918 489	105 607 638
		-
	(23 202 800)	210 964 892

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *...continued*

FOR THE YEAR ENDED 30 JUNE 2021

	OPENING BALANCE	ADDITIONS	ASSETS PREVIOUSLY NOT RECOGNISED	DONATIONS	
	R	R	R	R	
3. PROPERTY, PLANT AND EQUIPMENT ...continued					
RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - 2020 RESTATED					
Buildings	212 491 623	16 015 186			
Solid Waste	4 320 488	1 074 758			
Vehicles	26 388 203	13 210 766			
Infrastructure Roads	681 861 859	104 499 839			
Infrastructure Stormwater	186 754 839	6 301 797			
Infrastructure Electrical	577 867 893	20 253 693		575 440	
Furniture & Fittings	13 937 426	3 375 832			
Cemeteries	10 735 987	88 253			
Land	390 047 974				
Housing	1 914 779				
Leased Assets	2 496 634				
	2 108 817 705	164 820 124	-	575 440	

	OPENING BALANCE	ADDITIONS	COMPLETED PROJECTS	WRITE OFFS	
	R	R	R	R	
Classification of Assets Under Construction 2019/2020 Restated:					
Buildings	29 979 320	15 409 510	(1 187 431)	(643 210)	
Cemeteries	1 448 876	88 253	-	-	
Electricity	39 986 079	24 802 106	(26 533 888)	(307 668)	
Roads	84 051 692	113 615 241	(83 791 677)	(598 315)	
Solid Waste	534 375	2 605 924	(2 708 476)	-	
Total Assets under construction	156 000 342	156 521 033	(114 221 472)	(1 549 194)	

	2019/2020
	R
Loss on disposal as reflected on the Statement of Financial Performance consists of:	
Derecognition of Assets	-570 000
Assets Written Off	-2 121 061
	-2 691 061

	RECOGNITION OF EXPENSED ITEMS	DERECOGNITION OF ASSETS	ASSETS WRITTEN OFF	DEPRECIATION	IMPAIRMENT LOSS	IMPAIRMENT REVERSAL	CLOSING BALANCE
	R	R	R	R	R	R	R
			(643 210)	(14 651 225)	(2 053 824)		211 158 551
				(368 979)			5 026 268
				(2 972 056)			36 626 913
			(1 170 182)	(23 638 116)	(5 191 789)		756 361 609
				(5 742 467)	(469 182)		186 844 988
	3 698 579		(307 668)	(19 302 495)	(58 719)		582 726 722
				(4 107 141)	(28 161)	4 792	13 182 748
				(575 172)			10 249 068
		(570 000)					389 477 974
				(333 808)			1 580 970
				(1 000 822)			1 495 812
	3 698 579	(570 000)	(2 121 061)	(72 692 281)	(7 801 675)	4 792	2 194 731 667

	ACCUMULATED IMPAIRMENT	CLOSING BALANCE
	R	R
	(2 261 037)	41 297 152.59
	-	1 537 129.37
	-	37 946 628.64
	(3 534 651)	109 742 289.41
	-	431 822.74
	(5 795 688)	190 955 023

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *...continued*

FOR THE YEAR ENDED 30 JUNE 2021

	2021			2020		
	COST	ACCUMULATED AMORTISATION AND IMPAIRMENT	CARRYING VALUE	COST	ACCUMULATED AMORTISATION AND IMPAIRMENT	CARRYING VALUE
	R	R	R	R	R	R
4. INTANGIBLE ASSETS						
Intangible Assets	21 008 960	(20 015 206)	993 754	21 178 828	(19 538 047)	1 640 781
Intangible Assets - Under Development	926 937	(354 818)	572 119	878 938	-	878 938
	21 935 897	(20 370 024)	1 565 873	22 057 766	(19 538 047)	2 519 719

	OPENING BALANCE	ADDITIONS	ASSET UNDER CONSTRUCTION BROUGHT INTO USE	ASSETS WRITTEN OFF	AMORTISATION	IMPAIRMENT LOSS	CLOSING BALANCE
	R	R	R	R	R	R	R
Reconciliation of Intangible Assets - 2021							
Intangible Assets	1 640 781	-	-	(19 250)	(627 777)	-	993 754
Intangible Assets - Under Development	878 938	572 119	(524 120)	-	-	(354 818)	572 119
	2 519 719	572 119	(524 120)	(19 250)	(627 777)	(354 818)	1 565 873

	OPENING BALANCE	ADDITIONS	ASSET UNDER CONSTRUCTION BROUGHT INTO USE	ASSETS WRITTEN OFF	AMORTISATION	IMPAIRMENT LOSS	CLOSING BALANCE
	R	R	R	R	R	R	R
Reconciliation of Intangible Assets - 2020							
Intangible Assets	2 462 628	-	-	-	(821 847)	-	1 640 781
Intangible Assets - Under Development	878 938	-	-	-	-	-	878 938
	3 341 566	-	-	-	(821 847)	-	2 519 719

	2021			2020		
	COST	ACCUMULATED AMORTISATION AND IMPAIRMENT	CARRYING VALUE	COST	ACCUMULATED AMORTISATION AND IMPAIRMENT	CARRYING VALUE
	R	R	R	R	R	R
5. HERITAGE ASSETS						
	105 386	-	105 386	105 386	-	105 386
Historical Monuments	105 386	-	105 386	105 386	-	105 386

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *...continued*

FOR THE YEAR ENDED 30 JUNE 2021

6. EMPLOYEE BENEFIT OBLIGATIONS

6.1 PENSION BENEFITS

The Municipality's personnel are members of one of the Natal Joint Municipal Pension retirement funds, namely the Superannuation, Retirement and Provident Funds. As the aforementioned funds are multi-employer funds, the allocation of any surplus/deficit to individual municipalities cannot be determined. Furthermore disclosure of further details such as actuarial assumptions, cannot be attributed to any specific municipality and is of no relevance to users of the municipality's financial statements. Below is a synopsis of the most recent pension fund reports.

Superannuation

The interim valuation carried out on the Superannuation Fund as at 31 March 2020 reflected:

- ◊ The valuation reveals that the fund is 92.4% funded on the "best estimate" Funding basis as at the valuation date, and is also not fully funded on the alternative basis as set out in PF Notice No. 2 of 2016.
- ◊ Asset composition on valuation date appropriate to nature of the liabilities.
- ◊ Investment strategy suitable for the Fund.
- ◊ The view of the valuator is that the fund is not in a sound financial position as at the valuation date, but because this was mainly due to the impact of the COVID-19 epidemic on financial markets, which has since partially recovered. No further action required during the market recovery process.

Provident Fund

The interim valuation carried out on the Provident Fund as at 31 March 2020 reflected:

- ◊ The Fund is financially sound at valuation date

The valuation reveals that the Fund is 101.1% funded as at the valuation date

The contribution rate allocated towards risk benefits and expenses in the year following the valuation date is expected to be sufficient to cover the cost of these benefits and expenses.

- ◊ Asset composition appropriate to the nature of the liabilities
- ◊ Investment strategy suitable for Fund
- ◊ The fund self-insures its death benefits and disability benefits

Retirement Fund

The latest statutory valuation of the Retirement Fund (defined benefit) as at 31 March 2020 reflected:

- ◊ The fund is 93.5% funded on the "best estimate" Funding basis as at the valuation date, and it is not fully funded on the alternative bases as set out in PF Notice No. 2 of 2016.
- ◊ Asset composition appropriate to the nature of the liabilities
- ◊ Investment strategy suitable for the Fund
- ◊ Fund's self insures its risk benefits
- ◊ Fund is not in a sound financial position as at valuation date, but the reduction in funding level was mainly due to the impact of the COVID-19 epidemic on financial markets, which has since partially recovered.

6.2 POST-EMPLOYMENT MEDICAL BENEFITS

The municipality operates on 5 accredited medical aid schemes, namely Bonitas, Key Health, LA Health, Samwumed and HosMed.

Pensioners continue on the option they belonged to on the day of their retirement. The independent valuers, Arch Actuarial Consulting, carry out a statutory valuation on an annual basis.

The principal actuarial assumptions used were as follows:

In estimating the liability for post-employment medical aid benefits a number of assumptions are required as per GRAP 25. APN 30 states that the assumptions should be realistic and mutually compatible. The most relevant actuarial assumptions used in this valuation are discussed below.

	2021	2020 RESTATED
	R	R
Discount rate per annum	10.20%	10.55%
Health care cost inflation rate	6.85%	6.59%
Net effective discount rate	3.14%	3.72%
Average retirement age	62	62
Proportion continuing membership at retirement	75%	75%
Mortality during employment	SA 85-90	SA 85-90
Mortality post-retirement	PA (90)-1 with a 1% mortality improvement p.a from 2010	PA (90)-1
(No explicit assumption was made about additional mortality or health care costs due to AIDS).		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *...continued*

FOR THE YEAR ENDED 30 JUNE 2021

	2021		2020 RESTATED	
	MALES	FEMALES	MALES	FEMALES
6. EMPLOYEE BENEFIT OBLIGATIONS <i>...continued</i>				
Percentage of in-service members withdrawing before retirement:				
Age 20 - 24	9%	9%	9%	9%
Age 25 - 29	8%	8%	8%	8%
Age 30 - 34	6%	6%	6%	6%
Age 35 - 39	5%	5%	5%	5%
Age 40 - 44	5%	5%	5%	5%
Age 45 - 49	4%	4%	4%	4%
Age 50 - 54	3%	3%	3%	3%
Age 55 - 59	0%	0%	0%	0%
Age 60+	0%	0%	0%	0%

Discount Rate:

GRAP 25 stipulates that the choice of this rate should be derived from government bond yields consistent with the estimated term of the post-employment liabilities. A discount rate of 10.20% per annum has been used. The corresponding index-linked yield at this term is 4.13%. These rates do not reflect any adjustment for taxation. These rates were deduced from the interest rate data obtained from the Johannesburg Stock Exchange after the market close on 30 June 2021.

	2021	2020 RESTATED
	R	R
The amounts recognised in the Statement of Financial Position were determined as being the present value of the obligation:	99 970 000	83 093 000
Movement in the defined benefit obligation is as follows:		
Balance at beginning of the year	83 093 000	93 806 315
Current service cost	2 911 000	3 629 591
Interest cost	8 599 000	8 760 836
Benefit payments	(3 253 000)	(3 048 712)
Actuarial (gains)/losses	8 620 000	(20 055 030)
Balance at end of year	99 970 000	83 093 000
The amounts recognised in the Statement of Financial Performance were as follows:		
Current service cost	2 911 000	3 629 591
Interest cost	8 599 000	8 760 836
Benefit payments	(3 253 000)	(3 048 712)
Actuarial (gains)/losses	8 620 000	(20 055 030)
TOTAL	16 877 000	(10 713 315)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS ...continued

FOR THE YEAR ENDED 30 JUNE 2021

6. EMPLOYEE BENEFIT OBLIGATIONS ...continued

SENSITIVITY ANALYSIS

The results presented are based on a number of assumptions. The extent to which the actual liability faced in the future by the Municipality differs from these results, will depend on the extent to which actual experience differs from the assumptions made.

The assumption which tends to have the greatest impact on the results is the rate of health care cost inflation relative to the discount rate.

SENSITIVITY RESULTS

The liability at the Valuation Date was recalculated to show the effect of:

- (1) A 1% increase and decrease in the assumed rate of health care cost inflation;
- (2) A 1% point increase and decrease in the discount rate;
- (3) A one-year age increase and decrease in the assumed rates of post-employment mortality
- (4) A one-year decrease in the assumed average retirement age
- (5) A 10% decrease in the assumed proportion of in-service members that remain members at retirement.

Sensitivity Analysis on the Accrued Liability

ASSUMPTION	CHANGE	ELIGIBLE EMPLOYEES	CONTINUATION MEMBERS	TOTAL	% CHANGE
Central assumptions		59.227	40.743	99.970	
Health care inflation rate	+1%	65.664	42.842	108.506	9%
	-1%	51.428	38.253	89.681	-10%
Discount rate	+1%	49.112	37.331	86.443	-14%
	-1%	72.323	44.754	117.077	17%
Post-employment mortality	+1yr	57.850	39.555	97.405	-3%
	-1yr	60.577	41.921	102.498	3%
Average retirement age	-1yr	62.735	40.743	103.478	4%
Membership continuation	-10%	51.901	40.743	92.644	-7%

Note: The post-retirement mortality adjustment “-1 yr”, for example, assumes that someone aged 70 will experience the mortality of someone aged 69. The liability is expected to increase under this scenario because members are expected to live longer.

The table above indicates, for example, that if medical inflation is 1% point greater than the long-term assumption made, the liability will be 9% higher than that shown.

Table 2 summarises the results of this analysis on the Current - service and Interest Costs.

Sensitivity Analysis on Current-service and Interest Costs

ASSUMPTION	CHANGE	CURRENT-SVC. COST	INTEREST COST	TOTAL	% CHANGE
Central assumptions		2 911 000	8 599 000	11 510 000	
Health care inflation rate	+1%	3 306 000	9 345 000	12 651 000	10%
	-1%	2 423 000	7 719 000	10 142 000	-12%
Discount rate	+1%	2 337 000	8 182 000	10 519 000	-9%
	-1%	3 671 000	9 062 000	12 733 000	11%
Post-employment mortality	-1 yr	2 970 000	8 811 000	11 781 000	2%
Average retirement age	-1 yr	3 085 000	8 894 000	11 979 000	4%
Membership continuation	-10%	2 569 000	8 013 000	10 582 000	-8%

NOTES TO THE ANNUAL FINANCIAL STATEMENTS ...continued

FOR THE YEAR ENDED 30 JUNE 2021

6. EMPLOYEE BENEFIT OBLIGATIONS ...continued

HISTORY OF LIABILITIES, ASSETS AND EXPERIENCE ADJUSTMENTS

The following table summarises the accrued liabilities and the plan assets for the current period and the previous four periods.

History of liabilities and assets (R millions)

LIABILITY HISTORY	30/06/2017	30/06/2018	30/06/2019	30/06/2020	30/06/2021
Accrued liability	90.463	94.726	93.806	83.093	99.970
Fair value of plan asset	0.000	0.000	0.000	0.000	0.000
Surplus / (Deficit)	(90.463)	(94.726)	(93.806)	(83.093)	(99.970)

6.3 LONG SERVICE AWARDS AND RETIREMENT GIFTS

The independent valuers, Arch Actuarial Consulting, carry out a statutory valuation on an annual basis.

The principal actuarial assumptions used were as follows:

In estimating the liability for long service leave benefits, a number of assumptions are required as per GRAP 25. These assumptions should be realistic and mutually compatible. The most relevant actuarial assumptions used in this valuation are discussed below.

	2021	2020 RESTATED
	R	R
Discount rate per annum	9.44%	7.40%
General Salary Inflation (long term)	5.84%	4.03%
Net effective discount rate	3.40%	3.24%
Examples of mortality rates used were as follows:		
Average retirement age	62 years	62 years
Mortality during employment	SA85-90	SA85-90

	2021		2020 RESTATED	
	MALES	FEMALES	MALES	FEMALES
	R	R	R	R
<i>Members withdrawn from service:</i>				
Age 20 - 24	9%	9%	9%	9%
Age 25 - 29	8%	8%	8%	8%
Age 30 - 34	6%	6%	6%	6%
Age 35 - 39	5%	5%	5%	5%
Age 40 - 44	5%	5%	5%	5%
Age 45 - 49	4%	4%	4%	4%
Age 50 - 54	3%	3%	3%	3%
Age 55 - 59	0%	0%	0%	0%
Age 60+	0%	0%	0%	0%

Discount Rate:

GRAP 25 stipulates that the choice of this rate should be derived from government bond yields consistent with the estimated term of the employee benefit liabilities. A discount rate of 9.44% per annum has been used. The first step in the derivation of this yield is to calculate the liability-weighted average of the yields corresponding to the actual terms until payment of long service awards, for each employee. The 7.40% is then derived as the liability-weighted average of the yields derived in the first step. The corresponding liability-weighted index-linked yield is 3.91%. These rates do not reflect any adjustment for taxation. These rates were deduced from the interest rate data obtained from the JSE after the market close on 30 June 2021.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *...continued*

FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020 RESTATED
	R	R
6. EMPLOYEE BENEFIT OBLIGATIONS <i>...continued</i>		
The amounts recognised in the Statement of Financial Position were determined as follows:		
Liability in the Statement of Financial Position	24 875 000	23 419 000
Movement in the defined benefit obligation is as follows:		
Balance at beginning of the year	23 419 000	21 086 875
Current service cost	2 309 000	2 255 793
Interest cost	1 638 000	1 659 566
Actuarial (Gain)/losses	116 000	197 721
Benefit payments	(2 607 000)	(1 780 955)
Balance at end of year	24 875 000	23 419 000
The amounts recognised in the Statement of Financial Performance were as follows:		
Current service cost	2 309 000	2 255 793
Interest cost	1 638 000	1 659 566
Actuarial (Gain)/losses	116 000	197 721
Benefit payments	(2 607 000)	(1 780 955)
TOTAL	1 456 000	2 332 125
In conclusion:		
Statement of Financial Position obligation for:		
Post-employment medical benefits	99 970 000	83 093 000
Current Portion	3 309 000	3 253 000
Non- Current Portion	96 661 000	79 840 000
Long Service Award	24 875 000	23 419 000
Current Portion	2 613 000	2 607 000
Non- Current Portion	22 262 000	20 812 000
	124 845 000	106 512 000
Statement of Financial Performance obligation for:		
Post-employment medical benefits	16 877 000	(10 713 315)
Long Service Award loss	1 456 000	2 332 125
	18 333 000	(8 381 190)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *...continued*

FOR THE YEAR ENDED 30 JUNE 2021

6. EMPLOYEE BENEFIT OBLIGATIONS *...continued*

SENSITIVITY ANALYSIS

The results presented are based on a number of assumptions. The extent to which the actual liability faced in the future by the Municipality differs from these results, will depend on the extent to which actual experience differs from the assumptions made.

The assumption which tends to have the greatest impact on the results are:

- (1) The general salary inflation rate assumption
- (2) The discount rate assumption
- (3) The average retirement age of employees
- (4) Assumed rates of withdrawal of employees from service

SENSITIVITY RESULTS

The liability at the Valuation date was recalculated to show the effect of:

- (1) A 1% increase and decrease in the assumed general salary inflation rate.
- (2) A 1% increase and decrease in the discount rate.
- (3) A two-year decrease and increase in the assumed average retirement age of eligible employees.
- (4) A two-fold increase and a 50% decrease in the assumed rates of withdrawal from service.

Tables 1 summarises the results of the sensitivity analysis.

Sensitivity Analysis of the Unfunded Accrued Liability (in R Millions)

ASSUMPTION	CHANGE	LIABILITY	% CHANGE
Central assumptions		24 875 000	
General earnings inflation rate	+1%	26 446 000	6%
	-1%	23 457 000	-6%
Discount rate	+1%	23 347 000	-6%
	-1%	26 596 000	7%
Average retirement age	+2 yrs	26 120 000	5%
	-2 yrs	23 484 000	-6%
Withdrawal rates	x 2	20 150 000	-19%
	x 0.5	28 119 000	13%

The table above indicates, for example, that if salary inflation is 1% greater than the long-term assumption made, the liability will be 6% higher.

Table 2 summarises the results of this analysis on the Current-service and Interest Costs for the year ending 30 June 2021.

Sensitivity Analysis on Current-service and Interest Costs

ASSUMPTION	CHANGE	CURRENT-SVC. COST	INTEREST COST	TOTAL	% CHANGE
Central assumptions		2 309 000	1 638 000	3 947 000	
General earnings inflation rate	+1%	2 503 000	1 751 000	4 254 000	8%
	-1%	2 137 000	1 537 000	3 674 000	-7%
Discount rate	+1%	2 143 000	1 734 000	3 877 000	-2%
	-1%	2 500 000	1 526 000	4 026 000	2%
Average retirement age	+2 yrs	2 417 000	1 733 000	4 150 000	5%
	-2 yrs	2 192 000	1 529 000	3 721 000	-6%
Withdrawal rates	x 2	1 684 000	1 298 000	2 982 000	-24%
	x 0.5	2 766 000	1 874 000	4 640 000	18%

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *...continued*

FOR THE YEAR ENDED 30 JUNE 2021

6. EMPLOYEE BENEFIT OBLIGATIONS *...continued*

HISTORY OF LIABILITIES, ASSETS AND EXPERIENCE ADJUSTMENTS

The table below summarises the accrued liabilities and the plan assets for the current period and the previous four periods.

History of liabilities and assets (R millions)

LIABILITY HISTORY	30/06/2017	30/06/2018	30/06/2019	30/06/2020	30/06/2021
Accrued liability	14.692	17.293	21.087	23.419	24.875
Fair value of plan asset	0.000	0.000	0.000	0.000	0.000
Surplus / (Deficit)	(14.692)	(17.293)	(21.087)	(23.419)	(24.875)

	2021	2020 RESTATED
	R	R
7. LONG-TERM RECEIVABLES		
Housing selling scheme loans	3 726 531	3 788 222
Less: Allowance for impairment and future housing discounts	(3 084 565)	(3 142 793)
Total	641 965	645 429
Transfer to Current Portion		
Less: Current portion transferred to current receivables	(22 313)	(35 523)
Total Receivables	619 652	609 906
Written - off during the year	48 038	195 880
HOUSING SELLING SCHEME LOANS		
Loans have been granted to individuals who qualified in terms of the KwaZulu-Natal Department of Housing' s programme. The loans are repayable over terms ranging from 5 to 30 years at interest rates varying between 11.25% and 13.5%		
8. INVENTORIES		
Housing Inventory	142 490	142 490
Consumable stores	1 412 583	705 617
Mechanical spares	38 807	26 552
Electrical maintenance spares	8 142 628	3 757 098
Fuel	141 401	141 401
Total Inventories	9 877 909	4 773 157
Periodically, physical stock counts are carried out.		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *...continued*

FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020 RESTATED
	R	R
9. RECEIVABLES FROM EXCHANGE TRANSACTIONS		
Electricity	113 289 743	117 070 102
Estate	89 901	85 287
Refuse	22 458 899	20 168 975
VAT on Consumer debtors	22 134 856	21 546 466
Legal Fees	6 253 752	6 283 763
Encroachment and plot clearing	519 594	513 105
Sundry Adjustments	(124 865)	(283 456)
Interest	10 014 964	10 048 913
Add back credits included above	935 206	335 355
Less: Allowance for impairment	(69 670 460)	(64 626 961)
	105 901 590	111 141 549
Electricity		
Current (0 – 30 days)	96 185 515	87 791 447
31 - 60 Days	5 523 434	9 306 614
61 - 90 Days	3 183 601	4 730 152
91 - 120 Days	2 086 607	3 924 803
Greater than 120 days	6 310 586	11 317 086
Total	113 289 743	117 070 102
Estate		
Current (0 – 30 days)	1 869	1 791
31 - 60 Days	1 413	1 086
61 - 90 Days	1 105	1 086
91 - 120 Days	1 086	1 086
Greater than 120 days	84 428	80 238
Total	89 901	85 287
Refuse		
Current (0 – 30 days)	7 343 986	3 336 636
31 - 60 Days	1 039 482	1 268 144
61 - 90 Days	801 840	1 024 209
91 - 120 Days	724 316	755 233
Greater than 120 days	12 549 275	13 784 753
Total	22 458 899	20 168 975
VAT on Consumer Debtors		
Current (0 – 30 days)	15 595 741	13 597 289
31 - 60 Days	879 963	1 609 530
61 - 90 Days	579 487	875 976
91 - 120 Days	411 582	706 732
Greater than 120 days	4 668 083	4 756 939
Total	22 134 856	21 546 466
Legal Fees		
Current (0 – 30 days)	359 183	481 243
31 - 60 Days	127 808	1 826
61 - 90 Days	104 749	323 682
91 - 120 Days	142 622	130 021
Greater than 120 days	5 519 390	5 346 991
Total	6 253 752	6 283 763

NOTES TO THE ANNUAL FINANCIAL STATEMENTS ...continued

FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020 RESTATED
	R	R
9. RECEIVABLES FROM EXCHANGE TRANSACTIONS ...continued		
Encroachment and plot clearing		
Current (0 – 30 days)	5 390	168
31 - 60 Days	388	-
61 - 90 Days	-	9 442
91 - 120 Days	5 145	-
Greater than 120 days	508 672	503 495
Total	519 594	513 105
Sundry Adjustments		
Current (0 – 30 days)	(77 248)	(366 051)
31 - 60 Days	(41 613)	49
61 - 90 Days	(16 908)	(6 906)
91 - 120 Days	(3 396)	222
Greater than 120 days	14 300	89 230
Total	(124 865)	(283 456)
Interest		
Current (0 – 30 days)	551 806	661 926
31 - 60 Days	343 966	467 200
61 - 90 Days	322 071	429 975
91 - 120 Days	301 899	421 169
Greater than 120 days	8 495 222	8 068 643
Total	10 014 964	10 048 913
Add: credits included above		
Current (0 – 30 days)	19 890 065	9 830 309
31 - 60 Days	(972 144)	(1 024 275)
61 - 90 Days	(781 520)	(1 010 618)
91 - 120 Days	(7 330 412)	(864 043)
Greater than 120 days	(9 870 783)	(6 596 018)
Total	935 206	335 355
Reconciliation of the Allowance for Impairment		
Balance at beginning of the year		
Receivables from exchange transactions	64 626 961	49 675 158
Long term receivables	3 142 793	3 264 855
Receivables from non-exchange transactions	209 604 737	168 748 798
Total balance at beginning of the year	277 374 492	221 688 812
(Release from) / Contribution to provision		
Receivables from exchange transactions	5 043 499	14 951 803
Long term receivables	(58 228)	(122 062)
Receivables from non-exchange transactions	2 951 557	40 855 939
Total (Release from) / Contribution to provision	7 936 828	55 685 680
Balance at end of year		
Receivables from exchange transactions	69 670 460	64 626 961
Long term receivables	3 084 565	3 142 793
Receivables from non-exchange transactions	212 556 294	209 604 737
Total Balance at end of year	285 311 320	277 374 492
Bad debts written off		
Bad debts written off - Exchange Transactions	729 190	3 922 516
Bad debts written off - Non - Exchange Transactions	3 451 104	716 015
Total Bad debts written off	4 180 294	4 638 531

NOTES TO THE ANNUAL FINANCIAL STATEMENTS ...continued

FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020 RESTATED
	R	R
10. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS		
Rates	164 283 515	168 367 481
Other debtors	152 578 481	157 386 436
Department of Housing - RDP projects	251 934	251 934
Operating leases	1 506 804	1 694 100
less: Allowance for impairment	(212 556 294)	(209 604 737)
	106 064 440	118 095 215
Rates		
Current (0 – 30 days)	23 417 480	25 455 873
31 - 60 Days	9 467 945	15 955 400
61 - 90 Days	7 030 175	10 756 840
91 - 120 Days	5 845 826	8 577 290
Greater than 120 days	118 522 088	107 622 078
Total	164 283 515	168 367 481
<i>Other Debtors:</i>		
Included in Other Debtors are:		
Traffic Fines Debtor	112 253 277	108 475 614
Accrued Income	3 597 349	2 704 663
Ilembe water deposits	56 491	56 491
Sundry Debtors - R&G	33 519 617	32 731 156
Prepaid expenditure	1 064 966	1 069 192
Housing bridge financing and medical aid	146 104	9 480
Over payment of contractors	1 416 672	12 339 841
Department of Transport (DOT) - Motor vehicle licensing commission	524 005	-
	152 578 481	157 386 436
11. VAT RECEIVABLE		
VAT	6 997 303	9 625 147
VAT is recognised / (accounted for) on a payments basis. Once payment is received from debtors VAT is paid over to SARS.		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *...continued*

FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020 RESTATED
	R	R
12. SHORT TERM INVESTMENTS		
The municipality has the following short term investments		
Investec Bank Account - Durban Branch Account Number 1100-482666-451	-	30 000 000
Standard Bank Account - Durban Branch Account Number 058756442-088/091	-	22 231 436
Standard Bank Account - Durban Branch Account Number 058756442-087/090	14 539 872	14 156 295
Nedbank Bank Account - Treasury Branch Account Number 03/7881022337/162/163/164	25 076 511	24 447 947
ABSA Bank Account - Stanger Branch Account Number 2079270909	28 757 700	27 000 000
Nedbank Bank Account - Treasury Branch Account Number 03/7881022337/165	26 734 095	26 064 000
Nedbank Bank Account - Treasury Branch Account Number 03/7881164077/000002	23 464 203	-
ABSA Bank Account - Stanger Branch Account Number 2079680324	32 000 000	-
	150 572 381	143 899 677

	BANK STATEMENT BALANCES		CASH BOOK BALANCES	
	2021	2020	2021	2020
	R	R	R	R
13. CASH AND CASH EQUIVALENTS				
Cash and cash equivalents consist of:				
Bank Balances and short term deposits	832 403 650	644 073 882	835 239 337	643 616 220
The municipality had the following Investment and Bank accounts				

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *...continued*

FOR THE YEAR ENDED 30 JUNE 2021

ACCOUNT NUMBER / DESCRIPTION		BANK STATEMENT BALANCES		CASH BOOK BALANCES	
		2021	2020	2021	2020
		R	R	R	R
13. CASH AND CASH EQUIVALENTS ...continued					
Nedbank Bank Account - Stanger Branch Account Number 31337173-9975: Call Account		-	9 137 986	-	9 137 986
First National Bank Account - Stanger Branch Account Number 62288308672		659 218	646 652	659 218	646 652
First National Bank Account - Stanger Branch Account Number 62288306147		328 912	322 643	328 912	322 643
First National Bank Account - Stanger Branch Account Number 62363519251		17 448 167	17 116 879	17 448 167	17 116 879
ABSA Account - Durban Branch Account Number 93 1800 0892		67 759 384	65 562 294	67 759 384	65 562 294
ABSA Bank Account - Stanger Branch Account Number 9330098057		113 977 478	213 898 817	113 977 478	213 898 817
ABSA Bank Account - Stanger Branch Account Number 932 12992298		801 108	777 606	801 108	777 606
ABSA Bank Account - Stanger Branch Account Number 932 1890676		240 309	233 287	240 309	233 287
ABSA Bank Account - Stanger Branch Account Number 932 1890529		889 200	863 110	889 200	863 110
ABSA Bank Account - Stanger Branch Account Number 932 1063433		3 047 778	2 958 043	3 047 778	2 958 043
ABSA Bank Account - Stanger Branch Account Number 932 1889635		4 056 936	3 937 475	4 056 936	3 937 475
ABSA Bank Account - Stanger Branch Account Number 932 1890113		276 471	268 386	276 471	268 386
ABSA Bank Account - Stanger Branch Account 932 3556707		12 854 848	12 464 703	12 854 848	12 464 703
ABSA Bank Account - Stanger Branch Account Number 932 6885911		6 267 370	6 082 799	6 267 370	6 082 799
First National Bank Account - Stanger Branch Account Number 53730256310: Cheque Account	13,1	149 143 536	35 942 503	-423 770 711	-307 270 711
Primary Bank Account ABSA Bank Stanger Branch Account Number 4087 627126	13,1	75 504 350	29 467 560	648 524 598	371 577 927
Fines Bank Account First National Bank Account - Stanger Branch Account Number 62079758268: Cheque Account		1 372 542	1 331 505	1 372 542	1 331 505

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *...continued*

FOR THE YEAR ENDED 30 JUNE 2021

ACCOUNT NUMBER / DESCRIPTION	BANK STATEMENT BALANCES		CASH BOOK BALANCES	
	2021	2020	2021	2020
	R	R	R	R
13. CASH AND CASH EQUIVALENTS ...continued				
Grants Bank Account (2) ABSA- Stanger Branch Account Number 408 8893526: Cheque Account	61 419 315	60 184 133	61 419 315	60 184 133
ABSA Bank - Stanger Branch Account Number 408 8890536	2 355 303	1 366 838	4 291 637	1 366 838
ABSA Bank - Stanger Branch Account Number 408 8890196	5 383 915	1 841 251	5 383 915	1 841 251
ABSA Bank - Stanger Branch Account Number 408 889105	11 091 192	19 836 868	11 091 192	19 836 868
ABSA Bank - Stanger Branch Account Number 408 8891427	39 684	45 388	39 684	45 388
ABSA Bank - Stanger Branch Account Number 408 8892732	54 107	60 963	54 107	60 963
ABSA Bank - Stanger Branch Account Number 408 8893047	142 719	157 312	142 719	157 312
ABSA Bank - Stanger Branch Account Number 408 8893306	32 116	37 166	32 116	37 166
ABSA Bank - Stanger Branch Account Number 93 5527 2791	14 960 206	14 825 624	14 960 206	14 825 624
ABSA Bank - Stanger Branch Account Number 9357410284	15 592 901	16 383 322	15 592 901	16 383 322
ABSA Bank Account - Stanger Branch Account Number 93 3046 2759	2 567 989	2 492 386	2 567 989	2 492 386
ABSA Bank Account - Stanger Branch Account Number 93 3924 6273	14 002 358	13 577 381	14 002 358	13 577 381
ABSA Bank Account - Stanger Branch Account Number 93 3252 2727	6 042 888	5 864 929	6 042 888	5 864 929
ABSA Bank Account - Stanger Branch Account Number 40 9577 4472	99 108 226	65 865 645	99 108 226	65 865 645
Nedbank Account - Stanger Branch Account Number 9996-19832841	-	125 824	-	125 824
Nedbank Account - Stanger Branch Account Number 9997-19832841	-	219 397	-	219 397
First National Bank Account - Stanger Branch	-	40 177 205	-	40 177 205

NOTES TO THE ANNUAL FINANCIAL STATEMENTS ...continued

FOR THE YEAR ENDED 30 JUNE 2021

ACCOUNT NUMBER / DESCRIPTION	BANK STATEMENT BALANCES		CASH BOOK BALANCES	
	2021	2020	2021	2020
	R	R	R	R
13. CASH AND CASH EQUIVALENTS ...continued				
Standard Bank Account - Durban Branch Account Number 058756442-092	41 915 557	-	41 915 557	-
Standard Bank Account - Durban Branch Account Number 058756442-094	49 142 487	-	49 142 487	-
Nedbank Account - Stanger Branch Account Number 03/7881022337/166	9 789 885	-	9 789 885	-
Investec Bank Account - Durban Branch Account Number 1100-482666-620	41 402 313	-	41 402 313	-
ABSA Bank Account - Stanger Branch Account Number 4100653842	2 732 881	-	2 732 881	-
Petty Cash & Cash on hand	-	-	793 351	645 184
	832 403 650	644 073 882	835 239 337	643 616 220

13.1 The cash book totals for FNB (Account 53730256310), (R423 770 710.94), and ABSA (Account 4087627126), R 648 524 598, are aggregated to the ABSA account. Due to the interlinked nature of these accounts, the above fairly presents the financial state of the municipality as at 30 June 2021.

	2021	2020 RESTATED
	R	R
14. REVALUATION RESERVE		
Opening balance	18 313 137	18 313 137
Movement for the year	-	-
Closing balance	18 313 137	18 313 137
15. HOUSING OPERATING ACCOUNT		
The Housing Operating Account is represented by the following assets and liabilities:		
Fixed Assets	1 564 007	1 580 970
Housing Inventory	142 490	142 490
Debtors	626 446	346 278
Debtors: Department of Human Settlements	251 934	251 934
Accumulations	6 276 395	6 576 360
Prepaid debtors	(133 116)	(169 878)
	8 728 156	8 728 156

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *...continued*

FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020 RESTATED
	R	R
16. LEASES		
Minimum Finance lease payments due:		
Within one year	904 077	1 156 986
Later than 1 year and no later than 5 years	54 264	578 493
	958 341	1 735 479
less: Future finance charges	(33 579)	(133 154)
Present value of minimum lease payments	924 762	1 602 325
Present value of minimum Finance lease payments due:		
Within one year	870 986	1 040 740
Later than 1 year and no later than 5 years	53 776	561 585
	924 762	1 602 325
The municipality has entered into lease agreement with Motswako Office Solutions for the use of photocopy machines, effective 01 January 2019. The lease runs for a period of 3 years.		
The municipality has entered into lease agreement with Vodacom for the use of tablets effective 01 September 2020. The lease runs for a period of 2 years.		
OPERATING LEASES - RECEIVABLES (Municipality as a Lessor)		
The future minimum lease payments receivable under operating leases for the actual receivables are as follows:		
No later than 1 year	746 766	711 205
Later than 1 year and no later than 5 years	3 379 586	3 218 653
Later than 5 years	-	907 698
	4 126 351	4 837 557
Salient leases		
The municipality has entered into a non-cancellable lease with a private contractor to operate the Dolphin Caravan park. The lease runs for a period of 25 years, starting 1 July 2001. Real rental income escalates at 5% per annum.		
OPERATING LEASES - PAYABLES (Municipality as a Lessee)		
The future minimum lease payments payable under operating leases for the actual payables are as follows:		
No later than 1 year	392 734	363 643
Later than 1 year and no later than 5 years	-	-
Later than 5 years	-	-
	392 734	363 643
The municipality has entered into lease agreement with Shann Investments (PTY) LTD for the occupation of premises. The lease runs for a period of 3 years, which terminated on the 31 August 2018, with an option to extend for a further 2 years. Real rental expense escalates at 8% per annum. The municipality has extended the lease agreement for the second year.		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *...continued*

FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020 RESTATED
	R	R
17. UNSPENT CONDITIONAL GRANTS, RECEIPTS AND PUBLIC CONTRIBUTIONS		
Unspent conditional grants and receipts comprises of:		
Unspent conditional grants and receipts:		
Municipal Infrastructure Grant	4 940 243	2 423 939
Museum	6 419 725	2 101 717
New library	16 678	184 394
Small Town Rehabilitation Grant	-	2 382 150
Housing Accreditation	10 161 422	11 749 891
Disaster Relief Grant	-	894 000
Ballito Junction Road	9 873 612	9 873 612
IFA Huletts Sports Facility	97 810	275 934
IFA Huletts Beach Node Development	330 485	2 748 970
KwaDukuza Mall Development	-	9 738 012
Neighbourhood Development Partnership Grant (SCADA)	4 724 568	-
Neighbourhood Development Partnership Grant (Ease of Business)	3 567 500	-
Title Deeds Restoration Grant	2 721 000	-
	42 853 042	42 372 618
Further details of amounts recognised in Revenue - refer to Note 26		
18. PROVISIONS		
Reconciliation of Current provision		
<i>Reimbursement of Developers Contribution</i>		
Opening balance	-	-
Transfer to current provisions	-	-
Utilised during the year	-	-
Total	-	-
<i>Rehabilitation of Landfill Site</i>		
Opening balance	1 837 706	1 890 591
Additions /(Decrease) to provisions	103 762	(52 885)
Total	1 941 467	1 837 706
Total Current Provision:	1 941 467	1 837 706

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *...continued*

FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020 RESTATED
	R	R
18. PROVISIONS <i>...continued</i>		
Reconciliation of Non - Current provision - 2020:		
1. Rehabilitation of Landfill Site		
Opening balance	11 045 449	9 648 036
Additions / (Decrease) to provisions	672 595	1 397 413
Total	11 718 044	11 045 449
2. Developers Contribution		
Opening balance	5 259 222	3 932 546
Additions / (Decrease) to provisions	460 830	1 326 676
Utilised during the year	-	-
Total	5 720 051	5 259 222
3. Deferred Interest		
Opening balance	3 325 033	4 651 709
Additions / (Decrease) to provisions	(460 830)	(1 326 676)
Utilised during the year	-	-
Total	2 864 203	3 325 033
Total Non - Current Provision:	20 302 298	19 629 703
Total Current Provision:	1 941 467	1 837 706
Total Non - Current Provision	20 302 298	19 629 703
Total Provisions:	22 243 766	21 467 409
Net adjustments to Provisions	776 357	1 344 527
The provision created for the rehabilitation of the landfill site is based on a professional study conducted by Ecological and Environmental Services of the rehabilitation costs of the Shakaville dumpsite.		
The provision reflects a total of R13 659 511.33 as the present value.		
19. LONG TERM LIABILITIES		
Loans - Bank Loans		
Bear interest at 6.83% to 9.73% and is redeemed in bi-annual instalments, including interest, over varying periods until 2032.		
Please refer to Appendix A for further details.		
Loans	200 326 562	211 098 042
Current portion transferred to Current Liabilities	(11 637 428)	(10 771 480)
Total Long Term Liabilities	188 689 134	200 326 562

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *...continued*

FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020 RESTATED
	R	R
20. TRADE & OTHER PAYABLES		
Trade payables	162 109 765	155 342 522
Payments received in advance	42 333 389	28 027 449
Other creditors	19 293 825	26 104 710
"Housing Agency Creditor - Department of Human Settlements (Refer to Note 59)"	47 107 534	52 676 287
Cheques payments not yet presented to bank	489 612	191 392
Deposits - other	4 319 874	4 722 233
Staff leave	22 561 928	21 558 599
Staff bonus	10 478 047	9 963 881
Retentions	20 359 809	20 834 546
	329 053 783	319 421 620
Payments in advance includes prepaid electricity accruals		
21. CONSUMER DEPOSITS		
Consumer Deposits in respect of:		
Electricity	36 991 209	35 326 269
22. SERVICE CHARGES		
Sale of electricity	879 902 721	842 687 628
Refuse removal	68 757 122	65 695 423
	948 659 842	908 383 051
23. OTHER INCOME		
Contributions demand based	10 754 685	13 484 249
Building plan fees	9 616 847	7 245 240
Sundries	11 969 288	3 731 490
Admin charges	1 422 066	1 127 808
Sundry income	17 637 415	6 781 719
Special Rating Areas Income	10 855 548	10 815 027
Foreign exchange gains	-	307 683
DCWM Re-Imbursement	3 000 000	-
	65 255 848	43 493 216
24. INVESTMENT REVENUE		
Interest revenue		
Interest Earned on Investments & Bank Accounts	29 453 425	43 548 079

NOTES TO THE ANNUAL FINANCIAL STATEMENTS ...continued

FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020 RESTATED
	R	R
25. PROPERTY RATES		
Residential	278 741 575	256 962 799
Commercial	146 605 977	137 782 310
Residential for commercial purposes	1 664 579	1 407 287
Education and State	7 826 200	7 323 729
Agriculture	3 450 609	3 251 730
Vacant	83 326 143	84 528 302
Public Service Infrastructure	23 978	792 400
Illegal Use/Unauthorised Use	1 051 800	-
Total Actual Assessment Rates	522 690 862	492 048 557
Property rates - penalties imposed	9 785 339	19 792 877
Assessment rates including Penalties	532 476 202	511 841 434
Property Valuations		
Residential	42 200 374 900	40 533 900 500
Commercial	6 166 306 600	6 187 946 000
Residential for commercial purposes	190 040 000	190 040 000
Education and State	316 526 000	329 706 000
Municipal	765 187 000	655 543 000
Agriculture	3 519 269 000	3 443 005 000
Vacant	3 704 376 000	3 988 072 000
Land reform	1 007 695 000	1 074 820 000
Monuments	2 019 000	2 019 000
Public Service Infrastructure	3 211 258 000	3 209 990 000
Worship / Public Benefit Organisations	171 534 000	169 614 000
Illegal Use/Unauthorised Use	21 036 000	-
Total Property Valuations	61 275 621 500	59 784 655 500
The last general valuation came into effect on: 01.07.2014		
Property rates levied in terms of the Local Government: Municipal Property Rates Act No. 6 of 2004 (MPRA) with effect from 01/07/2007		
Adjustments to the valuation roll in terms of Section 78 of the MPRA (as amended) are effected on an on-going basis. The adjustments take into account consolidations and subdivisions as well as property category changes.		
Assessment rates: Cents in the rand on market valuation as follows:		
Residential, informal settlements, land reform, monuments	0.824	0.800
Residential for commercial purposes	0.903	0.877
Agricultural	0.207	0.201
Industrial, business and commercial, vacant, public infrastructure, Municipal owned and worship	2.549	2.475
Properties used by an organ of state and used for public service purposes	2.549	2.475
Guest houses	2.307	2.240
Public service infrastructure	0.207	0.201
Illegal Use/Unauthorised Use	5.000	
The first R100 000 of the valuation of residential properties are exempt from the calculation of rates		
The first 30% of the valuation of public service infrastructure properties are exempt from the calculation of rates		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS ...continued

FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020 RESTATED
	R	R
25. PROPERTY RATES ...continued		
Rebates:		
Land reform, worship, state land, PBO's, monuments, informal settlements and municipal owned property	100%	100%
Additional rebates applicable:		
Excluded services	15%	15%
All Pensioners		
Pensioners under 65 years	25%	25%
Pensioners between 65 & 75 years	30%	30%
Pensioners older than 75 years	35%	35%
Industrial incentives including:		
In the first and second year, thereafter phased out by 10% per annum	100%	100%
Residential Developers incentives		
In first & second year thereafter phased out by 10% per annum	100%	100%
Bonafide Agricultural properties		
Rates are levied as follows (in terms of Section 26 of the Municipal Property Rates Act No. 6 of 2004) for the 2020/2021 financial year:		
On an annual basis, by application, and the final date of payment being:	30 September 2020	30 September 2019
On a monthly basis, and the final dates of payment being the last working day of the month from August 2020 to June 2021.		
Interest is levied on outstanding rates per annum at:	15.5% per annum	15.5% per annum
Plus collection charges two months after the final date of payment in respect of annual rate payers and 01 July in respect of monthly rate payers:	10%	10%
26. GOVERNMENT GRANTS AND SUBSIDIES		
Operating grants		
Equitable Share	219 085 000	167 408 000
Municipal Infrastructure Grant	48 200 696	50 652 364
Financial Management Grant	1 800 000	1 800 000
Department of Minerals and Energy	5 000 000	10 000 000
New Library Grant	845 716	785 367
Library Subsidy	5 427 000	5 279 000
Museum	895 992	1 100 283
Small Town Rehabilitation Grant	2 382 150	6 628 188
Energy Efficiency & Demand Side Management Grant	-	-
Expanded Public Works Programme	1 465 000	1 729 000
Housing Accreditation	2 775 645	5 368 647
Municipal Assistance Programme (MAP)	-	92 235
Department of Sports and Recreation	-	23 288
Disaster Relief Grant	894 000	-
Neighbourhood Development Partnership Grant (SCADA)	572 119	-
Neighbourhood Development Partnership Grant (Ease of Business)	-	-
Title Deeds Restoration Grant	-	-
	289 343 318	250 866 372

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *...continued*

FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020 RESTATED
	R	R
26. GOVERNMENT GRANTS AND SUBSIDIES ...continued		
Equitable Share		
Balance unspent at the beginning of year	-	-
Current year receipts	219 085 000	167 408 000
Conditions met – transferred to revenue	(219 085 000)	(167 408 000)
	-	-
In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.		
Municipal Infrastructure Grant		
Balance unspent at beginning of year	2 423 939	1 392 303
Current year receipts	50 717 000	51 684 000
Conditions met - transferred to revenue	(48 200 696)	(50 652 364)
Conditions still to be met - remain liabilities (see note 17)	4 940 243	2 423 939
This grant was used for road & storm water infrastructure, including the construction of community halls and sports fields.		
Financial Management Grant		
Current year receipts	1 800 000	1 800 000
Conditions met - transferred to revenue	(1 800 000)	(1 800 000)
Conditions still to be met - remain liabilities (see note 17)	-	-
This grant is used to assist the municipality to implement financial reforms required by the MFMA.		
Department of Minerals and Energy Grant		
Balance unspent at beginning of year	-	612 997
Current year receipts	5 000 000	10 000 000
Conditions met - transferred to revenue	(5 000 000)	(10 000 000)
Paid back to the National Revenue Fund	-	(612 997)
Conditions still to be met - remain liabilities (see note 17)	-	-
This grant is used for electrification projects as part of upgrading of informal settlement areas.		
New Library Grant		
Balance unspent at beginning of year	184 394	336 761
Current year receipts	678 000	633 000
Conditions met - transferred to revenue	(845 716)	(785 367)
Conditions still to be met - remain liabilities (see note 17)	16 678	184 394
This Grant is used for the payment of the cyber cadets at the Shakaskraal, Stanger Manor and KwaDukuza libraries.		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *...continued*

FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020 RESTATED
	R	R
26. GOVERNMENT GRANTS AND SUBSIDIES ...continued		
Department of Sports and Recreation		
Balance unspent at beginning of year	-	23 288
Current year receipts	-	-
Conditions met - transferred to revenue	-	(23 288)
Conditions still to be met - remain liabilities (see note 17)	-	-
This grant is used to pay for Caretakers for the maintenance and upkeep of sports facilities.		
Municipal Assistance Program		
Balance unspent at beginning of year	-	92 235
Current year receipts	-	-
Conditions met - transferred to revenue	-	(92 235)
Conditions still to be met - remain liabilities (see note 17)	-	-
This grant is used to strengthen credit control and debt collection processes.		
Museum		
Balance unspent at beginning of year	2 101 717	-
Current year receipts	5 214 000	3 202 000
Conditions met - transferred to revenue	(895 992)	(1 100 283)
Conditions still to be met - remain liabilities (see note 17)	6 419 725	2 101 717
This grant is for the Museum expenditure incurred.		
Small Town Rehabilitation		
Balance unspent at beginning of year	2 382 150	4 010 338
Current year receipts	-	5 000 000
Conditions met - transferred to revenue	(2 382 150)	(6 628 188)
Conditions still to be met - remain liabilities (see note 17)	-	2 382 150
This grant is for the upgrade of Theunissen Park.		
Energy Efficiency & Demand Side Management		
Balance unspent at beginning of year	-	358 995
Current year receipts	-	-
Conditions met - transferred to revenue	-	-
Paid back to the National Revenue Fund	-	(358 995)
Conditions still to be met - remain liabilities (see note 17)	-	-
This grant is for community upliftment		
Expanded Public Works Program		
Balance unspent at beginning of year	-	-
Current year receipts	1 465 000	1 729 000
Conditions met - transferred to revenue	(1 465 000)	(1 729 000)
Conditions still to be met - remain liabilities (see note 17)	-	-
EPWP grant funding is used to expand job creation efforts in specific focus areas where labour intensive delivery methods can be measured.		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *...continued*

FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020 RESTATED
	R	R
26. GOVERNMENT GRANTS AND SUBSIDIES ...continued		
Library Subsidy		
Balance unspent at beginning of year	-	-
Current year receipts	5 427 000	5 279 000
Conditions met - transferred to revenue	(5 427 000)	(5 279 000)
Conditions still to be met - remain liabilities (see note 17)	-	-
This grant is used to fund operational expenditure within the various libraries in KwaDukuza.		
Housing Accreditation Grant		
Balance unspent at beginning of year	11 749 891	17 118 539
Current year receipts	1 187 176	-
Conditions met - transferred to revenue	(2 775 645)	(5 368 647)
Conditions still to be met - remain liabilities (see note 17)	10 161 422	11 749 891
This grant is for community upliftment		
Disaster Relief Grant		
Balance unspent at beginning of year	894 000	-
Current year receipts	-	894 000
Conditions met - transferred to revenue	(894 000)	-
Conditions still to be met - remain liabilities (see note 17)	-	894 000
This grant is to assist with COVID-19 expenditure		
Neighbourhood Development Partnership Grant (SCADA)		
Balance unspent at beginning of year	-	-
Current year receipts	5 296 687	-
Conditions met - transferred to revenue	(572 119)	-
Conditions still to be met - remain liabilities (see note 17)	4 724 568	-
This grant is for Economic Development and Planning.		
Neighbourhood Development Partnership Grant (Ease of Business)		
Balance unspent at beginning of year	-	-
Current year receipts	3 567 500	-
Conditions met - transferred to revenue	-	-
Conditions still to be met - remain liabilities (see note 17)	3 567 500	-
This grant is for Economic Development and Planning.		
Title Deeds Restoration Grant		
Balance unspent at beginning of year	-	-
Current year receipts	2 721 000	-
Conditions met - transferred to revenue	-	-
Conditions still to be met - remain liabilities (see note 17)	2 721 000	-
This grant is to be used to fund expenses in respect of property transfers.		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *...continued*

FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020 RESTATED
	R	R
27. PUBLIC CONTRIBUTIONS		
IFA Hulletts Sports Facility	178 124	-
Ballito Junction Road	-	-
IFA Hulletts Beach Node Development	2 418 485	-
KwaDukuza Mall Development	9 738 012	587 136
	12 334 621	587 136
Balance unspent at beginning of year	22 636 528	18 623 663
Current-year receipts	-	4 600 000
Conditions met - transferred to revenue	(12 334 621)	(587 136)
Balance unspent at end of year (Note 16)	10 301 907	22 636 528
Conditions still to be met - remain liabilities (see note 17)		
28. EMPLOYEE RELATED COSTS		
Basic	244 123 626	232 250 564
Bonus	18 967 553	18 208 253
Medical aid - company contributions	25 536 261	23 623 517
UIF	1 804 161	1 689 397
Industrial council levies	121 810	115 922
Leave pay provision charge	7 597 567	6 102 306
Leave & bonus provision expense	1 517 495	4 721 635
Travelling allowances	15 423 443	15 438 565
Overtime payments	49 738 863	48 011 181
Housing benefits and allowances	1 065 704	990 704
Group Life Assurance	1 781 435	1 748 024
Pension Contributions	45 191 212	42 109 348
Standby, Uniform, Telephone and Tool allowances	13 289 110	10 900 998
	426 158 240	405 910 414
Remuneration of the Municipal Manager		
Salary and Allowances	1 458 443	1 458 476
Back pay	-	-
Travel Allowance	96 000	96 000
Cell Allowance	17 160	17 160
Performance Bonus	-	67 943
Acting allowance	-	-
Pension	142 198	142 201
Pension Surcharge	-	-
Other contributions	14 262	15 459
	1 728 063	1 797 239

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *...continued*

FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020 RESTATED
	R	R
28. EMPLOYEE RELATED COSTS <i>...continued</i>		
Remuneration of the Chief Financial Officer		
Salary and Allowances	1 072 393	1 082 823
Back pay	-	-
Travel Allowance	475 104	475 104
Cell Allowance	14 520	14 520
Performance Bonus	-	117 120
Acting allowance	-	-
Pension	170 560	197 690
Pension Surcharge	36 036	-
Other contributions	12 795	13 710
	1 781 407	1 900 967
Executive Director: Economic Development & Planning		
Salary and Allowances	1 141 824	1 141 536
Ex Gratia	-	520 717
Back pay	-	-
Travel Allowance	96 000	96 000
Cell Allowance	14 520	14 520
Performance Bonus	-	111 086
Acting allowance	-	-
Pension	187 703	227 754
Pension Surcharge	39 658	-
Other contributions	11 540	17 667
	1 491 245	2 129 280
Executive Director: Corporate Services		
Salary and Allowances	443 185	1 329 563
Back pay	-	-
Travel Allowance	32 000	96 000
Cell Allowance	4 840	14 520
Leave Pay	115 669	-
Performance Bonus	-	97 201
Acting allowance	-	-
Pension	-	-
Pension Surcharge	-	-
Other contributions	4 308	14 921
	600 002	1 552 205
The Executive Director: Corporate Services resigned on the 31 October 2020.		
Executive Director: Community Safety		
Salary and Allowances	1 305 527	1 305 563
Back pay	-	-
Travel Allowance	120 000	120 000
Cell Allowance	14 520	14 520
Performance Bonus	-	69 429
Acting allowance	-	-
Pension	-	-
Pension Surcharge	-	-
Other contributions	13 733	14 877
	1 453 780	1 524 389

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *...continued*

FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020 RESTATED
	R	R
28. EMPLOYEE RELATED COSTS ...continued		
Executive Director: Community Services & Public Amenities		
Salary and Allowances	1 055 531	1 055 562
Back pay	-	-
Travel Allowance	180 000	180 000
Cell Allowance	14 520	14 520
Performance Bonus	-	111 086
Acting allowance	-	-
Pension	189 996	190 001
Pension Surcharge	-	-
Other contributions	11 236	12 131
	1 451 283	1 563 300
Chief Operations Officer		
Salary and Allowances	1 077 794	1 084 565
Back pay	-	-
Travel Allowance	185 400	185 400
Cell Allowance	14 520	14 520
Performance Bonus	-	97 201
Acting allowance	10 744	-
Pension	162 333	197 149
Pension Surcharge	34 298	-
Other contributions	11 800	12 698
	1 496 889	1 591 533
Executive Director: Civil Engineering & Human Settlements		
Salary and Allowances	1 126 718	1 126 748
Back pay	-	-
Travel Allowance	96 000	96 000
Cell Allowance	14 520	14 520
Performance Bonus	-	55 543
Acting allowance	-	-
Pension	202 809	202 815
Pension Surcharge	-	-
Other contributions	11 215	12 107
	1 451 262	1 507 733
Executive Director: Electrical Engineering Services		
Salary and Allowances	1 055 537	971 610
Back pay	-	748 498
Travel Allowance	180 000	180 000
Cell Allowance	14 520	14 520
Performance Bonus	-	41 657
Acting allowance	-	-
Pension	189 997	309 619
Pension Surcharge	-	-
Other contributions	11 236	18 936
	1 451 290	2 284 840

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *...continued*

FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020 RESTATED
	R	R
29. REMUNERATION OF COUNCILLORS		
Mayor	804 153	-
Deputy Mayor	575 865	755 878
Speaker	441 738	755 878
Executive Committee (EXCO)	6 013 319	5 993 501
Councillors	13 145 189	13 890 186
Councillors' pension contribution	1 861 445	1 157 394
Traditional leaders	6 000	7 200
	22 847 709	22 560 037
The Mayor was appointed on the 08 October 2020.		
30. DEPRECIATION AND AMORTISATION		
Property, Plant & Equipment	76 505 568	72 692 281
Intangible assets	627 777	821 847
	77 133 345	73 514 128
31. IMPAIRMENT OF ASSETS		
Impairments / (Impairment Reversals)		
Property, Plant & Equipment	23 992 839	7 796 883
32. FINANCE COSTS		
Finance costs on borrowings	20 023 659	21 503 557
33. DEBT IMPAIRMENT AND WRITE OFFS		
Contributions to debt impairment provision	7 936 828	55 685 680
Bad debts written off	4 228 332	4 834 411
	12 165 160	60 520 091
34. BULK PURCHASES		
Electricity	778 234 052	716 028 548
Bulk Purchases are the cost of commodities not generated by the municipality, which the municipality distributes in the municipal area for resale to the consumers. Electricity is purchased from Eskom and Nersa approved a 6.9% tariff hike in favour of Eskom for the 2020/2021 financial year.		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS ...continued

FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020 RESTATED
	R	R
35. GENERAL EXPENSES		
Included in general expenses is the following: -		
Replacement of faulty meters	1 338 378	196 849
Indigent support - parks and gardens	15 148 638	22 595 456
Indigent support - waste management	10 728 457	2 054 129
Call out to consumer complaints	439 887	61 878
Legal costs	7 103 976	5 531 420
Marketing	104 732	90 000
Audit fee - external audit	3 778 471	3 510 796
Bank charges	2 611 920	2 789 655
Insurance general	3 937 005	3 287 644
Refuse bags/contract	892 175	767 142
Ward Committee	4 162 200	3 681 000
Ballito Pro expenditure	-	6 529 901
Advertising	2 582 116	2 235 514
Printing, Stationery & postage	2 840 488	2 340 542
Subscriptions	5 148 890	3 767 588
Water & Sanitation	4 387 914	5 287 262
Sundry Oils & Fuels	8 991 290	8 820 485
Street lighting consumption	705 419	1 234 884
Staff & councillor training costs and bursaries	1 635 317	2 058 417
Travelling & subsistence	1 193 627	1 762 217
Telephone calls / rentals	4 491 298	5 093 865
Protective clothing	4 466 460	5 340 682
Non standard service connection	770 322	44 585
Software support & licences and agreements	5 016 695	4 937 695
Miscellaneous Expenses	14 696 816	16 527 951
Special Rating Area Expenditure	11 002 057	11 249 560
Rent of Property / Offices / House	2 563 353	2 154 919
EPWP	2 084 943	3 755 484
Public Affairs	343 344	256 857
Sukuma Sakhe	495 779	1 136 397
KwaDukuza Music Festival	-	189 000
Kwanaloga Games	186 026	254 680
Workman's Compensation	2 595 787	1 951 634
Skills Development Levy	2 936 698	2 768 987
Loss on foreign currency	-	13 725
TOTAL GENERAL EXPENSES	129 380 478	134 278 798
36. FAIR VALUE ADJUSTMENT		
Investment property (Fair value model)	1 525 000	(5 330 000)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *...continued*

FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020 RESTATED
	R	R
37. COMMITMENTS		
Authorised capital expenditure		
Approved and Contracted for:		
Infrastructure	103 711 755	71 869 007
Community	43 859 844	49 976 342
	147 571 599	121 845 349
Total capital commitments		
Approved and Contracted for:	147 571 599	121 845 349
Capital Commitments are exclusive of VAT		
38. CONTINGENT LIABILITIES		
Details of Contingent Liabilities		
Reimbursement of capital costs of bulk supply to developers: (Vat Exc) The reimbursement is dependent on the developers meeting future targets as set out in the service level agreements. The timing and outcome of the reimbursements cannot presently be determined and therefore no provision for any liability that may result has been made in the financial statements.	107 371 310	107 371 310
Municipality is being sued arising out of a minor child sustaining injuries allegedly after being electrocuted when she touched a light pole in Hulett Street.	-	260 000
Municipality is being sued by S Govender pertaining to a collision involving a vehicle owned by the Municipality.	-	130 000
S T B Dlamini - Allegations of the Municipality's contractors encroaching onto grave sites.	-	100 000
Gift - Municipality is being sued for damages - plaintiff shot in leg by municipal employee using a municipal firearm. (Unlawful arrest)	18 794 000	-
SMADA Construction - municipality is being sued for contractual damages due to cancellation of contract.	18 841 161	200 000
R Lutchman - Claim against the municipality due to damages to vehicle caused by pot holes.	-	8 192
Ibhongo Consulting - the supplier claims that certain construction work undertaken has not been paid.	-	418 352
V Govender - municipality is being sued due to plaintiff suffering damages after falling into uncovered manhole.	-	135 000
R I Marais - Claim against the municipality for certain maintenance and repair work done on a public road on behalf of the municipality and not being compensated for this.	3 750 000	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *...continued*

FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020 RESTATED
	R	R
38. CONTINGENT LIABILITIES ...continued		
N N P SHINGA - claim against the municipality due to a dispute in a Purchase and Sale Agreement.	655 897	655 897
Ranesh Naidoo - claim against the municipality due to damages to vehicle caused by pot holes	-	31 986
B S P Pillay - the Plaintiff is suing a municipal employee in her personal capacity for the damages, who was acting under her course and scope of employment.	100 000	-
The municipality has been named as first respondent in a dispute among contractor, sub-contractor and liquidators. The municipality is being interdicted to hold retention monies in respect of respective contracts until the court determines on the matter. The municipality has agreed to abide by the decision to hold retention monies until judgement has been granted.	-	7 600 000
Gabade Building & Projects CC - Adjudication proceedings in respect of work done by contractor	673 563	-
Salt Rock Beach Estates - Valuation appeals board decision in respect of valuation of ERF 900 Salt Rock	201 000	-
Rejoice T Ndlovu - claim against the municipality for damages suffered in the removal of a fence	200 000	-
Lorris L Sunker - claim against the municipality from damages to vehicle by pot holes	16 330	-
Nomagugu Fakude - claim against the municipality - motor vehicle collision	132 858	-
Vusa Isipho Enterprises - claim against the municipality - breach of contract	3 500 000	-
Wandile Nicolson Ndaba - claim against the municipality for breach of agreement - duplication of sale of property ERF 56 Shakaville.	50 000	-
	154 286 119	116 910 737
39. RELATED PARTIES AND CLOSE FAMILY MEMBERS		
Related Parties		
Staff member: P Murugan		
General Expenses for the year:	151 483	142 402
Nature of Transaction: The brother of the employee provide pest control services to the municipality.		
Councillor: R Singh		
General Expenses for the year:	-	2 588
Nature of Transaction: A close family member of the Councillor owns a company that provide printing services. Council conducts business with this company.		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *...continued*

FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020 RESTATED
	R	R
39. RELATED PARTIES AND CLOSE FAMILY MEMBERS ...continued		
Related Parties ...continued		
Councillor: N Dasrath		
General Expenses for the year:	-	2 588
Nature of Transaction: A close family member of the Councillor owns a company that provide printing services. Council conducts business with this company.		
Councillor: G Govender		
General Expenses for the year:	42 240	6 900
Nature of Transaction: The son of the Councillor owns a company that provides panel beating and spray painting services.		
Staff member: C M Naicker		
General Expenses for the year:	1 096 527	-
Nature of Transaction: The son of the employee provided uniform and protective clothing services to the municipality.		
Staff member: R Bidesi		
General Expenses for the year:	22 793	18 277
Nature of Transaction: The relative of the employee provides electrical services to the municipality.		
Staff member: M Naidoo		
General Expenses for the year:	20 182	87 935
Nature of Transaction: The relative of the employee provides airconditioning services to the municipality.		
Staff member: S Kuber		
General Expenses for the year:	-	6 004
Nature of Transaction: The father of the employee provides printing services to the municipality.		
Staff member: N Nxumalo		
General Expenses for the year:	104 400	307 430
Nature of Transaction: The partner of the employee provides fixtures and fittings to the municipality.		
Staff member: J Sewdular		
General Expenses for the year:	2 253 090	1 769 469
Nature of Transaction: The spouse of the employee provides consultancy services in respect of various capital projects.		
Payments of remuneration to Senior Managers and Councillors - details of payments are set out in Notes 28 & 29		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *...continued*

FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020 RESTATED
	R	R
39. RELATED PARTIES AND CLOSE FAMILY MEMBERS ...continued		
Awards to close family members of persons in the Service of the State:		
Particulars of Award	SMEC	
Expenditure	R1 250 724	
Individual's name / Service Provider	M Phosa	
Relation in Service of the State	Spouse	
State Employer	National Assembly	
Particulars of Award	Conlog	
Expenditure	R20 182	
Individual's name / Service Provider	Mr Moodley & Mr Gaxeni	
Relation in Service of the State	Spouse	
State Employer	KZN Dept. of Health / Eskom	
Particulars of Award	Rocky Park Hardware	
Expenditure	R636 708	
Individual's name / Service Provider	L Naidoo	
Relation in Service of the State	Spouse	
State Employer	Dept Of Education	
Particulars of Award	Singh's Hardware	
Expenditure	R293 087	
Individual's name / Service Provider	Mrs Divesh	
Relation in Service of the State	Spouse	
State Employer	Dept Of Education	
Particulars of Award	IT Maintenance	
Expenditure	R4 134	
Individual's name / Service Provider	S Nundall	
Relation in Service of the State	Daughter	
State Employer	Dept of Environmental Affairs (Cape Town)	
Particulars of Award	Munsoft	
Expenditure	R2 989 838	
Individual's name / Service Provider	M Rerani	
Relation in Service of the State	Daughter	
State Employer	Office of Chief Justice	
Particulars of Award	Kilo Amp	
Expenditure	R89 700	
Individual's name / Service Provider	N Mthembu	
Relation in Service of the State	Wife	
State Employer	Medical Doctor - Ethekeweni	

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *...continued*

FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020 RESTATED
	R	R
40. CHANGE IN ESTIMATE		
Property, Plant and equipment		
The Municipality reviewed the useful lives of items of property, plant and equipment and intangible assets. Adjustments to these useful lives affect the amount of depreciation for the current year and is expected to affect future periods as well. As a result of this adjustment, the current year total depreciation decreased by a net R2 242 329 and will continue to affect annual depreciation for the remainder of these assets' useful lives. The detail breakdown of the depreciation adjustment is as follows:		
Buildings	(13 498)	
Housing Assets	(23 809)	
Electricity Infrastructure	(21 860)	
Storm water	(1 093)	
Roads Infrastructure	(232 898)	
Furniture and Fittings	(935 661)	
Vehicles	(578 905)	
Intangible Assets	(183 063)	
Leased Assets	(251 542)	
	(2 242 329)	
41. PRIOR PERIOD ERRORS		
The comparatives for 2019/20 have been restated in respect of the following errors:		
41.1 RESTATEMENT OF TRADE & OTHER PAYABLES (NOTE 20)		
Trade & other payables as previously reported.	318 627 342	
Adjustment to General expenses - Refund of prior year street deposit	562	
Adjustment to General expenses - return of various sundry items to stores	(2 841)	
Adjustment to Retentions in respect of overpayment to contractors	796 557	
Restated balance as at 30 June 2020	319 421 620	
41.2 RESTATEMENT OF NON-EXCHANGE RECEIVABLES (NOTE 10)		
Non - exchange receivables as previously reported	107 602 416	
Adjustments to Rates Revenue 2019/2020 in respect of S78 & other related adjustments	1 392 140	
Adjustments to Rates Revenue prior 2019/2020 in respect of S78 & other related adjustments	(3 239 182)	
Overpayment of contractors - raising debtor	12 339 841	
Restated balance as at 30 June 2020	118 095 215	

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *...continued*

FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020 RESTATED
	R	R
41. PRIOR PERIOD ERRORS ...continued		
41.3 RESTATEMENT OF PROPERTY, PLANT & EQUIPMENT (NOTE 3)	2 206 089 072	
Property, Plant & Equipment as previously reported:		
Recognition of Roads and Stormwater from AUC - Woodmead Road	9 976 840	
Recognition of Roads and Stormwater from AUC - Woodmead Road	(9 976 840)	
Depreciation adjustments 2019/2020 - Woodmead Road	(54 777)	
Depreciation adjustments prior 2019/2020 - Woodmead Road	(600 256)	
Adjustment to Assets in respect of overpayment to contractors	(10 037 638)	
Depreciation adjustments 2019/2020 - Woodmead Road	(213 603)	
Depreciation adjustments prior 2019/2020 - Woodmead Road	(455 329)	
Depreciation adjustment 2019/2020 - Stormwater	4 196	
Restated balance as at 30 June 2020	2 194 731 667	
41.4 VAT RECEIVABLE (NOTE 11)		
VAT Receivable as previously reported:	11 130 793	
Adjustments to VAT on retentions 2019/20 - overpayment to contractor	(1 505 646)	
Restated balance as at 30 June 2020	9 625 147	
41.5 UNSPENT CONDITIONAL GRANTS, RECEIPTS AND PUBLIC CONTRIBUTIONS (NOTE 17)		
Unspent conditional grants, receipts and Public contributions as previously reported:	39 948 679	
Adjustment to MIG Grant in respect of overpayment to contractors	2 423 939	
Restated balance as at 30 June 2020	42 372 618	
Reconciliation of Adjusted 2019/2020 Surplus:		
Surplus for the year as previously stated	183 934 574	

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *...continued*

FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020 RESTATED
	R	R
41. PRIOR PERIOD ERRORS ...continued		
41.5 UNSPENT CONDITIONAL GRANTS, RECEIPTS AND PUBLIC CONTRIBUTIONS (NOTE 17) ...continued		
Property rates		
Adjustments to Rates Revenue 2019/2020 in respect of S78 & other related adjustments	1 392 140	
General Expenses		
Adjustment to General expenses - Refund of prior year street deposit	(562)	
Reallocation of General Expenses in line with mSCOA classification - 2019/2020 - Service Charges	1 264 632	
Adjustment to General expenses - return of various sundry items to stores	2 841	
Depreciation		
Adjustment to 19/20 depreciation - Capitalisation of Woodmead Road	(54 777)	
Adjustment to 19/20 depreciation - Woodmead	(213 603)	
Adjustment to 19/20 depreciation - Stormwater	4 196	
Government grants, subsidies & Public Contributions		
Adjustment to grant revenue stemming from various MIG overpayments	(2 423 939)	
Other Income		
Reallocation of Other Income in line with mSCOA classification - 2019/2020 - Rental of Facilities and equipment	(284 398)	
Reallocation of Other Income in line with mSCOA classification - 2019/2020 - Service Charges	(3 878 086)	
Rental of facilities and equipment		
Reallocation of Rental of facilities and equipment in line with mSCOA classification - 2019/2020	284 398	
Service Charges		
Reallocation of Service Charges in line with mSCOA classification - 2019/2020 - Other Income	3 878 086	
Reallocation of Service Charges in line with mSCOA classification - 2019/2020 - General Expenses	(1 264 632)	
Restated Surplus as at 30 June 2020	182 640 870	

NOTES TO THE ANNUAL FINANCIAL STATEMENTS ...continued

FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020 RESTATED
	R	R
42. CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating Surplus before working capital		
Total Surplus for the year	243 060 830	182 640 870
Adjustment for:		
Depreciation of Property, Plant and Equipment	76 505 568	72 692 281
Donations of assets	(25 972 693)	(575 440)
Loss on Disposal	4 684 595	2 691 061
Impairment loss	23 992 839	7 796 883
Amortisation of intangible assets	627 777	821 847
Contribution to provision	776 357	1 344 527
Retirement obligation	16 877 000	(10 713 315)
Long service award	1 456 000	2 332 125
Investment Properties - Fair Value	(1 525 000)	5 330 000
Allowance for impairment	7 936 828	55 685 680
Bad debts written off	4 180 294	4 638 531
	352 600 395	324 685 051
Cash Generated by Operations		
Operating Surplus before working capital	352 600 395	324 685 051
Movement in current assets and liabilities		
(Increase)/decrease in inventory	(5 104 752)	593 100
Increase/(decrease) in conditional grants and receipts	480 423	(196 500)
(Increase)/decrease in trade and other receivables	5 157 075	(78 337 492)
Increase/(decrease) in Trade and Other Payables	9 632 164	19 384 727
Increase/decrease in VAT	2 627 845	153 892
Net cash flows from operating activities	365 393 150	266 282 778
Interest earned on Investments	(29 453 425)	(43 548 079)
Finance expense	20 023 659	21 503 557
43. FINES		
Total revenue from Fines Income	4 048 596	11 445 971
Fines are issued in terms of S341 & S56 of the Criminal Procedures Act 51 of 1977		
44. CONTRACTED SERVICES		
Refuse removal	35 334 037	36 090 393
Grass cutting	17 143 588	18 641 198
Specialist financial and GRAP related services	1 247 891	806 125
Storm water	3 402 552	3 868 398
Pothole repairs	3 919 302	4 681 475
Other Contracted Services	12 972 849	14 144 404
Dump charges	17 374 697	19 394 098
Security Services	29 393 479	27 402 559
Shark Control Expenditure	4 355 369	4 187 855
Valuation and Valuation Rolls	2 901 071	1 581 183
Professional Fees	4 951 331	2 664 900
Commission on Electricity vending	6 391 187	6 325 694
Maintenance of building facilities and equipment	16 388 819	15 707 533
Electrical Mains Repairs	12 828 116	7 411 614
	168 604 288	162 907 428

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *...continued*

FOR THE YEAR ENDED 30 JUNE 2021

45. FINANCIAL RISK MANAGEMENT

Financial Risk Management Objectives

Due to the largely non-trading nature of activities and the way in which they are financed, municipalities are not exposed to the degree of financial risk faced by business entities.

The municipality's Corporate Treasury function provides services to the business, co-ordinates access to domestic financial markets, monitors and manages the financial risks relating to the operations of the municipality. These risks include market risk (including, fair value and interest rate risk), credit risk and liquidity risk.

The use of financial derivatives is governed by the municipality's policies approved by the Council, which provide written principles on interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. The municipality does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

45.1 LIQUIDITY RISK

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The table below analyses the municipality's financial liabilities into relevant maturity groupings based on the remaining period at the Statement of Financial Position to the contractual maturity date. The amounts disclosed in the table are the undiscounted cash flows.

	1 YEAR OR LESS	GREATER THAN 1 YEAR	TOTAL
	R		R
2021			
Gross finance lease obligations	870 986	53 776	924 762
Long Term Borrowings	11 637 428	188 689 134	200 326 562
Trade and other payables	329 053 783	-	329 053 783
Consumer deposits	36 991 209	-	36 991 209
Foreign Currency	-	-	-
Government Grants	42 853 042	-	42 853 042
	421 406 447	188 742 910	610 149 357

	1 YEAR OR LESS	GREATER THAN 1 YEAR	TOTAL
	R		R
2020			
Gross finance lease obligations	1 040 740	561 585	1 602 325
Long Term Borrowings	10 771 480	200 326 562	211 098 042
Trade and other payables	319 421 620	-	319 421 620
Consumer deposits	35 326 269	-	35 326 269
Foreign Currency	-	-	-
Government Grants	42 372 618	-	42 372 618
	408 932 727	200 888 147	609 820 874

NOTES TO THE ANNUAL FINANCIAL STATEMENTS ...continued

FOR THE YEAR ENDED 30 JUNE 2021

45. FINANCIAL RISK MANAGEMENT ...continued

45.2 MAXIMUM CREDIT RISK EXPOSURE

Credit rate risk consist mainly of cash deposits, cash equivalents and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Except as detailed below, the carrying amount of financial assets recorded in the Annual Financial Statements, which is net of impairment losses, represents the municipality's maximum exposure to credit risk without taking account of the value of any collateral obtained:

The maximum credit exposure in respect of the relevant financial instruments is as follows (domestic exposure only).

	2021	2020
	R	R
Short term Investments	150 572 381	143 899 677
Cash and Cash Equivalents	835 239 337	643 616 220
Interest rate swaps	-	-
Financial guarantees	-	-
Trade and other receivables	212 607 996	229 882 193
45.3 MARKET RISK:		
<i>Interest rate risk</i>		
As the municipality has no significant interest-bearing assets, the municipality's income and operating cash flows are substantially independent of changes in the market interest rates.		
At year end, financial instruments exposed to interest rate risk were as follows:		
Bank balances and cash	835 239 337	643 616 220
Short term Investments	150 572 381	143 899 677
Maximum Interest exposure	985 811 718	787 515 897
<i>Price risk</i>		
The municipality is not exposed to equity price risks arising from equity investments as the municipality does not trade these investments.		

	2021	2020 RESTATED
	R	R
46. EVENTS AFTER THE REPORTING DATE		
NERSA has approved a 17.8% increase in Eskom bulk purchase tariffs for 2021/2022. Apart from the above effect, due to the variable nature of the Eskom expenditure, the municipality is unable to determine any further financial impact.		
47. UNAUTHORISED EXPENDITURE		
Impairment of debt - (Non-Cash)	-	22 092 288
Impairment of assets - (Non-Cash)	6 589 537	-
Bad Debts Written Off - (Non-Cash)	299 194	-
Bulk Purchases - (Cash)	5 509 371	-
Disposal of Fixed and Intangible Assets - (Non-Cash)	4 684 595	-
	17 082 697	22 092 288

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *...continued*

FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020 RESTATED
	R	R
47. UNAUTHORISED EXPENDITURE ...continued		
Reconciliation of Unauthorised expenditure written off		
Opening Balance	22 092 288	-
Incurred for the year	17 082 697	22 092 288
Written off by council	(22 092 288)	-
Remaining to be considered	17 082 697	22 092 288
48. FRUITLESS AND WASTEFUL EXPENDITURE		
Fruitless and wasteful expenditure	-	-
Reconciliation of Fruitless and Wasteful expenditure written-off by Council		
Opening Balance	3 718 033	3 718 033
Incurred for the year	-	-
Written Off by Council	-	-
Remaining to be considered	3 718 033	3 718 033
49. IRREGULAR EXPENDITURE:		
Other goods and/or services not procured through competitive bidding processes.	3 383 742	1 141 920
Irregular expenditure pertaining to grass cutting contracts.	13 620 951	31 684 642
Section 36 approvals subsequently reclassified as irregular expenditure.	4 573 970	25 536 061
Irregular expenditure pertaining to Section 32 appointments.	-	7 106 643
Irregular expenditure pertaining to the procurement of refuse removal services.	19 418 946	60 326 771
Irregular expenditure pertaining to the procurement of security services.	27 756 241	29 738 634
	68 753 850	155 534 671
Reconciliation of Irregular Expenditure Written-off by Council		
Opening Balance	277 849 471	122 314 800
Incurred for the year	68 753 850	155 534 671
Written-off by Council	(124 225 417)	-
Remaining to be considered	222 377 904	277 849 471
The write off of irregular expenditure is pending Council decision		
50. DEVIATION FROM SUPPLY CHAIN MANAGEMENT REGULATIONS		
Emergency	16 602 259	23 930 923
Sole Provider	-	1 080 247
Any other exceptional case which it is impractical to follow the official procurement process	4 390 973	2 915 235
Section 36 deviation transferred to irregular expenditure	(4 573 970)	(25 536 061)
Total Section 36 deviations for the financial year	16 419 262	2 390 343

NOTES TO THE ANNUAL FINANCIAL STATEMENTS ...continued

FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020 RESTATED
	R	R
51. REPAIRS AND MAINTENANCE		
Buildings	2 294 217	20 476 803
Solid waste	-	7 050
Electrical	28 111 870	13 719 333
Furniture and fittings	2 850 826	1 226 206
Refuse	24 000	-
Roads	5 649 966	6 598 403
Storm water	3 402 552	3 868 398
Vehicles	8 383 769	7 928 553
	50 717 200	53 824 746
The above note is provided for disclosure purposes only. The underlying accounts aggregated to the above is reflected under the categories of the nature of the expense they relate to on the Statement of Financial Performance, i.e. Contracted Services and General Expenses.		
52. MATERIAL LOSSES INCURRED		
Electricity distribution losses	181 211 586	152 560 007
Bad debts written off	4 228 332	4 834 411
Electricity energy losses of 153 728 734 kWh as at June 2021 (June 2020: 137 297 168 kWh) occurred during the year which resulted in revenue loss amounting to R181 211 586 (June 2020: R 152 560 007). The National norm for electricity losses ranges from 6% to 12%. The energy loss incurred by the municipality as at June 2021 is 22.82% (June 2020: 20.95%) and is mainly due to transmission/distribution losses and illegal connections.		
53. COUNCILLOR'S ARREAR CONSUMER ACCOUNTS AS AT 30 JUNE 2021		
In terms of Section 124 (1) (b) the following particulars are disclosed in respect of any owed by individual councillors during the financial year: The following councillor had debt in excess of 90 days for the months stipulated below:		
Councillor: V Govender		
July 2020	442 540	
August 2020	447 237	
September 2020	452 254	
October 2020	457 999	
November 2020	463 129	
December 2020	468 566	
January 2021	473 994	
February 2021	479 402	
March 2021	484 723	
April 2021	489 957	
May 2021	495 720	
June 2021	501 608	

In terms of S124 (1) (b) the above are disclosed in respect of any arrears owed by individual Councillors during the financial year. In terms of clause 30.2 of KwaDukuza Municipality Credit Control & Debt Collection Policy, this matter has been consistently reported to the Office of the Speaker. The Councillor had debt in excess of 90 days for the months as stipulated. The above account is under dispute and is currently being reviewed and dealt with by the Office of the Speaker, Electricity Business Unit and Legals.

Due to the above uncertainties this debt has been fully impaired.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *...continued*

FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020 RESTATED
	R	R
54. CONTRIBUTIONS TO ORGANISED LOCAL GOVERNMENT		
Amount paid current year	4 975 893	-
Expenditure related to the 2019/2020 year was prepaid in the prior year.		
Audit Fees		
Amount paid - current year	3 778 471	4 037 416
55. VAT		
VAT received for the year	29 164 741	36 000 052
VAT paid for year	1 487 924	5 750 782
VAT input receivables and VAT output payables are shown in Note 11. All VAT returns have been submitted by the due date throughout the year.		
56. PAYE AND UIF		
Current year payroll deductions	71 521 899	67 925 593
57. PENSION AND MEDICAL AID DEDUCTIONS		
Current year payroll deductions and council contributions	110 095 579	102 657 000
58. BUDGET VERSES ACTUAL VARIANCES		
A high level overview of significant Operating Variances between the 30 June final budget and Actual amounts are summarised below:		
Significant for the purposes of this note is defined as greater than 15% and R 1 000 000.		
Revenue:		
58.1 RENTAL OF FACILITIES & EQUIPMENT		
The additional budget was intended to cover rentals on new residential units currently in development. We have many housing projects currently in development but COVID-19 has hindered progress resulting in the variance.		
58.2 INTEREST EARNED OUTSTANDING DEBTORS		
The variance is due to the roll out and implementation of the COVID-19 debt relief scheme.		
58.3 OTHER INCOME		
Major variances are due to long outstanding unidentified deposits recognised as revenue, increase in revenue from tampering fees, roads masterplan, advertising application fees and town planning fees.		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *...continued*

FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020 RESTATED
	R	R
58. BUDGET VERSES ACTUAL VARIANCES ...continued		
58.4 PROPERTY RATES - PENALTIES IMPOSED		
The variance is due to the roll out and implementation of the COVID-19 debt relief scheme.		
58.5 LICENCES & PERMITS (INCLUDING AGENCY FEES)		
Vehicle licensing fees and testing fees are budgeted for under Other Income.		
58.6 PUBLIC CONTRIBUTIONS AND DONATIONS		
Donations are unforeseen and unplanned and therefore have not been budgeted for.		
58.7 FINES		
COVID-19 has had a high impact on operations and issuing of fines have been impacted. We are hopeful that normal operations and recoveries resume as the pandemic slowly subsides.		
Expenditure		
58.8 DEBT IMPAIRMENT AND WRITE OFFS		
The impact of COVID-19 and foreseen reduced collection rates was considered when budgeting. However, collections were on target with the vigorous debt collection processes such as handing over accounts, calling of Customers, the COVID-19 debt relief scheme and disconnections that commenced in around July 2020.		
58.9 CONTRACTED SERVICES		
Due to allocation differences in between contracted services and general expenses. The net variance between these categories is 10% and therefore below the threshold.		
58.10 LOSS ON DISPOSAL OF ASSETS		
Decommissioning of existing layers on roads to be rehabilitated and land disposal.		
58.11 TRANSFERS AND SUBSIDIES		
The municipality did not provide any transfers and subsidies to any external organisations.		
58.12 TRANSFERS RECOGNISED - CAPITAL		
Delays in construction work due to lockdown is one of the primary reasons for the underspending on internally funded capital expenditure.		
58.13 CONTRIBUTIONS RECOGNISED - CAPITAL		
Certain projects funded by public contributions were delayed due to COVID-19.		
58.14 CAPITAL BUDGET		
Delays in construction work due to lockdown is one of the primary reasons for the underspending on internally funded capital expenditure.		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *...continued*

FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020 RESTATED
	R	R
59. ACCOUNTING BY PRINCIPALS AND AGENTS		
Housing Development Project		
The municipality is a party to a principal-agent arrangement in terms of the Housing Development Project. The municipality is considered to be an agent in accordance with GRAP 109, with the Provincial Department of Human Settlements being the principal in this arrangement.		
Details of the arrangement is as follows:		
The purpose of the arrangement is to construct low-cost houses for the identified beneficiaries. The funding is provided by the Provincial Department of Human Settlements.		
Significant terms and conditions of the arrangement are as follows:		
Design the product in consultation with all stakeholders.		
Prepare detailed Top Structure foundation designs in accordance to the varying geotechnical conditions.		
Construct the Top Structure in accordance with the drawings and specifications within the period of the agreement.		
Hand constructed houses over to beneficiaries.		
Significant risks have been identified as follows:		
The significant risks identified are delays in funding approval, Social unrest, Inadequate funding to meet the requirements, and environmental risks.		
Mitigation strategies and benefits associated with the relationship are as follows:		
Ensuring compliance with the agreements to ensure speedy release of the funding		
Constant communication with the community and ensuring public participation.		
Be pro-active in the feasibility study to be aware of the environmental pre-conditions.		
Entity as agent		
Resources held on behalf of the principal(s), but recognised in the entity's own financial statements		
Current year movements:		
Amounts received from DOHS in respect of Housing projects	53 675 622	
Amounts paid to Contractors and suppliers	-60 705 591	
Net current year movement	-7 029 969	
(Further details are provided in the Housing Agency Account)		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *...continued*

FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020 RESTATED
	R	R
59. ACCOUNTING BY PRINCIPALS AND AGENTS ...continued		
Revenue recognised		
The municipality does not receive compensation for the transactions carried out on behalf of the principal, in terms of the arrangement, and hence no revenue has been recognised in the current and prior financial year		
Liabilities and corresponding rights of reimbursement recognised as assets		
Liabilities which were incurred on behalf of the principal have been settled in full during the financial year. No amounts are outstanding as at year-end.		
Resources (including assets and liabilities) of the entity under the custodianship of the agent		
Resources have been recognised by the agent in its financial statements related to the outstanding payable of R47 107 534, being the creditor as disclosed in terms of note 20.		
During the period, the municipality constructed houses in (Sokesimbone, Sakhamkhanya, Lloyds, Ntshawini, Nyathikazi, Mgigimbe, Senzangakhona, Steve Biko, and Etete) with the total expenditure incurred being R60 705 590.62		
The municipality co-ordinates the houses being constructed, which will be transferred to the beneficiaries upon completion of the project, on behalf of Provincial Department of Human Settlements. The estimated transfer date is June 2022.		
Motor Vehicle Registrations		
The municipality is a party to a principal-agent arrangement in terms of motor vehicle registrations and licensing. The municipality is considered to be an agent in accordance with GRAP 109, with the Provincial Department of Transport being the principal in this arrangement.		
Details of the arrangement		
The purpose of the principal-agent relationship is to provide a service to the community and to enhance the municipality's revenue.		
Significant terms and conditions of the arrangement are as follows:		
The Provincial Department shall issue the motor vehicle license renewal form to the respective owners of the motor vehicles, indicating the amount due for the year.		
The municipality provide facilities for owners of motor vehicles to pay their licenses. The Provincial Department provide the municipality with access to its IT systems to enable capturing of the amounts received and issuing of the motor vehicle licenses on their behalf. The system automatically generates the motor vehicle license upon capturing the payment of the fees due.		
The municipality collects the fees due from motor vehicle owners and simultaneously issues the new licenses on behalf of the Department.		
The municipality is required to pay over any revenue (cash) collected to the Department in respect of motor vehicle licenses. The municipality is entitled to retain 8.55% of the cash collected for undertaking this activity on behalf of the Department.		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *...continued*

FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	R	R
59. ACCOUNTING BY PRINCIPALS AND AGENTS ...continued		
Significant risks have been identified as follows:		
The significant risks relates to the possible loss of any monies during transit and potential theft by employees.		
Mitigation strategies and benefits associated with the relationship are as follows:		
Monies collected are banked daily.		
Security – Segregation of duties, each operator must have own username and password for banking details.		
Resources held on behalf of the principal, but recognised in the entity's own financial statements		
Total collections for the year	73 516 287	54 727 025
Amount recognised as revenue	6 288 045	4 679 161
Total Collected on behalf of DOT	67 228 242	50 047 865
Total paid to DOT	67 228 242	50 047 865
Debtor as at year end	524 005	-
Creditor at year end	68 532	-
Liabilities and corresponding rights of reimbursement recognized as assets		
No liabilities were incurred on behalf of the principal during the financial year, and hence no outstanding payments were recorded at year end.		
No corresponding rights of reimbursement that have been recognized at year end.		
Resources (including assets and liabilities) of the entity under the custodianship of the agent		
No resources have been recognized by the agent in its financial statements. The equipment supplied by the department should be returned to DOT when the agreement is terminated.		

UNAUDITED APPENDIX A: SCHEDULE OF EXTERNAL LOANS

FOR THE YEAR ENDED 30 JUNE 2021

DESCRIPTION	LOAN NUMBER	INTEREST RATE	DATE REPAYABLE	
		%		
Loans				
DBSA R43M LOAN	101267/1	6,83%	31/03/2026	
DBSA R28.9M (ELECT)	61006918/19	9,73%	30/09/2030	
DBSA: R5.888 LOAN	61006918/19	9,73%	31/12/2032	
TOTAL EXTERNAL LOANS				

	BALANCE AT 30/06/2020	RECEIVED DURING THE YEAR	REDEEMED / ADJUSTMENTS / (INTEREST CAPITALISED) DURING THIS PERIOD	BALANCE AT 30/06/2021
	R	R	R	R
	12 498 271,67	-	2 083 045	10 415 226
	126 243 334,65	-	5 522 952	120 720 383
	72 356 435,53	-	3 165 483	69 190 953
	211 098 042	-	10 771 480	200 326 562

UNAUDITED APPENDIX B: ANALYSIS OF PROPERTY PLANT AND EQUIPMENT FOR THE YEAR ENDED 30 JUNE 2021

	COST /REVALUATION							
	OPENING BALANCE	ADDITIONS	WIP BROUGHT INTO USE	ASSETS FAIR VALUED	ASSETS DONATED	RECOGNITION OF EXPENSED ITEMS	DISPOSALS	
Infrastructure Roads	903 481 717	465 779,92	44 446 805,73	-	-	-	-676 126	
Buildings	262 730 910	511 274,00	24 776 052,83	-	-	-	-	
Cemeteries	13 055 385	-	668 275	-	-	-	-	
Solid Waste	7 119 128	-	611 173,14	-	-	-	-	
Housing Assets	8 972 974	310 117,00	-	-	-	-	-	
Stormwater Infrastructure	269 498 500	-	1 954 379,14	-	-	-	-	
Land	389 477 974	-	-	-	22 000 000	-	(315 000,00)	
Electricity Infrastructure	817 934 352	-	15 120 294,08	-	3 972 693,06	7 563 395,88	-	
Vehicles	84 284 006	5 772 831,55	-	-	-	12 990	-58 000	
Leased Assets	3 302 526	595 576	-	-	-	-	-	
Assets under Construction	196 750 710	137 744 291,35	(90 393 998,70)	-	-	-	(4 137 622,00)	
Furniture and Fittings	63 022 749	3 764 850,71	3 341 139,27	-	-	-	(27 507,00)	
	3 019 630 932	149 164 720	524 120	-	25 972 693	7 576 386	-5 214 255	

		ACCUMULATED DEPRECIATION						
	CLOSING BALANCE	OPENING BALANCE	ADDITIONS	DISPOSALS	IMPAIRMENT	TRANSFERS	CLOSING BALANCE	CARRYING VALUE
	947 718 177	-256 862 397	-24 891 215	525 636	-339 505	-	281 567 481	666 150 696
	-						-	
	288 018 237	-92 869 512	-15 294 047	-	-	-	108 163 558	179 854 678
	-						-	
	13 723 659	-4 343 446	-574 791	-	-	-	4 918 238	8 805 421
	-						-	
	7 730 301	-2 524 684	-465 154	-	-	-	2 989 837	4 740 464
	-						-	
	9 283 091	-7 392 004	-327 081	-	-	-	7 719 084	1 564 007
	-						-	
	271 452 880	-82 652 070	-5 726 127	-	-23 077	-	88 401 273	183 051 606
	-						-	
	411 162 974	-	-	-	-	-	-	411 162 974
	-						-	
	844 590 735	-273 154 259	-19 921 450	-	-72 468	-	293 148 178	551 442 558
	-						-	-
	90 011 828	-47 657 093	-4 697 814	11 611	-	-	52 343 296	37 668 531
	-						-	-
	3 898 102	-1 806 713	-663 541	-	-	-	2 470 255	1 427 847
	-						-	-
	239 963 381	-5 795 688	-	-	-19 918 489	-	25 714 177	214 249 204
	-						-	-
	70 101 232	-49 840 001	-3 945 745	11 662,26	-171	-	53 774 255	16 326 978
	-						-	-
	3 197 654 597	-824 897 868	-76 506 965	548 909	-20 353 710	-	921 209 633	2 276 444 962

UNAUDITED APPENDIX C: A SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT

FOR THE YEAR ENDED 30 JUNE 2021

	COST / REVALUATION			
	OPENING BALANCE	ADDITIONS	DISPOSALS	CLOSING BALANCE
EXECUTIVE AND COUNCIL	11 667 189	2 890 981	(342 507)	14 215 663
FINANCE AND ADMINISTRATION	16 706 136	103 714		16 809 851
PLANNING AND DEVELOPMENT	22 281 453	681 836		22 963 289
COMMUNITY AND SOCIAL SERVICES	658 608 240	23 408 202		682 016 442
PUBLIC SAFETY	49 772 672	24 280 665		74 053 337
ROAD TRANSPORT	1 355 138 143	77 501 175	(4 031 669)	1 428 607 650
ELECTRICITY	904 285 291	51 498 483	(840 079)	954 943 694
YOUTH DEVELOPMENT	1 170 410	2 872 861		4 043 272
		-		
Grand Total	3 019 629 535	183 237 918	(5 214 255)	3 197 653 198

	ACCUMULATED DEPRECIATION					
	OPENING BALANCE	ADDITIONS	DISPOSALS	IMPAIRMENT	CLOSING BALANCE	CARRYING VALUE
	(2 642 335)	(468 010)	11 662		(3 098 683)	11 116 980
	(7 755 162)	(7 275 552)			(15 030 713)	1 779 138
	(10 035 300)	(1 093 910)			(11 129 210)	11 834 079
	(91 543 088)	(15 513 358)		171	(107 056 275)	574 960 167
	(30 054 765)	(1 573 162)			(31 627 927)	42 425 410
	(343 049 163)	(30 615 852)	525 636	-20 281 412,53	(393 420 792)	1 035 186 858
	(339 121 103)	(19 921 450)	11 611	-72 468,04	(359 103 410)	595 840 284
	(696 996)	(44 292)			(741 288)	3 301 984
	(824 897 912)	(76 505 586)	548 909	(20 353 709)	(921 208 298)	2 276 444 962

UNAUDITED APPENDIX D: GRANTS AND SUBSIDIES RECEIVED - 2020/2021

NAME OF GRANTS	NAME OF ORGAN OF STATE OR MUNICIPAL ENTITY	UNSPENT PORTION 2019/2020 FINANCIAL STATEMENTS	RETURNED TO NATIONAL TREASURY	QUARTERLY RECEIPTS				TOTAL RECEIPTS	
				JULY TO SEPT 1	OCT TO DEC 2	JAN TO MAR 3	APRIL TO JUNE 4		
Equitable Share	National Treasury	-	-	83 645 000	88 970 000	46 470 000	-	219 085 000	
Municipal Infrastructure Grant (MIG)	COGTA	2 423 939	-	18 999 999	20 000 000	11 717 001	-	50 717 000	
INEP Grant	Integrated National Electrification Grant	-	-	1 500 000	3 500 000	-	-	5 000 000	
Finance Management Grant	National Treasury	-	-	1 800 000	-	-	-	1 800 000	
EPWP	National Treasury	-	-	367 000	659 000	439 000	-	1 465 000	
Disaster Relief Grant	National Treasury	894 000	-	-	-	-	-	-	
Museum	Office Of the Premier	2 101 717	-	-	5 214 000	-	-	5 214 000	
New Library	Department of Arts & Culture	184 394	-	-	678 000	-	-	678 000	
Housing Accreditation	Department Of Human Settlements	11 749 890	-	-	-	-	1 187 176	1 187 176	
Library Subsidy	Department of Arts & Culture	-	-	-	5 427 000	-	-	5 427 000	
Small Town Rehabilitation Grant	COGTA	2 382 150	-	-	-	-	-	-	
Neighbourhood Development Partnership Grant - (NDPG) - EASE OF BUSINESS	Foreign Donor Fund	-	-	-	-	3 567 500	-	3 567 500	
Neighbourhood Development Partnership Grant (NDPG) - SCADA	Foreign Donor Fund	-	-	-	-	5 296 687	-	5 296 687	
Title Deeds Restoration Grant	Department Of Human Settlements	-	-	-	-	-	2 721 000	2 721 000	
		19 736 089	-	106 311 999	124 448 000	67 490 188	3 908 176	302 158 363	

	QUARTERLY EXPENDITURE				TOTAL EXPENDITURE	UNSPENT PORTION 2020/2021 FINANCIAL STATEMENTS	GRANTS AND SUBSIDIES DELAYED / WITHHELD	REASON FOR DELAY WITHHOLDING OF FUNDS	DID YOUR MUNICIPALITY COMPLY WITH THE GRANT CONDITIONS IN TERMS OF GRANT FRAMEWORK IN THE LATEST DIVISION OF REVENUE ACT	REASON FOR NON-COMPLIANCE
	JULY TO SEPT 1	OCT TO DEC 2	JAN TO MAR 3	APRIL TO JUNE 4						
	83 645 000	88 970 000	46 470 000	-	219 085 000	-	NO	N/A	YES	N/A
	8 341 446	3 772 610	24 356 809	11 729 831	48 200 696	4 940 243	NO	N/A	YES	N/A
	2 715 709	2 284 291	-	-	5 000 000	-	NO	N/A	YES	N/A
	476 977	227 420	228 935	866 667	1 800 000	-	NO	N/A	YES	N/A
	629 194	690 880	144 925	-	1 465 000	-	NO	N/A	YES	N/A
	267 754	139 609	397 921	88 716	894 000	-	No	N/A	YES	N/A
	42 934	296 810	-	556 248	895 992	6 419 725	NO	N/A	YES	N/A
	164 454	225 501	208 272	247 489	845 716	16 678	NO	N/A	YES	N/A
	804 647,64	819 784	2 098 221	(947 007)	2 775 645	10 161 421	YES	Non expenditure on underlying housing projects	YES	N/A
	2 464 264	1 920 651	1 042 085	-	5 427 000	-	NO	N/A	YES	N/A
	-	-	2 382 150	-	2 382 150	-	NO	N/A	YES	N/A
	-	-	-	-	-	3 567 500	NO	N/A	YES	N/A
	-	-	-	572 119	572 119	4 724 568	NO	N/A	YES	N/A
	-	-	-	-	-	2 721 000	NO	N/A	YES	N/A
	99 552 379	99 347 557	77 329 318	13 114 064	289 343 319	32 551 134				

MANAGEMENT RESPONSE AND ACTION PLAN TO PREVIOUS FINDINGS

NATURE OF AUDIT QUERY	AUDIT QUERY	AUDIT RESPONSE	TIME FRAME
EMPHASIS OF THE MATTER			
CONTINGENT LIABILITIES	As disclosed in note 38 to the financial statements, the municipality entered into service level agreements with property developers to reimburse them for the cost of bulk electricity supplies. The reimbursements are dependent on the developers meeting future targets as set out in the service level agreements. The timing and outcome of the reimbursement cannot currently be determined and no provision for any liability that may result has been made in the financial statements.	The re-imbursement clause will not be included in the NEW SLAs. On new SLA the cost of infrastructure developed by developer and handed over to municipality is waived against the demand based component.	30/06/2022
MATERIAL LOSSES - ELECTRICITY	As disclosed in note 52 to the financial statements, material electricity losses of 153 728 734 kwh (2019-20: 137 297 168 kWh) amounting to R181,21 million (2019-20: R1 52,56 million) were incurred, which represents 22,820/0 (2019-20: 20,950/0) of total electricity purchased. The losses were due to transmission or distribution losses and illegal connections.	Electrical engineering services business unit will perform meter audits and repairs. Electrical engineering services business unit will introduce smart metering project	30/06/2022
UNDERSPENDING OF CAPITAL BUDGET	As disclosed in the statement of comparison of budget with actual information, the municipality materially underspent on its capital budget by R78 million which represents 33% of the total capital budget. The main reason for this underspending was as a result from delays in construction due to the nationwide lockdown.	Comply with SCM policy: The procurement plan will be submitted to Council by the 31 May 2022 together with the final 2022/2023 budget. Procurement processes will commence immediately after approval. Adhere to Procurement plan on monthly basis and produce unbiased tender specifications to ensure no objections. The Y.T.D. expenditure to December 2021 stands at R123.8m (38.5%) Major Electrical projects have been awarded and expenditure is going to come through in the next 3 months. The fleet for Fire services which was budgeted at R15m will be rolled over to the new year during the adjustment budget due to technical difficulties and non availability.	30/06/2022

REPORT ON COMPLIANCE WITH LEGISLATION

EXPENDITURE MANAGEMENT	Reasonable steps were not taken to prevent irregular expenditure amounting to R68,75 million as disclosed in note 49 to the annual financial statements, as required by section 62(1)(d) of the MFMA.	The findings are noted and accepted. The municipality has clear controls and processes of identifying and reporting irregular expenditure, which includes the compliance checklist during the SCM and payment process, the UFW register updated upon identification of UFW and reported to Council monthly and COGTA. The R 68, 75 million irregular expenditure is mainly attributable to expired contracts. Internal Audit to submit proposal to Council regarding the incorporation of expiring contracts in the annual procurement plan.	30/03/2022
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MANAGEMENT RESPONSE AND ACTION PLAN TO PREVIOUS FINDINGS ...continued

NATURE OF AUDIT QUERY	AUDIT QUERY	AUDIT RESPONSE	TIME FRAME
REPORT ON COMPLIANCE WITH LEGISLATION			
PROCUREMENT MANAGEMENT	Some of the goods and services with a transaction value above R200 000 were procured without inviting competitive bids, as required by supply chain management (SCM) regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM regulation 36(1). Similar non-compliance was also reported in the prior year.	<p>We agree with the findings that all Section 36's excluding Munsoft has been deemed irregular. It be placed on record that KwaDukuza Municipality has identified the above section 36 transactions as irregular and accordingly reported to Council in terms of MFMA Section 32. That the MBD 4 documents is a prerequisite when comments by the Head: SCM or the CFO are made. This is part of the AG action plan</p> <p>The use of section 36s has ceased and will only be considered for absolute emergencies.</p>	30/06/2022
CONSEQUENCE MANAGEMENT	Irregular expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2) (b) of the MFMA.	<p>The finding is noted, however the total outstanding irregular expenditure of R 28,47 million is made up of items which were submitted to Council for noting after occurrence and was referred to MPAC for investigation and deliberation however no conclusion was made by MPAC hence they remain not concluded on the register. Some of the items were previously resubmitted to MPAC for further consideration however, no conclusion was made as at the end of June 2021.</p> <p>These items form part of the register reported to MPAC on a quarterly basis and reported to COGTA on a monthly basis. The items are part of the outstanding items on the AFS note related to irregular expenditure. The items will be resubmitted to MPAC to seek conclusion.</p> <p>The MPAC committee has been reconstituted after the November 2021 elections and will commence activities within the next month.</p>	30/06/2022
ASSET MANAGEMENT	An effective system of internal control for assets was not in place, as required by section 63(2)(c) of the MFMA.	<p>The asset management policy will be reviewed and amended in line with the recommendations from the AG.</p> <p>The Policy will be amended during the adjustment budget in January 2022.</p>	30/06/2022
INTERNAL CONTROLS DEFICIENCIES			
INTERNAL CONTROL	Oversight and monitoring over compliance with laws and regulations were not diligently performed. Policies and procedures relating to procurement management were not adhered to by assigned officials.	The SCM Regulations as well the procurement policy will be adhered to avoid a repeat of the findings. Staff will be disciplined for incorrect disclosure and declarations.	30/06/2022

APPENDIX A: COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

◇ PURPOSE OF THE COUNCIL COMMITTEE

Established in terms of Municipal Structures Act, section 80. Portfolio Committees meet on monthly basis to discuss service delivery issues and ways to improve service delivery where needed. The Council continues with its role as a strong and effective advocate, lobbying on behalf of our community for action on important local issues and continues to receive grants from other spheres of government and external bodies.

LIST OF COUNCILLORS	POLITICAL PARTY	WARD REPRESENTED	PLANNED MEETINGS	COUNCIL MEETINGS ATTENDED
Cllr RZP Zulu	ANC	SPEAKER	12	6
Cllr OL Nhaca	ANC	CURRENT	12	18
Cllr G Govender	ANC	SPEAKER	12	18
Cllr L R Makhathini	ANC	MAYOR (WARD 19)	12	10
Cllr DW Ndimande	ANC	PR	12	18
Cllr Z.M. Mncube	ANC	WARD 1 (C/WHIP)	12	3
Cllr NR Khumalo	ANC	PR	12	16
Cllr JA Vallan	ANC	PR	12	16
Cllr JS Phahla	ANC	WARD 16	12	15
Cllr TV Ntuli	ANC	WARD 23	12	17
Cllr V Govender	ANC	PR	12	16
Cllr ME Ngidi	ANC	WARD 28	12	16
Cllr IP Dube	ANC	WARD 8	12	18
Cllr GJ Van Whye	ANC	WARD 9	12	17
Cllr G. Mngomezulu	ANC	WARD 3	12	18
Cllr NJ Mpanza	ANC	PR	12	17
Cllr H Mbatha	ANC	PR	12	18
Cllr R Singh	ANC	WARD 12	12	15
Cllr SW Ntuli	ANC	WARD 13	12	10
Cllr ME Mathonsi	ANC	WARD 14	12	18
Cllr N. Zulu	ANC	PR	12	17
Cllr M Suleman	ANC	WARD 20	12	18
Cllr MS Mhlongo	ANC	PR	12	12
Cllr TT Dube	ANC	PR	12	16
Cllr NP Dube	ANC	WARD 10	12	16
Cllr CD Mthembu	ANC	WARD 20	12	18
Cllr VV Shezi	ANC	PR	12	17
Cllr IT Nxumalo	ANC	WARD 24	12	15
Cllr M Ndlela	ANC	WARD 11	12	18
Cllr NR Shezi	ANC	WARD 4	12	13
Cllr TS Ngidi	ANC	PR	12	14

APPENDIX A: COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE ...continued

♦ PURPOSE OF THE COUNCIL COMMITTEE ...continued

LIST OF COUNCILLORS	POLITICAL PARTY	WARD REPRESENTED	PLANNED MEETINGS	COUNCIL MEETINGS ATTENDED
Cllr PB Mabaso	ANC	WARD 26	12	18
Cllr SMR Mfeka	ANC	WARD 15	12	13
Cllr BI Dindi	ANC	WARD 25	12	17
Cllr EB Majola	ANC	WARD 7	12	18
Cllr SL Cele	ANC	PR	12	16
Cllr N Qwabe	ANC	WARD 29	12	17
Cllr MS Sing	DA	PR	12	10
Cllr P Naidoo	DA	WARD 17	12	19
Cllr AL Sahadew	DA	WARD 22	12	15
Cllr TK Gumede	DA	PR	12	17
Cllr T Colley	DA	PR	12	18
Cllr V Pillay	DA	WARD 6	12	18
Cllr TP Du Toit	DA	PR	12	17
Cllr S Naidoo	DA	WARD 21	12	19
Cllr B. Mvulana	DA	PR	12	19
Cllr AL Nzama	DA	PR	12	18
Cllr M. Vembali	IFP	PR	12	3
Cllr E.E. Dlamini	IFP	PR	12	4
Cllr MSCM Motala	IFP	WARD 5	12	19
Cllr N Dasrath	IFP	PR (DECEASED)	12	17
Cllr M.M. Sibisi	IFP	PR	12	10
Cllr AK Dawood	AL-JAMA-AH	PR	12	19
Cllr DH Mthembu	AIC	PR	12	17
Cllr LI Mthembu	EFF	PR	12	15
Cllr T Nkosi	EFF	PR	12	9
Cllr CM Ntleko	INDEPENDENT	PR	12	10
Cllr MM Madlala	INDEPENDENT	WARD 2		12
		WARD 27		

Table 68: Political Party Representation

APPENDIX B: COMMITTEE AND COMMITTEE PURPOSE-PURPOSE OF THE MAYORAL COMMITTEE

♦ EXECUTIVE COMMITTEE

Members of the Mayoral Committee are appointed by the Mayor from among Councillors. The duties of the Mayoral Committee are to assist the Mayor in the execution of his duties. The Mayor may delegate specific responsibilities to each member of the Mayoral Committee. The following Councillors are the members of the Mayoral Committee of KwaDukuza Municipality.

COMMITTEES OF COUNCIL	NAMES OF COUNCILLORS	PLANNED EXCO MEETINGS	EXCO MEETINGS ATTENDED
Executive Committee	Cllr G. Govender	12	10
	Cllr L.R. Makhathini (joined 2021)	12	7
	Cllr JA Vallan	12	7
	Cllr NR Khumalo	12	9
	Cllr JS Phahla	12	8
	Cllr TV Ntuli	12	10
	Cllr MS Sing	12	6
	Cllr JLT Sibiyi (DECEASED)	12	1
	Cllr M.S.C. Motala (REPLACED)		4
	Cllr Sibiyi and he is also LATE	12	
	Cllr T.P. Du Toit		12

Table 69: Exco Members

♦ PURPOSE OF THE PORTFOLIO COMMITTEES

KwaDukuza Municipality have 5 Portfolio Committees, which are all chaired by the members of Executive Committee as prescribed by the legislation. Portfolio Committees meet on monthly basis to discuss service delivery issues and ways to improve service delivery where needed.

COMMITTEES OF COUNCIL	NAMES OF COUNCILLORS	PLANNED PORTFOLIO COMMITTEE MEETINGS	PORTFOLIO COMMITTEE MEETINGS ATTENDED
LPA/HR Portfolio	Cllr NR Khumalo	11	9
	Cllr IT Nxumalo	11	7
	Cllr V Govender	11	9
	Cllr R Singh	11	7
	Cllr AK Dawood	11	9
	Cllr B Mvulana	11	9
	Cllr BI Dindi	11	9
Finance Portfolio (FPC)	Cllr G Govender (Current Chair)	11	7
	Cllr DW Ndimande	11	7
	Cllr J Vallan (previous Chair)	11	3
	Cllr SL Cele	11	10
	Cllr CD Mthembu	11	13
	Cllr N Zulu	11	8
	Cllr N Dasrath	11	7
	Cllr AL Sahadew	11	8

APPENDIX B: COMMITTEE AND COMMITTEE PURPOSE- PURPOSE OF THE MAYORAL COMMITTEE ...continued

♦ PURPOSE OF THE PORTFOLIO COMMITTEES ...continued

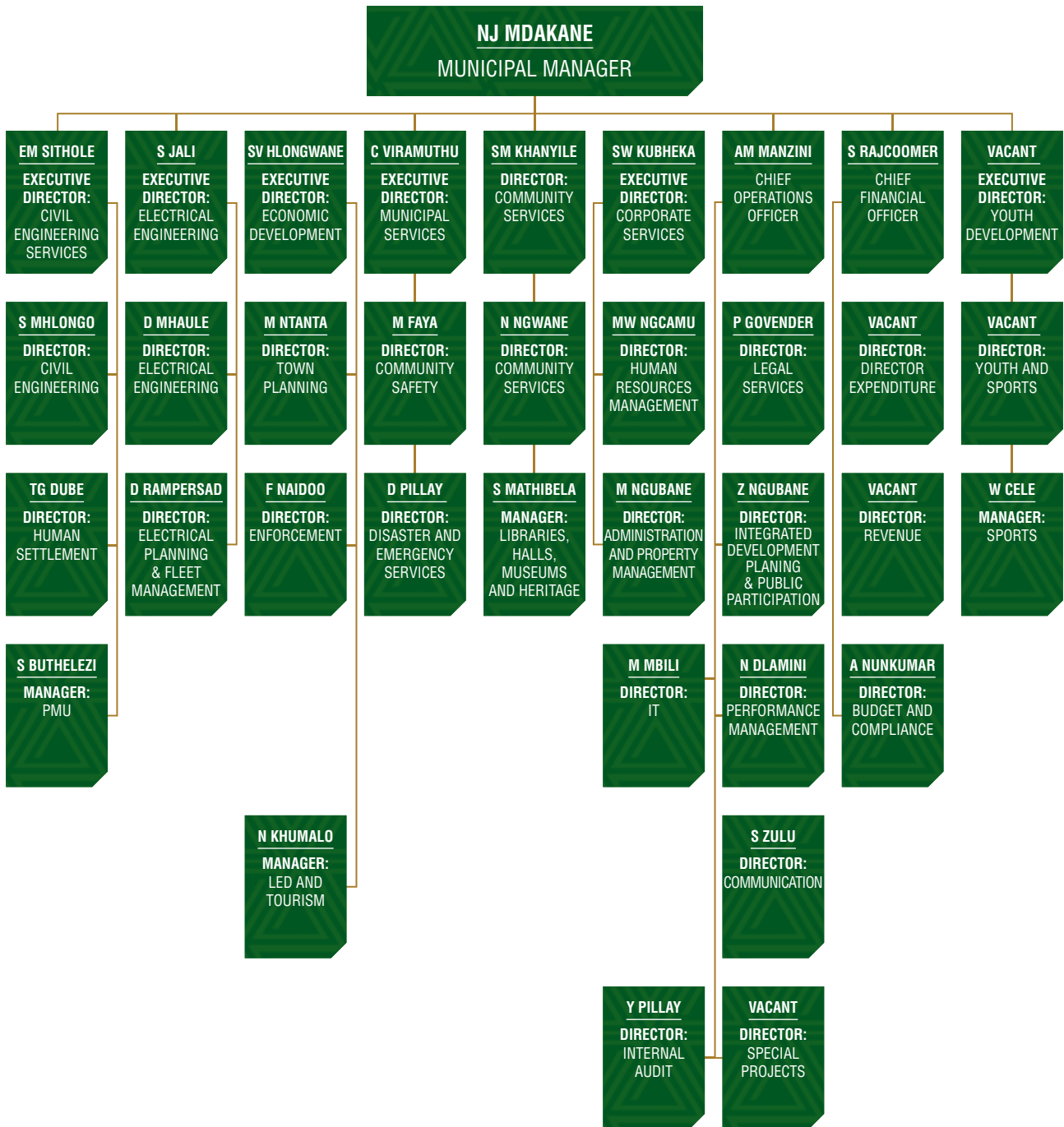
COMMITTEES OF COUNCIL	NAMES OF COUNCILLORS	PLANNED PORTFOLIO COMMITTEE MEETINGS	PORTFOLIO COMMITTEE MEETINGS ATTENDED
Infrastructure & Technical Portfolio (IAT)	Cllr TV Ntuli	11	11
	Cllr NJ Mpanza	11	11
	Cllr S Mhlongo	11	8
	Cllr M Suleman	11	11
	Cllr CN Ntleko	11	1
	Cllr TK Gumede	11	7
	Cllr M Ndlela	11	10
Economic Development & Planning Portfolio (EDP)	Cllr LR Makhathini	11	7
	Cllr PB Mabaso	11	4
	Cllr VV Shezi	11	11
	Cllr ME Mathonsi	11	11
	Cllr DW Ndimande (moved to finance PORTFOLIO)	11	4
	Cllr T Colley	11	11
Municipal Services Portfolio (MS)	Cllr T Nkosi	11	3
	Cllr D Govender (Previous C/Person)	11	6
	Cllr H Mbatha	11	4
	Cllr SW Ntuli	11	7
	Cllr GJ Van Whye	11	10
	Cllr TT Dube	11	7
	Cllr AM Baardman	11	4
	Cllr P Naidoo	11	9
	Cllr J Vallan (New C/Person)	11	6
	Cllr EB Majoia (New Member)	11	6
Cllr MM Sibisi (REPLACED Cllr Baardman)	11	1	
Youth, Sports and Gender Portfolio (YSG)	Cllr J Phahla	11	9
	Cllr M Ngidi	11	4
	Cllr NR Shezi	11	8
	Cllr IP Dube	11	9
	Cllr GZ Mngomezulu	11	7
	Cllr V Pillay	11	9
	Cllr DH Mthembu	11	5
MPAC	Cllr OL Nhaca	9	6
	Cllr NP Dube	9	8
	Cllr N Qwabe	9	8
	Cllr TS Ngidi-Mkhize	9	8
	Cllr MSC Motala	9	5
	Cllr S Naidoo	9	8
	Cllr MM Sibisi (Replaced Cllr MSC Motala)	9	3

APPENDIX C: THIRD TIER ADMINISTRATIVE STRUCTURE

Organisational structure was adopted in June 2020/2021 financial year.



KWADUKUZA TOP ORGANISATIONAL STRUCTURE



APPENDIX D: FUNCTIONS OF A MUNICIPALITY

KwaDukuza Municipality is one of the Local Municipalities within the family of ILembe District Municipality. As a Local Authority, KwaDukuza is responsible for the delivery of the following Schedule 4 Part B functions:

- ◊ Air and Noise Pollution;
- ◊ Building, Trading Regulations;
- ◊ Fire Fighting Services;
- ◊ Child Care Facilities;
- ◊ Local Tourism;
- ◊ Pontoons, Ferries, Jetties, Piers and Harbours;
- ◊ Municipal Planning;
- ◊ Municipal Public Transport;
- ◊ Municipal Public Works;
- ◊ Municipal Health Services;
- ◊ Municipal Airports;
- ◊ Storm Water Management; and
- ◊ Municipal Buildings and assets.

The Municipality is also responsible for the following Schedule 5 Part B functions:

- ◊ Beaches and Amusement Facilities;
- ◊ Billboards and Display of Advertisements in Public Places;
- ◊ Cemeteries, Funeral Parlours and Crematoria;
- ◊ Cleansing and Trade Areas;
- ◊ Public, Nuisance Control Fire Fighting Services;
- ◊ Liquor and Public, Nuisance Control;
- ◊ Facilities for Accommodation, Care and Burial of Animals;
- ◊ Fencing and Fences;
- ◊ Licensing of dogs;
- ◊ Municipal Roads;
- ◊ Local Amenities;
- ◊ Licensing and control of undertakings that sell food to the public;
- ◊ Local Sport Facilities;
- ◊ Markets Stalls/Trade Areas;
- ◊ Municipal Parks and Recreation; and
- ◊ Municipal Abattoirs.

KwaDukuza Municipality is not responsible for the provision of water and sanitation as it is the competency of iLembe District Municipality.

APPENDIX E: WARD REPORTING

WARD COMMITTEE FUNCTIONALITY INDICATORS

INDICATOR	MINIMUM REQUIREMENT	EVIDENCE REQUIRED
Number of ward committee meetings held	One meeting per month	Minutes and attendance register
Number of ward committee meetings chaired by Ward Councillor i.t.o. Sec 73 of the Municipal Structures Act	One meeting per month	Minutes and attendance Register
Percentage attendance by ward committee members	50% + 1	Attendance register
Number of community feedback meetings held	One per quarter	Minutes / Report and attendance register
Percentage of reports submitted by ward committee members	100% submission of reports per month	Ward committee members' reports
Submission of ward reports on planned activities	One report per quarter	Ward report by ward councillor

APPENDIX F: WARD INFORMATION

PUBLIC PARTICIPATION ...continued

1. PROGRESS ON FUNCTIONALITY OF WARD COMMITTEES AS AT END OF 2020/2021 FINANCIAL YEAR:

FIRST QUARTER FUNCTIONALITY RESULTS OF 2020/2021 FINANCIAL YEAR

NAME OF MUNICIPALITY	NUMBER OF WARDS	NUMBER OF FUNCTIONAL WARDS	FUNCTIONAL WARDS	NO OF NON-FUNCTIONAL WARDS	NON-FUNCTIONAL WARDS
KwaDukuza	29	10	1, 2, 7, 19, 23, 26 & 29, 11	19	3, 4, 5, 6, 8, 10, 12, 14, 15, 16, 17, 18, 20, 21, 22, 24, 25, 27 & 28
Percentage of functional wards	28%				
Percentage of nonfunctional wards	67%				

SECOND QUARTER FUNCTIONALITY RESULTS OF 2020/2021 FINANCIAL YEAR

NAME OF MUNICIPALITY	NUMBER OF WARDS	NUMBER OF FUNCTIONAL WARDS	FUNCTIONAL WARDS	NO OF NON-FUNCTIONAL WARDS
KwaDukuza	29	3	8, 13 & 27	26
Percentage of functional wards	10%			
Percentage of non-functional wards	90%			

		WARDS		WARDS
KwaDukuza	29	3	8, 13 & 27	26
Percentage of functional wards	10%			
Percentage of non-functional wards	90%			

APPENDIX F: WARD INFORMATION ...continued

PUBLIC PARTICIPATION ...continued

1. PROGRESS ON FUNCTIONALITY OF WARD COMMITTEES AS AT END OF 2020/2021 FINANCIAL YEAR: ...continued

THIRD QUARTER FUNCTIONALITY RESULTS OF 2020/2021 FINANCIAL YEAR

NAME OF MUNICIPALITY	NUMBER OF WARDS	NUMBER OF FUNCTIONAL WARDS	FUNCTIONAL WARDS	NO OF NON-FUNCTIONAL WARDS	NON-FUNCTIONAL WARDS
KwaDukuza	29	9	1, 2, 7, 9, 13, 19, 23, 26 & 29	20	3, 4, 5, 6, 8, 10, 11, 12, 14, 15, 16, 17, 18, 20, 21, 22, 24, 25, 27 & 28
Percentage of functional wards	31%				
Percentage of non-functional wards	69%				

FOURTH QUARTER FUNCTIONALITY RESULTS OF 2020/2021 FINANCIAL YEAR

NAME OF MUNICIPALITY	NUMBER OF WARDS	NUMBER OF FUNCTIONAL WARDS	FUNCTIONAL WARDS	NO OF NON-FUNCTIONAL WARDS	NON-FUNCTIONAL WARDS
KwaDukuza	29	10	1, 2, 7, 9, 13, 19, 23, 26 & 29, 11	19	3, 4, 5, 6, 8, 10, 11, 12, 14, 15, 16, 17, 18, 20, 21, 22, 24, 25, 27 & 28
Percentage of functional wards	32%				
Percentage of non-functional wards	70%				

APPENDIX G: RECOMMENDATIONS OF MUNICIPAL AUDIT COMMITTEE

RECOMMENDATIONS

- ♦ **Consequence Management** – The Audit Committee has expressed concerns over instances where there were repeat audit findings, non- submission of information and audit evidence especially in relation to performance management. It seems that performance and internal audit are not prioritised by some of the departments. This must be urgently addressed, and Council must involve itself in ensuring that stringent measures such as consequence management are implemented, so that compliance is adhered to.
- ♦ **Consequence Management Policy** – in the absence of consequence management for repeat transgression and non-compliance, a policy was developed and was adopted by Council. It is therefore recommended that this policy is consistently implemented by management and council to assist in the addressing matters of non-adherence to policies and applicable laws and regulations.
- ♦ **Compliance** – Audit Committee recommends that compliance is a standing item for MANCO and Portfolio Committee meetings and that a senior manager be made responsible for compliance across the municipality.
- ♦ **Irregular Expenditure** – Council is urged to take action in addressing the incurrence of irregular expenditure and implement consequence management, where necessary. Internal Audit Department – The Internal Audit Department has been strained in terms of resources, which has impacted the completion of the approved annual audit plan. Management must prioritise the filling of the vacancies within the Internal Audit Unit.
- ♦ **Risk Management** – Council and management to exercise oversight over the implementation of risk action plans.
- ♦ **IT Risk management** – Audit Committee noted with concern the challenges experienced around the IT environment (especially with COVID-19 restrictions and lockdown) and recommends that the action plan and IT risk register be a standing item for MANCO.
- ♦ **Business Continuity and Disaster Recovery** – it was noted that the municipality prepared the COVID-19 Risk register and implemented strategies to deal with COVID-19 during the lockdown. It is recommended that risk adjusted plans (including Disaster Recovery and Business Continuity) are revisited from time to time to evaluate the municipality's exposure.

APPENDIX H: LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIP

TENDER NO.	DESCRIPTION	CLOSING DATE	AWARD DATE	
MN 171/2019	SUPPLY AND DELIVERY OF 315 KVA & 500 KVA (11kV/420V) MINIATURE-SUBSTATIONS, POLE MOUNTED TRANSFORMERS AND LOW VOLTAGE DISTRIBUTION PILLAR BOXES / KIOSKS & MV EQUIPMENT FOR A PERIOD OF THREE (3) YEARS	16/03/2020	24/08/2020	
MN 147/2018	THE CUTTING OF GRASS AND LITTER PICKING WITHIN THE ROAD RESERVES FOR A PERIOD OF THIRTY SIX MONTHS: ZONE 15	24/03/2019	11/03/2020	
MN 149/2018	THE CUTTING OF GRASS AND LITTER PICKING WITHIN THE ROAD RESERVES FOR A PERIOD OF THIRTY SIX MONTHS: ZONE 16.2 (WARD 22)	24/03/2019	11/03/2020	
MN 184/2019	MN 184/2019: THE CUTTING OF GRASS AND LITTER PICKING WITHIN THE ROAD RESERVES FOR A PERIOD OF THIRTY SIX MONTHS: ZONE 10 (WARD 14 & 24)	24/03/2019	11/03/2020	
MN 172/2019	SUPPLY AND DELIVERY OF STREET LIGHTS LUMINAIRES AND ASSOCIATED EQUIPMENT FOR A PERIOD OF THREE (3) YEARS	23/03/2020	13/08/2020	
MN 229/2019	THREE-YEAR LEASE FOR THE SUPPLY, DELIVERY, INSTALLATION AND MAINTENANCE OF TWO PLOTTERS OR BUILDING PLAN MACHINES	07/09/2020	14/09/2020	
MN 211/2019	PROVISION OF OUTDOOR ADVERTISING SERVICES – STREET LAMP POLE ADVERTISING FOR KWADUKUZA MUNICIPALITY FOR A THREE (3) YEAR PERIOD tender number	10/06/2020	28/09/2020	
MN 51/ 2019	TENDER NO. – PANEL OF CONTRACTORS FOR THE REPAIRS, MAINTENANCE AND REFURBISHMENT OF MV/LV INFRASTRUCTURE EQUIPMENT DURING AND AFTER NORMAL WORKING HOURS FOR A PERIOD OF THREE (3) YEARS	24/01/2020	19/10/2020	
MN266/2019	PANEL OF CONTRACTORS FOR SUPPLY AND INSTALL OF HIGH MASTS AND STREET LIGHTING IN ALL CLUSTERS FOR A THREE (3) YEAR PERIOD	28/08/2020	19/10/2020	
MN 12/2018	THE CUTTING OF GRASS AND LITTER PICKING WITHIN THE ROAD RESERVES FOR A PERIOD OF THIRTY SIX MONTHS: ZONE 1 (WARD 1, 3, 25, 27)	19/03/2019	20/11/2020	
MN 140/2018	THE CUTTING OF GRASS AND LITTER PICKING WITHIN THE ROAD RESERVES FOR A PERIOD OF THIRTY SIX MONTHS: ZONE 3 (WARD 4,6 & 21) be awarded to BIDDER 56:	19/03/2019	20/11/2020	
MN 150/2018	THE CUTTING OF GRASS AND LITTER PICKING WITHIN THE KWADUKUZA MUNICIPALITY: ZONE 7.2 (WARD 11)	19/03/2020	20/11/2020	
MN 187/2019	THE CUTTING OF GRASS AND LITTER PICKING WITHIN THE ROAD RESERVES FOR A PERIOD OF THIRTY SIX MONTHS: ZONE 12.2 (WARD 16)	19/03/2021	20/11/2022	
MN 190/2019	THE CUTTING OF GRASS AND LITTER PICKING WITHIN THE KWADUKUZA MUNICIPALITY: ZONE 13.2 (WARD 17)	19/03/2020	20/11/2020	
MN 171/2019	SUPPLY AND DELIVERY OF 315 kVA & 500 kVA (11 kV/420V) MINIATURE-SUBSTATIONS, POLE MOUNTED TRANSFORMERS AND LOW VOLTAGE DISTRIBUTION PILLAR BOXES / KIOSKS & MV EQUIPMENT FOR A PERIOD OF THREE (3) YEARS.		23/11/2020	
MN 179/2019	THE CUTTING OF GRASS AND LITTER PICKING WITHIN THE ROAD RESERVES FOR A PERIOD OF THIRTY SIX MONTHS: ZONE 4 (WARD 5)	19/03/2019	09/12/2020	

	SUCCESSFUL BIDDER	PREFERENTIAL POINTS	AMOUNT IN RANDS	REASON FOR AWARD	DEPARTMENT
	BEST GUYS CONTRACTORS CC WORTH KINGS TRADING CC T/A XXX ELECTRICAL, LUCY ELECTRIC SOUTH AFRICA (PTY) LTD READY TO TRADE CC T/A YEBO YS PROJECTS		RATES	THEY HAVE SCORED THE HIGHEST NUMBER OF EVALUATION POINTS	ELECTRICAL ENGINEERING SERVICES
	NJOMCO FOODS (PTY) LTD	100	RATES	THEY HAVE SCORED THE HIGHEST NUMBER OF EVALUATION POINTS	COMMUNITY SERVICES
	SNETHEMBA TRADING ENTERPRISE	100	RATES	THEY HAVE SCORED THE HIGHEST NUMBER OF EVALUATION POINTS	COMMUNITY SERVICES
	ZAMA ZAMA KONKE TRADING AND PROJECTS	100	RATES	THEY HAVE SCORED THE HIGHEST NUMBER OF EVALUATION POINTS	COMMUNITY SERVICES
	P H MARKETING, ARB ELECTRICAL WHOLESALERS (PTY) LTD,	100	RATES	THEY HAVE SCORED THE HIGHEST NUMBER OF EVALUATION POINTS	COMMUNITY SERVICES
	MOTSWAKO OFFICE AUTOMATION (PTY) LTD	100	RATES	TRANSVERSAL CONTRACT	ECONOMIC DEVELOPMENT AND PLANNING SERVICES
	MASAKHE MEDIA (PTY) LTD	100	R 4 111 020,00	THEY HAVE SCORED THE HIGHEST NUMBER OF EVALUATION POINTS	COMMUNITY SERVICES
	BEST GUYS CONTRACTORS CC, WORTH KING TRADING T/A XXX ELECTRICAL and SHANTIS ELECTRICAL (PTY) LTD		Rates	THEY HAVE SCORED THE HIGHEST NUMBER OF EVALUATION POINTS	ELECTRICAL ENGINEERING SERVICES
	Yebo Yes Projects Worth Kings CC t/a XXX Electrical Ampcor Logistics Best Guy Contractors Isizwe Electropak Arc Electrical		Rates		
	UKHOZI DISTRIBUTORS CC	100	RATES	THEY HAVE SCORED THE HIGHEST NUMBER OF EVALUATION POINTS	COMMUNITY SERVICES
	NJANDUZWE TRADING CC	100	RATES	THEY HAVE SCORED THE HIGHEST NUMBER OF EVALUATION POINTS	COMMUNITY SERVICES
	INGUDLE CONSTRUCTION AND MAINTENANCE (PTY) LTD	100	RATES	THEY HAVE SCORED THE HIGHEST NUMBER OF EVALUATION POINTS	COMMUNITY SERVICES
	DUKUZA TREE FELLING AND GENERAL TRADING	100	RATES	THEY HAVE SCORED THE HIGHEST NUMBER OF EVALUATION POINTS	COMMUNITY SERVICES
	PLANTS UNLIMITED CC	100	RATES	THEY HAVE SCORED THE HIGHEST NUMBER OF EVALUATION POINTS	COMMUNITY SERVICES
	Best Guys Contractors cc Worth Kings Trading cc Lucy Electric South Africa (Pty) Ltd Yebo Ys Projects Jocastro (Pty) Ltd	100	RATES	THEY HAVE SCORED THE HIGHEST NUMBER OF EVALUATION POINTS	ELECTRICAL ENGINEERING SERVICES
	Plants Unlimited cc	100	RATES	THEY HAVE SCORED THE HIGHEST NUMBER OF EVALUATION POINTS	COMMUNITY SERVICES

APPENDIX H: LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIP ...continued

TENDER NO.	DESCRIPTION	CLOSING DATE	AWARD DATE	
MN 180/2019	THE CUTTING OF GRASS AND LITTER PICKING WITHIN THE ROAD RESERVES FOR A PERIOD OF THIRTY SIX MONTHS: ZONE 5 (WARD 7, 8 & 9)	19/03/2019	09/12/2020	
MN 189/2019	THE CUTTING OF GRASS AND LITTER PICKING WITHIN THE KWADUKUZA MUNICIPALITY FOR A PERIOD OF THREE YEARS: ZONE 13.1 (WARD 17)	19/03/2019	19/04/2021	
MN 183/2019	THE CUTTING OF GRASS AND LITTER PICKING WITHIN THE ROAD RESERVES FOR A PERIOD OF THIRTY SIX MONTHS: ZONE 9 (WARD 13 & 26)	19/03/2019	19/04/2021	
MN 02/2020	SUPPLY AND DELIVERY OF ENGINEERING EQUIPMENT	23/12/2020	19/04/2021	
MN 90/2020	- SUPPLY AND DELIVERY OF MAXIMUM DEMAND AND CONVENTIONAL ELECTRICITY METERS AS AND WHEN REQUIRED FOR A PERIOD THREE (3) YEARS	12/03/2021	19/04/2021	
MN 92/2020	- REPLACEMENT, REFURBISHMENT AND UPGRADE OF PROTECTION RELAYS ON 33 KV AND 11 KV NETWORK AS AND WHEN REQUIRED FOR A PERIOD OF THREE (3) YEARS to S	05/03/2021	03/05/2021	
MN 51/ 2019	TENDER NUMBER – PANEL OF CONTRACTORS FOR THE REPAIRS, MAINTENANCE AND REFURBISHMENT OF MV/LV INFRASTRUCTURE EQUIPMENT DURING AND AFTER NORMAL WORKING HOURS FOR A PERIOD OF THREE (3) YEARS	24/01/2021	10/05/2021	
MN 146/2018	THE CUTTING OF GRASS AND LITTER PICKING WITHIN THE ROAD RESERVES FOR A PERIOD OF THIRTY-SIX MONTHS: ZONE 15.2 (WARD 19)	19/03/2019	10/05/2021	
MN 140/2020	SERVER INFRASTRUCTURE SUPPLY DELIVER AND INSTALL WHICH INCLUDES SERVER AND NETWORK SUPPORT AND MAINTENANCE FOR 36 MONTHS be awarded to	29/03/2021	10/05/2021	
MN 141/2020	SUPPLY AND DELIVERY OF ICT EQUIPMENT FOR A PERIOD OF 24 MONTHS be awarded to	29/03/2021	10/05/2021	
MN 56/2020	PANEL OF CONTRACTORS FOR STORMWATER IMPROVEMENT FOR A PERIOD OF 3 YEARS	08/02/2021	24/05/2021	
MN 91/2020	PANEL OF CONTRACTORS FOR THE DISCONNECTION, RECONNECTION AND AUDITING OF ELECTRICITY SERVICES INCLUDING TID ROLLOVER IMPLEMENTATION AS AND WHEN REQUIRED FOR A PERIOD THREE (3) YEARS	10/05/2021	21/06/2021	

	SUCCESSFUL BIDDER	PREFERENTIAL POINTS	AMOUNT IN RANDS	REASON FOR AWARD	DEPARTMENT
	Bigmow Gardens Maintenance cc	100	RATES	THEY HAVE SCORED THE HIGHEST NUMBER OF EVALUATION POINTS	COMMUNITY SERVICES
	CLAVIC INVESTMENTS (PTY) LTD	100	RATES	THEY HAVE SCORED THE HIGHEST NUMBER OF EVALUATION POINTS	COMMUNITY SERVICES
	ATREB TRADING CC	100	RATES	THEY HAVE SCORED THE HIGHEST NUMBER OF EVALUATION POINTS	COMMUNITY SERVICES
	MVELASE INVESTMENT SA	100	R 669 710,00	THEY HAVE SCORED THE HIGHEST NUMBER OF EVALUATION POINTS	CIVIL ENGINEERING SERVICES
	LANDIS + GYR (PTY) LTD	100	RATES	THEY HAVE SCORED THE HIGHEST NUMBER OF EVALUATION POINTS	ELECTRICAL ENGINEERING SERVICES
	YEBO YS PROJECT	100	RATES	THEY HAVE SCORED THE HIGHEST NUMBER OF EVALUATION POINTS	COMMUNITY SERVICES
	CAPITAL POWER PROJECTS		RATES	THEY HAVE SCORED THE HIGHEST NUMBER OF EVALUATION POINTS	ELECTRICAL ENGINEERING SERVICES
	NDONGA CONTRACTORS CC	100		THEY HAVE SCORED THE HIGHEST NUMBER OF EVALUATION POINTS	ECONOMIC DEVELOPMENT & PLANNING SERVICES
	EOH MTHOMBO	100	RATES	THEY HAVE SCORED THE HIGHEST NUMBER OF EVALUATION POINTS	CORPORATE SERVICES
	DATACENTRIX (PTY) LTD	100	RATES	THEY HAVE SCORED THE HIGHEST NUMBER OF EVALUATION POINTS	CORPORATE SERVICES
	ROADLOGIC CIVILS KUHLE KONKE EMSENI TRADING AND PROJECTS			THEY HAVE SCORED THE HIGHEST NUMBER OF EVALUATION POINTS	CIVIL ENGINEERING SERVICES
	Worth Kings Trading Capital Power Projects	100	RATES	THEY HAVE SCORED THE HIGHEST NUMBER OF EVALUATION POINTS	ECONOMIC DEVELOPMENT & PLANNING SERVICES

APPENDIX I: SERVICE PROVIDER PERFORMANCE SCHEDULE

The monitoring of the service provider performance is ensured through the signing of the Service Level Agreement. It is currently being done by user department levels. The end user department is providing monthly reports to the SCM unit as well. Service providers who fail to perform are reported to SCM and the necessary action is taken including the termination of the contract or cancellation of an order. The following are the service providers engaged in each business unit during the 2020/2021 financial year.

ASSESSMENT KEY	
Good (G)	The service has been provided at acceptable standards and within the time frames stipulated in the SLA/Contract
Satisfactory (S)	The service has been provided at acceptable standards and outside of the timeframes stipulated in the SLA/Contract
Poor (P)	The service has been provided below acceptable standards

BID NUMBER	NAME OF EXTERNAL SERVICE PROVIDER	DATE CONTRACT AWARDED	SERVICE PROVIDED IN TERMS OF THE SLA	VALUE OF PROJECT	
Mn 148/2019	Zamazama Konke Trading	12 August 2020	Grass Cutting	R130 823.84	
	Bongs Garden Services	Expired	Grass Cutting	R131 352.40	
	Siyajabula Umhlaba Trading	Expired	Grass Cutting	R138 162.40	
140/2018	Njanduzwe Trading	26 November 2020	Grass Cutting	R149 089.20	
	Lamula & Benjamin Trading	Expired	Grass Cutting	R82 950.40	
Mn180/2019	Bigmow Garden Services	14 December 2020	Grass Cutting	R172 80.120	
Mn 181/2019	Mbuyazi Partners	19 May 2020	Grass Cutting	R127 534.46	
Mn 182/2019	Bne General Trading	17 May 2021	Grass Cutting	R129 276.76	
Mn 150/2018	Ingudle Construction & Main.	26 November 2020	Grass Cutting	R131 006.00	
Mn 183/2019	Atreb Trading	4 May 2021	Grass Cutting	R97 848.24	
Mn 145/2018	Roadlogic Civils	19 May 2020	Grass Cutting	R112 984.34	
Mn 185/2019	Ukuza Kwendoda Constr.	19 May 2020	Grass Cutting	R143 551.20	
	Sbusahle Trading	Expired	Grass Cutting	R95 799.60	
Mn 187/2019	Dukuza Tree Felling & Gen.	26 November 2020	Grass Cutting	R94 995.03	
	Tjdk Trading	Expired	Grass Cutting	R98 088.00	
Mn 189/2019	Clavic Invest.	4 May 2021	Grass Cutting	R82 418.56	
Mn 190/2019	Plants Unlimited	26 November 2020	Grass Cutting	R59 015.19	
Mn 144/2018	Usiko Holding	19 May 2020	Grass Cutting	R93 449.60	
Mn 146/2018	Ndonga Contractors	14 May 2021	Grass Cutting	R100 133.20	
Mn 147/2018	Njomco Foods	12 August 2020	Grass Cutting	R96 472.40	
Mn 148/2018	Mavali Makhuzeni	19 May 2020	Grass Cutting	R118 662.40	
Mn 149/2018	Sinethemba	25 August 2020	Grass Cutting	R110 926.70	
Mn 169/2019	Uweile (Pty) Ltd	30 July 2020	Refurbishment Of Kwadukuza Town Hall	R412 406.50	
Mn170/2019	Mvelarse Trading (Pty) Ltd	01 July 2020	Refurbishment Of Ethembeni Community Hall	R477 895.50	
Mn117/2019	Blue Eyez Protection Services	25/11/2019	The Construction Of A Drop Off Centre – Phase 3: Premix Of All Surfaces & Installation Of A Weighbridge	R2 019 066.50	
Mn 221/2019	Ukhozi Distributors	18 September 2020	Construction Of Ward 28 Crèche	R1 653 436.40	

APPENDIX I: SERVICE PROVIDER PERFORMANCE SCHEDULE ...continued

BID NUMBER	NAME OF EXTERNAL SERVICE PROVIDER	DATE CONTRACT AWARDED	SERVICE PROVIDED IN TERMS OF THE SLA	VALUE OF PROJECT	
Mn194/2019	Eswazi Projects (Pty) Ltd	13 May 2020	Construction Of Ward 10 Sport Field And Combo Court Ablution Facility	R759 823.13	
Mn195/20219	Onombuthu (Pty) Ltd	13 May 2020	Construction Of Ward 13 Combo Court Ablution Facility	R710 409.15	
Mn222/2019	Mvelarse Trading (Pty) Ltd	20 July 2020	KwaDukuza Crematorium Development In Ward 5	R597 085.50	
Mn 223/2019	Makhadamas Trading Enterprise	20 July 2020	Construction Of Combo Court In Ward 26	R770 042.90	
Mn 201/2019	Mandosi Cleaning Services Cc	11/08/2020	Blythedale Beach Caravan Park Upgrade	R 1 009 130,18	
Mn132/2018	Edge To Edge 1154cc	18 September 2018	Rehabilitation Of Roads	Panel - No Fixed Amount	
Mn132/2018	Clive Transport	18 September 2018	Rehabilitation Of Roads	Panel - No Fixed Amount	
mn132/2018	jamjo civils	18 September 2018	rehabilitation of roads	PANEL - no fixed amount	
mn132/2018	Benjivert	11 October 2021	rehabilitation of roads	PANEL - no fixed amount	
mn132/2018	vmt civils	11 October 2021	rehabilitation of roads	PANEL - no fixed amount	
mn132/2018	tongaat asphalt	11 October 2021	rehabilitation of roads	PANEL - no fixed amount	
mn132/2018	edge to edge 1154cc	18 September 2018	rehabilitation of roads	PANEL - no fixed amount	
mn132/2018	clive transport	18 September 2018	rehabilitation of roads	PANEL - no fixed amount	
	kzn sharks board		provision of sharks net and drumlines at kwadukuza beaches		
mn 19/2017	pro secure (pty) ltd	2017/07/01	provision of security service		
mn 125/2019	fidelity cash solutions (pty) ltd	2020/07/01	provision of cash-in-transit services		
mn 207/2019	fg uniforms cc	20/07/2020	supply and delivery of fire and emergency services uniforms for three years		
mn 207/2019	3d sensation trading (pty) ltd	21/07/2020	supply and delivery of fire and emergency services uniforms for three years		

Table 70: Performance of Service Providers

	COMPARISON WITH PREVIOUS YEAR 2019/2020		CURRENT FINANCIAL YEAR 2020/2021		ASSESSMENT OF SERVICE PROVIDERS PERFORMANCE (PLEASE MARK WITH AN X)		
	TARGET	ACTUAL	TARGET	ACTUAL	G	S	P
	N/A	N/A	Completion Certificate	Completion Certificate		X	
	N/A	N/A	Completion Certificate	Completion Certificate		X	
	N/A	N/A	Completion Certificate	Completion Certificate		X	
	N/A	N/A	Completion	Target Not Met Contract Terminated			X
	N/A	N/A	Completion Certificate	Completion Certificate	X		
	Rehabilitation Of Roads	Rehabilitation Of Roads	Rehabilitation Of Roads	Rehabilitation Of Roads	X		
	Rehabilitation Of Roads	Rehabilitation Of Roads	Rehabilitation Of Roads	Rehabilitation Of Roads	X		
	REHABILITATION OF ROADS	REHABILITATION OF ROADS	REHABILITATION OF ROADS	REHABILITATION OF ROADS	X		
	REHABILITATION OF ROADS	REHABILITATION OF ROADS	REHABILITATION OF ROADS	REHABILITATION OF ROADS	X		
	REHABILITATION OF ROADS	REHABILITATION OF ROADS	REHABILITATION OF ROADS	REHABILITATION OF ROADS	X		
	REHABILITATION OF ROADS	REHABILITATION OF ROADS	REHABILITATION OF ROADS	REHABILITATION OF ROADS	X		
	REHABILITATION OF ROADS	REHABILITATION OF ROADS	REHABILITATION OF ROADS	REHABILITATION OF ROADS	X		
	REHABILITATION OF ROADS	REHABILITATION OF ROADS	REHABILITATION OF ROADS	REHABILITATION OF ROADS	X		
	R4 396 444.00	R3 140 890	R4 355 370.00	R4 355 368.80	X		
	R8 085 500 (Electrical)	R7 512 350.62 (Electrical)	R5 802 544.00 (Electrical)	R5 751 336.90 (Electrical)	X		
	R15 012 000.00 (Community Safety)	R14 947 717.16 (Community Safety)	R23 841 359.00 (Community Safety)	R20 659 707.90 (Community Safety)	X		
	N/A	N/A		R274 568.00	X		
	N/A	N/A		R768 939.44	X		
	N/A	N/A		R1 096 526.81	X		

APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST

FINANCIAL DISCLOSURE FORM

I, the undersigned (surname and initials) **MDAKANE N.J** of KwaDukuza Municipality (Postal address) and 36 Parklane Lady Smith 3370(Residential address) employed as **Municipal Manger** at the **KwaDukuza Municipality** hereby certify that the following information is complete and correct to the best of my knowledge:

1. **Shares and other financial interests (Not bank accounts with financial institutions)**

See information sheet: Note (1)

Number of shares / extent of financial interest	Nature	Nominal value	Name of Company or entity
N/A	N/A	N/A	N/A

2. **Directorships and Partnerships**

See information sheet: Note (2)

Name of Corporate entity, partnership or firm	Type of business	Amount of Remuneration or Income
Mdakane Family Trust	Property	R0

3. **Remunerated work outside the Municipality (As sanctioned by Council)**

See information sheet: Note (3)

Name of Employer	Type of work	Amount of Remuneration or Income
N/A	N/A	N/A

Council sanction confirmed:

Signature of Mayor: _____



Date: 30 June 2020



APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST ...continued

4. Consultancies and retainerships

See information sheet: Note (4)

Name of client	Nature	Type of business activity	Value of benefits received
N/A			

5. Sponsorships

See information sheet: Note (5)

Source of sponsorship	Description of sponsorship	Value of sponsorship
N/A		

6. Gifts and hospitality from a source other than a family member


See information sheet: Note (6)

Description	Value	Source
N/A		

7. Land and property

See information sheet: Note (7)

Description	Extent	Area	Value
Flat	64m2	Pretoria	R550 000
House	70m2	Ladysmith	R600 000
House	100m2	Ladysmith	R900 000


SIGNATURE OF EMPLOYEE

DATE: 30 June 2020
PLACE: KwaDukuza




APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST ...continued

OATH/AFFIRMATION

1. I certify that before administering the oath/affirmation I asked the deponent the following questions and wrote down her/his answers in his/her presence:

(i) Do you know and understand the contents of the declaration?

Answer YES

(ii) Do you have any objection to taking the prescribed oath or affirmation?

Answer No

(iii) Do you consider the prescribed oath or affirmation to be binding on your conscience?

Answer YES

2. I certify that the deponent has acknowledged that she/he knows and understands the contents of this declaration. The deponent utters the following words: "I swear that the contents of this declaration are true, so help me God." / "I truly affirm that the contents of the declaration are true".

The signature/mark of the deponent is affixed to the declaration in my presence.

[Signature]
Commissioner of Oath /Justice of the Peace

Full first names and surname: LESLIE HANCOCK (Block letters)

Designation (rank): EMF Ex Officio Republic of South Africa

Street address of institution: INDUSTRIAL CENTRE, JAVUTHELE EDINGENI, KWADUKUZA, 4450

Date: 2020/06/30

Place: KWADUKUZA



[Signature]
CONTENTS NOTED: Her Worship the Mayor

DATE: 30 June 2020

[Handwritten initials]
[Handwritten initials] L.R.

APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST ...continued

FINANCIAL DISCLOSURE FORM

I, the undersigned (surname and initials) RAJCOOMAR S M of 14 Rose Road, Stanger Manor, Stanger (Postal address) and 14 Rose Road, Stanger Manor, Stanger (Residential address) employed as Chief Financial Officer at the KwaDukuza

Municipality hereby certify that the following information is complete and correct to the best of my knowledge:

- Shares and other financial interests (Not bank accounts with financial institutions)

See information sheet: Note (1)

Number of shares / extent of financial interest (all balances as at 29 May 2015)	Nature	Nominal value	Name of Company or entity
710	Iron & Steel	Unlisted Investment	Alert Steel Holdings
386	Construction	Unlisted Investment	RBA Holdings Limited
33630	Pharmaceuticals	336	Nutritional Holdings Ltd
6100	Property REIT	13176	Balwin
10000	Resources	1000	Chrometco
7000	Retail	7700	Steinhoff
600	Mining	18	Wearne
20000	Electronics	Unlisted instrument	Zaptronix Ltd

- Directorships and Partnerships

See information sheet: Note (2)

Name of Corporate entity, partnership or firm	Type of business	Amount of Remuneration or Income
None		

- Remunerated work outside the Municipality (As sanctioned by Council)

See information sheet: Note (3)

Name of Employer	Type of work	Amount of Remuneration or Income
None		

Council sanction confirmed :

Handwritten signatures of council members, including initials 'NS', 'S', and a signature that appears to be 'S'.

APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST ...continued

Signature of Municipal Manager : _____ Date : _____

4. Consultancies and retainerships

See information sheet: Note (4)

Name of client	Nature	Type of business activity	Value of benefits received
None			

5. Sponsorships

See information sheet: Note (5)

Source of sponsorship	Description of sponsorship	Value of sponsorship
None		

6. Gifts and hospitality from a source other than a family member

See information sheet: Note (6)


Description	Value	Source
None		

7. Land and property

See information sheet: Note (7)

Description	Extent	Area	Value
FARM 2424 Portion 10	135 195 m2	Ward 27	R180 000.00
FARM Lot 57 No 6391 Por 1	2/3 portion	Ward 1	R560 000.00
House at 14 Rose Road, Stanger Manor	884 m2	Stanger Manor	R1 010 000.00
Flat 1802 John Ross House	107 m2	Durban	R500 000.00

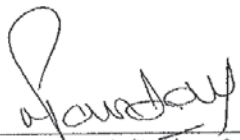
APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST ...continued


SIGNATURE OF EMPLOYEE
DATE: 2020 / 06 / 30
PLACE: KWADUKUZA

OATH/AFFIRMATION


1. I certify that before administering the oath/affirmation I asked the deponent the following questions and wrote down her/his answers in his/her presence:
 - (i) Do you know and understand the contents of the declaration?
Answer YES
 - (ii) Do you have any objection to taking the prescribed oath or affirmation?
Answer NO
 - (iii) Do you consider the prescribed oath or affirmation to be binding on your conscience?
Answer YES
2. I certify that the deponent has acknowledged that she/he knows and understands the contents of this declaration. The deponent utters the following words: "I swear that the contents of this declaration are true, so help me God." / "I truly affirm that the contents of the declaration are true".

The signature/mark of the deponent is affixed to the declaration by **NISHANA PANDAY**
B.A. LLB (NATAL)
COMMISSIONER OF OATHS
PRACTISING ATTORNEY, DIVORCE MEDIATOR
SUITE 1, PRITHVI CENTRE
131 MAHATMA GANDHI STREET
KWADUKUZA 4450
TEL: 032 551 1261/2 FAX: 032 551 1263
email: nishana@jpundit.co.za


Commissioner of Oath /Justice of the Peace

Full first names and surname: _____ (Block letters)
Designation (rank): _____ Ex Officio Republic of South Africa
Street address of institution: _____

Date: _____
Place: _____


CONTENTS NOTED: MUNICIPAL MANAGER

DATE: 30/06/2020



APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST ...continued

FINANCIAL DISCLOSURE FORM

I, the undersigned (surname and initials) **MANZINI AM** of **LOT 791 LA LUCIA EXTENSION 10**, (Postal address) and **LOT 791 LA LUCIA EXTENSION 10** (Residential address) employed as **Chief Operations Officer** at the **KwaDukuza Municipality** hereby certify that the following information is complete and correct to the best of my knowledge:

1. **Shares and other financial interests (Not bank accounts with financial institutions)**

See information sheet: Note (1)

Number of shares / extent of financial interest	Nature	Nominal value	Name of Company or entity
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A

2. **Directorships and Partnerships**

See information sheet: Note (2)

Name of Corporate entity, partnership or firm	Type of business	Amount of Remuneration or Income
MANZINI DRAYAGE & TRUCKING PTY LTD	LOGISTICS WAREHOUSING	R300 000
MANZINI TRYRES & WHEELS PTY LTD	AUTOMATIVE	0
MANZINI PROPERTIES	REAL ESTATES	0
MIGRO PTY LTD	HOLDING COMPANY	0

3. **Remunerated work outside the Municipality (As sanctioned by Council)**

See information sheet: Note (3)

Name of Employer	Type of work	Amount of Remuneration or Income
MANZINI DRAYAGE & TRUCKING PTY LTD	LOGISTICS WAREHOUSING	R300 000
MANZINI TRYRES & WHEELS PTY LTD	AUTOMATIVE	0
MANZINI PROPERTIES	REAL ESTATES	0
MIGRO PTY LTD	HOLDING COMPANY	0

Council sanction confirmed:

Signature of Municipal Manager:

Date: 30 June 2020

NS
Amun
L.R.

APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST ...continued

4. Consultancies and retainerships

See information sheet: Note (4)

Name of client	Nature	Type of business activity	Value of benefits received
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A

5. Sponsorships

See information sheet: Note (5)

Source of sponsorship	Description of sponsorship	Value of sponsorship
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A

6. Gifts and hospitality from a source other than a family member

See information sheet: Note (6)

Description	Value	Source
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A

7. Land and property

See information sheet: Note (7)

Description	Extent	Area	Value
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A


SIGNATURE OF EMPLOYEE

DATE: 30 June 2020

PLACE: KwaDukuza

NJ Amun
L.B.

APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST ...continued

OATH/AFFIRMATION

1. I certify that before administering the oath/affirmation I asked the deponent the following questions and wrote down her/his answers in his/her presence:

(i) Do you know and understand the contents of the declaration?

Answer Yes

(ii) Do you have any objection to taking the prescribed oath or affirmation?

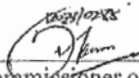
Answer No

(iii) Do you consider the prescribed oath or affirmation to be binding on your conscience?

Answer Yes

2. I certify that the deponent has acknowledged that she/he knows and understands the contents of this declaration. The deponent utters the following words: "I swear that the contents of this declaration are true, so help me God." / "I truly affirm that the contents of the declaration are true".

The signature/mark of the deponent is affixed to the declaration in my presence.



Commissioner of Oath /Justice of the Peace

Full first names and surname: LOGANATHAN BRAMMOY (Block letters)

Designation (rank): SUP Ex Officio Republic of South Africa

Street address of institution: 11 INDABA (DEPUTY) MUNICIPALITY BUILDING,

KWADUKUZA, 4450

Date: 2020/06/30

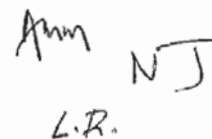
Place: KWADUKUZA

KWADUKUZA MUNICIPALITY MUNICIPAL SERVICES DIRECTORATE 2020-06-30 TRAFFIC AND PROTECTION SERVICES
--



CONTENTS NOTED; MUNICIPAL MANAGER

DATE: 30 June 2020


L.R.

APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST ...continued

FINANCIAL DISCLOSURE FORM

I, the undersigned (surname and initials) Sikhumbuzo Vincent Hlongwane of P.O Box 1583, Port Shepston 4240, (Postal address) and Unit No 9, Fernwood Estate Shelly Beach (Residential address) employed as Executive Director: Economic Development & Planning at the KwaDukuza Municipality hereby certify that the following information is complete and correct to the best of my knowledge:

1. Shares and other financial interests (Not bank accounts with financial institutions)

See information sheet: Note (1)

Number of shares / extent of financial interest	Nature	Nominal value	Name of Company or entity
100	Preference share	R2500	Sasol Inzalo
150	Preference share	R3000	MTN Zakhele Futhi

2. Directorships and Partnerships

See information sheet: Note (2)

Name of Corporate entity, partnership or firm	Type of business	Amount of Remuneration or Income
N/A		

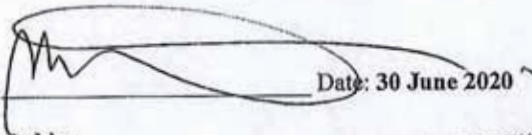
3. Remunerated work outside the Municipality (As sanctioned by Council)

See information sheet: Note (3)

Name of Employer	Type of work	Amount of Remuneration or Income
N/A		

Council sanction confirmed:

Signature of Municipal Manager:

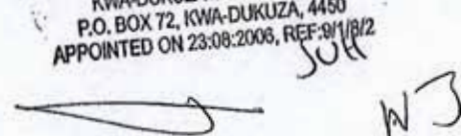


Date: 30 June 2020

4. Consultancies and retainerships

See information sheet: Note (4)

RAMNATH MAHABEER BAGWANDASS
 COMMISSIONER OF OATHS
 ASSISTANT DIRECTOR: HUMAN SETTLEMENT
 KWA-DUKUZA MUNICIPALITY
 P.O. BOX 72, KWA-DUKUZA, 4450
 APPOINTED ON 23:08:2008, REF:9/1/B/2



APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST ...continued

Name of client	Nature	Type of business activity	Value of benefits received
N/A			

5. Sponsorships

See information sheet: Note (5)

Source of sponsorship	Description of sponsorship	Value of sponsorship
N/A		

6. Gifts and hospitality from a source other than a family member


See information sheet: Note (6)

Description	Value	Source
N/A		

7. Land and property

See information sheet: Note (7)

Description	Extent	Area	Value
No 9 Fernwood Estate	422 Square metres	Shelly Beach	R2, 100 000
No 5 Sheffield Gardens,	Sectional Title Unit	Salt Rock	R 850 000


SIGNATURE OF EMPLOYEE

DATE: 30 June 2020

PLACE: KwaDukuza

RAMNATH MAHABEER BAGWANDASS
COMMISSIONER OF OATHS
ASSISTANT DIRECTOR: HUMAN SETTLEMENT
KWA-DUKUZA MUNICIPALITY
P.O. BOX 72, KWA-DUKUZA, 4450
APPOINTED ON 23:08:2006, REF:9/1/8/2

SMH

NJ



APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST ...continued

OATH/AFFIRMATION

1. I certify that before administering the oath/affirmation I asked the deponent the following questions and wrote down her/his answers in his/her presence:

(i) Do you know and understand the contents of the declaration?

Answer Yes

(ii) Do you have any objection to taking the prescribed oath or affirmation?

Answer No

(iii) Do you consider the prescribed oath or affirmation to be binding on your conscience?

Answer Yes

2. I certify that the deponent has acknowledged that she/he knows and understands the contents of this declaration. The deponent utters the following words: "I swear that the contents of this declaration are true, so help me God." / "I truly affirm that the contents of the declaration are true".

The signature/mark of the deponent is affixed to the declaration in my presence.

Commissioner of Oath / Justice of the Peace

Full first names and surname: RAMNATH MAHABEER BAKWANO (Block letters)

Designation (rank): ASSISTANT DIRECTOR Ex Officio Republic of South Africa

Street address of institution: 14 CHIEF ALBERT LUTHYU STREET
KWADUKUZA, 4450

Date: 30/06/2020

Place: KwADUKuZA

CONTENTS NOTED: MUNICIPAL MANAGER

DATE: 30 June 2020

NJ

APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST ...continued

FINANCIAL DISCLOSURE FORM

I, the undersigned (surname and initials) Jali S.M of
PO Box 954 BALLITO 4420
 (Postal address)
 and 3 OLD FIELD ROAD SALT ROCK UMHLALI 4391
 (Residential address)
 employed as **Executive Director: Electrical Services** at the KwaDukuza Municipality
 hereby certify that the following information is complete and correct to the best of my
 knowledge:

1. Shares and other financial interests (Not bank accounts with financial institutions)

See information sheet: Note (1)

Number of shares / extent of financial interest	Nature	Nominal value	Name of Company or entity
N/A			

2. Directorships and Partnerships *None*

See information sheet: Note (2)

Name of Corporate entity, partnership or firm	Type of business	Amount of Remuneration or Income
N/A		


3. Remunerated work outside the Municipality (As sanctioned by Council)

See information sheet: Note (3) *None*

Name of Employer	Type of work	Amount of Remuneration or Income
N/A		

Council sanction confirmed:

Signature of Municipal Manager:

 Date: 30 June 2020

*NJ
KSS*

APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST ...continued

4. Consultancies and retainerships

See information sheet: Note (4) *None*

Name of client	Nature	Type of business activity	Value of benefits received
<i>N/A</i>			

5. Sponsorships *None*

See information sheet: Note (5)

Source of sponsorship	Description of sponsorship	Value of sponsorship
<i>N/A</i>		

6. Gifts and hospitality from a source other than a family member

See information sheet: Note (6) *None*

Description	Value	Source
<i>N/A</i>		

7. Land and property

See information sheet: Note (7)

Description	Extent	Area	Value
<i>300FIELD ROAD</i>			<i>2 400 000</i>


SIGNATURE OF EMPLOYEE

DATE: 30 June 2020

PLACE: KwaDukuza

*NJ 8
50*

APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST ...continued

OATH/AFFIRMATION

1. I certify that before administering the oath/affirmation I asked the deponent the following questions and wrote down her/his answers in his/her presence:

(i) Do you know and understand the contents of the declaration?

Answer Yes

(ii) Do you have any objection to taking the prescribed oath or affirmation?

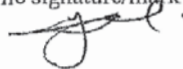

Answer No

(iii) Do you consider the prescribed oath or affirmation to be binding on your conscience?

Answer Yes

2. I certify that the deponent has acknowledged that she/he knows and understands the contents of this declaration. The deponent utters the following words: "I swear that the contents of this declaration are true, so help me God." / "I truly affirm that the contents of the declaration are true".

The signature/mark of the deponent is affixed to the declaration.

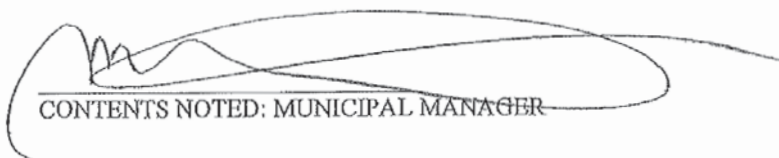



Commissioner of Oath /Justice of the Peace

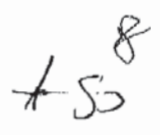


Full first names and surname: N. Memela (Block letters)
Designation (rank): SERGEANT Ex Officio Republic of South Africa
Street address of institution: R102 OLD MAIN RD, UMTSHALI

Date: 2020-06-25
Place: UMTHALI


CONTENTS NOTED: MUNICIPAL MANAGER

DATE: 30 June 2020



APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST ...continued

FINANCIAL DISCLOSURE FORM

I, the undersigned (surname and initials) Khanyile S.M of
P.O. BOX 251 MTUNZINI 3867
 (Postal address)
 and 1 WITPOER AVENUE MTUNZINI 3867
 (Residential address)
 employed as **Executive Director : Community Services and Public Amenities** at the **KwaDukuza Municipality** hereby certify that the following information is complete and correct to the best of my knowledge:

- Shares and other financial interests (Not bank accounts with financial institutions)

See information sheet: Note (1)

Number of shares / extent of financial interest	Nature	Nominal value	Name of Company or entity
100%		100%	SMK GROUP

- Directorships and Partnerships

See information sheet: Note (2)

Name of Corporate entity, partnership or firm	Type of business	Amount of Remuneration or Income
SMK EMPIRE GROUP	STONE FARMING	


- Remunerated work outside the Municipality (As sanctioned by Council)

See information sheet: Note (3)

Name of Employer	Type of work	Amount of Remuneration or Income

Council sanction confirmed :

Signature of Municipal Manager :

 Date: 30 June 2020

NCD &
NJ SMK

APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST ...continued

4. Consultancies and retainerships

See information sheet: Note (4)

Name of client	Nature	Type of business activity	Value of benefits received
NONE	NONE	NONE	NONE

5. Sponsorships

See information sheet: Note (5)

Source of sponsorship	Description of sponsorship	Value of sponsorship
NONE	NONE	N/A

6. Gifts and hospitality from a source other than a family member


See information sheet: Note (6)

Description	Value	Source
NONE	NONE	NA

7. Land and property

See information sheet: Note (7)

Description	Extent	Area	Value
2 WITPAC R. 11000000	1400	MTHUNZINI	2500,000
56 GINEPHELA TOWN WAST	1209	HILLCLIFF	2500000


SIGNATURE OF EMPLOYEE

DATE: 30 June 2020

PLACE: KwaDukuza

NJP
SMK

APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST ...continued

OATH/AFFIRMATION

1. I certify that before administering the oath/affirmation I asked the deponent the following questions and wrote down her/his answers in his/her presence:

(i) Do you know and understand the contents of the declaration?

Answer Yes

(ii) Do you have any objection to taking the prescribed oath or affirmation?


Answer Yes

(iii) Do you consider the prescribed oath or affirmation to be binding on your conscience?

Answer Yes

2. I certify that the deponent has acknowledged that she/he knows and understands the contents of this declaration. The deponent utters the following words: "I swear that the contents of this declaration are true, so help me God." / "I truly affirm that the contents of the declaration are true".

The signature/mark of the deponent is affixed to the declaration in my presence.




Commissioner of Oath / Justice of the Peace.

Full first names and surname: WILLIAM MTHANDENI MKHIZE (Block letters)
Designation (rank): EX-OFFICIO Ex Officio Republic of South Africa
Street address of institution: WILLIAM MTHANDENI MKHIZE

Date: 1
Place: _____

WILLIAM MTHANDENI MKHIZE HR ADMINISTRATION OFFICER KWADUKUZA MUNICIPALITY COMMISSIONER OF OATHS (EX-OFFICIO) TEL: 032 437 5145 CELL: 083 562 9638



CONTENTS NOTED: MUNICIPAL MANAGER

DATE: 30 June 2020

NCD
NJ
SME

APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST ...continued

FINANCIAL DISCLOSURE FORM

I, the undersigned (surname and initials) S.W. Kobheka
of Box 2781 (Postal address) and
Kwadukuza 4450 (Residential address)
employed as Executive Director at the Kwadukuza

Municipality hereby certify that the following information is complete and correct to the best of my knowledge:

1. Shares and other financial interests (Not bank accounts with financial institutions)

See information sheet: Note (1)

Number of shares / extent of financial interest	Nature	Nominal value	Name of Company or entity
340	-	-	Santam Limited

2. Directorships and Partnerships

See information sheet: Note (2)

Name of Corporate entity, partnership or firm	Type of business	Amount of Remuneration or Income
	N/A	

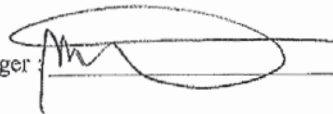
3. Remunerated work outside the Municipality (As sanctioned by Council)

See information sheet: Note (3)

Name of Employer	Type of work	Amount of Remuneration or Income
	N/A	

Council sanction confirmed :

Signature of Municipal Manager :



Date : 30 June 2020

Handwritten initials and signature: W.M. N.J. S.W.C.

APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST ...continued

4. Consultancies and retainerships

See information sheet: Note (4)

Name of client	Nature	Type of business activity	Value of benefits received
		N/A	

5. Sponsorships

See information sheet: Note (5)

Source of sponsorship	Description of sponsorship	Value of sponsorship
	N/A	

6. Gifts and hospitality from a source other than a family member

See information sheet: Note (6)

Description	Value	Source
	N/A	

7. Land and property

See information sheet: Note (7)

Description	Extent	Area	Value
410 Mala Rd (Dainell)	1100m ²		±R850 000
18 Lake Chad (Palm lakes)	80m ²		±R2500 000


SIGNATURE OF EMPLOYEE

DATE: 30. 06. 2020

PLACE: Kwadukuzi

NJ
wv
SUK

APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST ...continued

OATH/AFFIRMATION

1. I certify that before administering the oath/affirmation I asked the deponent the following questions and wrote down her/his answers in his/her presence:

(i) Do you know and understand the contents of the declaration?

Answer Yes

(ii) Do you have any objection to taking the prescribed oath or affirmation?

Answer No

(iii) Do you consider the prescribed oath or affirmation to be binding on your conscience?

Answer Yes

2. I certify that the deponent has acknowledged that she/he knows and understands the contents of this declaration. The deponent utters the following words: "I swear that the contents of this declaration are true, so help me God." / "I truly affirm that the contents of the declaration are true".

The signature/mark of the deponent is affixed to the declaration in my presence.

Commissioner of Oath / Justice of the Peace

WILLIAM MTHANDENI MKHIZE
HR ADMINISTRATION OFFICER
KWADUKUZA MUNICIPALITY
COMMISSIONER OF OATHS
(EX-OFFICIO)
TEL: 032 437 5145
CELL: 081 562 9638

Full first names and surname: WILLIAM MTHANDENI MKHIZE

Designation (rank): EX OFFICIO Ex Officio Republic of South Africa

Street address of institution: 14 CHIEF ALBERT WTHALI STREET
KWADUKUZA

Date: 30 June 2020

Place: Kwa Dukuza

CONTENTS NOTED: MUNICIPAL MANAGER

DATE: 30 June 2020

NJ
Swk

APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST ...continued

FINANCIAL DISCLOSURE FORM

I, the undersigned (surname and initials) **Sithole E.M.** of **7 Paul Street; Eshowe; 3815** (Residential address) employed as **Executive Director: Civil Engineering and Human Settlements** at the **KwaDukuza Municipality** hereby certify that the following information is complete and correct to the best of my knowledge:

1. Shares and other financial interests (Not bank accounts with financial Institutions)

See information sheet: Note (1)

Number of shares / extent of financial interest	Nature	Nominal value	Name of Company or entity
Trustee	Trust	N/A	Maphitha Trusts

2. Directorships and Partnerships

See information sheet: Note (2)

Name of Corporate entity, partnership or firm	Type of business	Amount of Remuneration or Income
Ivume Tent & Equipment Hire (PTY) Ltd	Hiring business	R 22 320,00 p.m.
Maphitha Transport & Tours	Taxis	R 58 660,00 p.m.
Siyaphambili Stokvel	Stokvel	R 4 600,00 p.m.

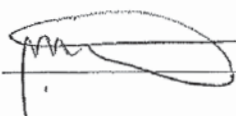
3. Remunerated work outside the Municipality (As sanctioned by Council)

See information sheet: Note (3)

Name of Employer	Type of work	Amount of Remuneration or Income
Ivume Tent & Equipment Hire (PTY) Ltd	Hiring business	R 22 320,00 p.m.
Maphitha Transport & Tours	Taxis	R 58 660,00 p.m.
Siyaphambili Stokvel	Stokvel	R 4 600,00 p.m.
JSE	Trading	R 18 750 p.m. (estimated)
Lives stock farming (Maphitha Brothers)	Goats & cattle farming	R 15 000 p.m. (estimated)

Council sanction confirmed :

Signature of Municipal Manager :

 Date : 30 June 2020

E.M.S.
NS Wm

APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST ...continued

4. Consultancies and retainerships

See information sheet: Note (4)

Name of client	Nature	Type of business activity	Value of benefits received

5. Sponsorships

See information sheet: Note (5)

Source of sponsorship	Description of sponsorship	Value of sponsorship
Christ Embassy(Loveworld Christian Networks)	Propagation of the gospel of our Lord Jesus Christ	R 15 000.0 p.m

6. Gifts and hospitality from a source other than a family member

See information sheet: Note (6)

Description	Value	Source

7. Land and property

See information sheet: Note (7)

Description	Extent	Area	Value

[Handwritten Signature]

SIGNATURE OF EMPLOYEE

DATE: 2020/06/30

[Handwritten initials] E.M.S
[Handwritten initials] W.M.

APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST ...continued

PLACE: _____

OATH/AFFIRMATION

1. I certify that before administering the oath/affirmation I asked the deponent the following questions and wrote down her/his answers in his/her presence:

(i) Do you know and understand the contents of the declaration?

Answer YES

(ii) Do you have any objection to taking the prescribed oath or affirmation?

Answer NO

(iii) Do you consider the prescribed oath or affirmation to be binding on your conscience?

Answer YES

2. I certify that the deponent has acknowledged that she/he knows and understands the contents of this declaration. The deponent utters the following words: "I swear that the contents of this declaration are true, so help me God." / "I truly affirm that the contents of the declaration are true".

The signature/mark of the deponent is affixed to the declaration in my presence.



Commissioner of Oath / Justice of the Peace

Full first names and surname: William Mthandeni Mkhize

Designation (rank): EX-OFFICIO

Ex Officio Republic of South Africa

<p>WILLIAM MTHANDENI MKHIZE HR ADMINISTRATION OFFICER KWADUKUZA MUNICIPALITY COMMISSIONER OF OATHS (EX-OFFICIO) TEL: (031) 267 1414 CELL: 083 562 9638</p>

Street address of institution: 14 CHIEF ALBERT WTHULI STREET


KWADUKUZA

Date: 25 JUNE 2020

Place: KwaDukuza

CONTENTS NOTED: MUNICIPAL MANAGER

DATE: 30 June 2020

 E.M.S
W.W.

APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST ...continued

FINANCIAL DISCLOSURE FORM

I, the undersigned Mr S.C Viramuthu of P.O.Box 1806, KwaDukuza, 4450, and 9 Van De Wagen Drive, Rocky Park, KwaDukuza, (Residential address) employed as, Executive Director: Community Safety at the KwaDukuza Municipality hereby certify that the following information is complete and correct to the best of my knowledge:

1. Shares and other financial interests (Not bank accounts with financial institutions)

See information sheet: Note (1)

Number of shares / extent of financial interest	Nature	Nominal value	Name of Company or entity
50	Shares		Sasol
100	Shares		PhutumaNathi

2. Directorships and Partnerships

See information sheet: Note (2)

Name of Corporate entity, partnership or firm	Type of business	Amount of Remuneration or Income
nil	nil	Nil

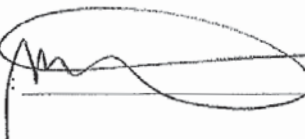
3. Remunerated work outside the Municipality (As sanctioned by Council)


See information sheet: Note (3)

Name of Employer	Type of work	Amount of Remuneration or Income
Nil		

Council sanction confirmed :

Signature of Municipal Manager :

 Date : 30 June 2020



APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST ...continued

4. Consultancies and retainerships

See information sheet: Note (4)

Name of client	Nature	Type of business activity	Value of benefits received
NIL			

5. Sponsorships

See information sheet: Note (5)

Source of sponsorship	Description of sponsorship	Value of sponsorship
Nil		

6. Gifts and hospitality from a source other than a family member

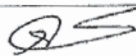
See information sheet: Note (6)

Description	Value	Source
Nil		

7. Land and property

See information sheet: Note (7)

Description	Extent	Area	Value
Erf 3272	900 sq m	Rocky Park	R900 000.00
Erf 5,	2111 sq m	Tinley Manor	R875 000.00
Flat 13 Palm Lakes	95 sq m	Palm Lakes	R780 000.00



SIGNATURE OF EMPLOYEE

DATE: 30 June 2020

PLACE: Kus Dubenes

NJ LR.

APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST ...continued

OATH/AFFIRMATION

1. I certify that before administering the oath/affirmation I asked the deponent the following questions and wrote down her/his answers in his/her presence:

(i) Do you know and understand the contents of the declaration?

Answer YES

(ii) Do you have any objection to taking the prescribed oath or affirmation?

Answer NO

(iii) Do you consider the prescribed oath or affirmation to be binding on your conscience?

Answer YES

2. I certify that the deponent has acknowledged that she/he knows and understands the contents of this declaration. The deponent utters the following words: "I swear that the contents of this declaration are true, so help me God." / "I truly affirm that the contents of the declaration are true".

The signature/mark of the deponent is affixed to the declaration in my presence.

Commissioner of Oath /Justice of the Peace

Full first names and surname: UGAATHAN PRASADHAR (Block letters)

Designation (rank): SUPA Ex Officio Republic of South Africa

Street address of institution: INDUSTRIAL COURT, MUNICIPALITY KWADUKUZA MUNICIPALITY

Kusukuma, 4150 MUNICIPAL SERVICES

Date: 30/06/20 DIRECTORATE

Place: Kusukuma

2020-06-30

CONTENTS NOTED: Municipal Manager

TRAFFIC AND PROTECTION SERVICES

DATE: 30-06-2020

NJ L.R.

APPENDIX K : REVENUE COLLECTION PERFORMANCE

Refer to AFS

APPENDIX K(1) : REVENUE COLLECTION BY VOTE

Refer to AFS

APPENDIX K(2): REVENUE COLLECTION BY SOURCE

Refer to AFS

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Refer to AFS

APPENDIX M(I): CAPITAL EXPENDITURE: NEW ASSETS PROGRAMME

Refer to AFS

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

PROJECTS IMPLEMENTATION PLAN (IDP): HUMAN SETTLEMENTS							
PROJECTS ID	PROJECT NAME	WARD	ESTIMATED COST 3 YEARS	2019/20 BUDGET	2020/21 BUDGET	2021/2022	STATUS
HS/0 01	Aldinville	10	R2 900 000	R2 900 000	R0		Only 34 house are remaining to be built
HS/0 02	Charlotdale	10/11	R8 565 000	R1000 000	R4 200 000		Project at Planning Stage
HS/0 03	Chris Hani	15	R54 234 532	R18 292 934.00	R24 466 799		Project at Construction Stage. Construction of Internal Services has started.
HS/0 04	Chief Albert Luthuli	9/11/12/14 & 26	R7 722 000	R	R7 722 000		Project awaiting Budget Approval for the remaining Houses.
HS/0 05	Driefontein Phase 1	21	R 730 735	R 6 474 800	R8 600 000		Project at Planning stage still have to obtain SPLUMA approval.
HS/0 06	Greater Driefontein Phase 2	21	R0	R0	R0		Project at initial Stage. Land Availability Agreement are concluded between KDM and Land Owners
HS/0 07	Dube Village	10/12	R0	R0	R0		Only few Sub- Divisions to be effected and transfers through Transfer Restoration Programme.
HS/0 08	Dube Village Extension Lot 173	10/12	R	R0	R0		This project is no longer there as this property has been incorporated under Charlotdale Housing Project.
HS/0 09	Ethafeni	12	R3 159 025	R3 159 025	R0		KZN DOHS have approved budget for transfers of properties through Transfer Restoration Programme. KDM is busy looking for budget that can be used to complete the incomplete houses.
HS/0 10	GP2 Etsheni/Njekane	11	R7 389 462	R0	R0		This development was blocked due to protest that took place within the ward. KDM is in a process of appointing a new contractor to complete the project.
HS/0 11	Etete Phase 4	7/20	R10 274 506	R 30 890 190	R18 362 501		The project is at site servicing and construction of houses stage, 113 houses completed.

APPENDIX M(II): CAPITAL EXPENDITURE - UPGRADE/RENEWAL PROGRAMME ...continued

PROJECTS IMPLEMENTATION PLAN (IDP): HUMAN SETTLEMENTS							
PROJECTS ID	PROJECT NAME	WARD	ESTIMATED COST 3 YEARS	2019/20 BUDGET	2020/21 BUDGET	2021/2022	STATUS
HS/0 12	Gaza Strip	5	R14 752 560	R0	R14 752 560		KZN DOHS has set aside a budget for the construction of houses aiming to relocate people who are residing at the dump site.
HS/0 13	Gledhow Compound	15	R1 663 000	R0	R0		This project is still at planning stage. It has encountered delays in dealing with the liquidators before a decision to expropriate taken.
HS/0 14	Hangoes	9	R0	R0	R0		Landowners of the Properties that were initially identified for the proposed development are not willing to release their land for the development.
HS/0 15	Hyde Park Country Estate	11	R8 198 500	R0	R3 600 000		The new IA has finalised the review of work done by the previous IA and found that all studies done are now invalid due to their time has lapsed.
HS/0 16	Kwatwele	3	R0	R0	R1 663 000. 00		This project is still at initial stage of planning. Awaiting land acquisition funding from KZN DOHS and Housing Development Agent.
HS/0 17	Lindelani 303 Sites	5	R0	R0	R0		Only few transfers are awaiting to be done before close out process can begin.
HS/0 18	Lindelani 272 Sites	5	R0	R0	R0		Rectification Programme has been phased out by KZN DOHS.
HS/0 19	Extension 36	5	R0	R0	R0		There two houses that were built on the Public Space that required rezoning before transfers can be done. This will be followed by Close-Out process.
HS/0 20	Extention 46	5	R0	R0	R0		Rectification Programme has been phased out by KZ

APPENDIX M(II): CAPITAL EXPENDITURE - UPGRADE/RENEWAL PROGRAMME ...continued

PROJECTS IMPLEMENTATION PLAN (IDP): HUMAN SETTLEMENTS							
PROJECTS ID	PROJECT NAME	WARD	ESTIMATED COST 3 YEARS	2019/20 BUDGET	2020/21 BUDGET	2021/2022	STATUS
HS/0 21	Lloyds	14	R82 323 858	R34 564 126	R18 292 934		Project at construction stage. Budget for internal services have been approved.
HS/0 22	Madundube	27	R6 998 500	R0	R2 400 000		Project at stage 1 close out, pre application for stage 2 submitted for comments to the KZNDOSH
HS/0 23	Mellowood Park	22	R6 236 000	R0	R1 637 500		Stage 1 application evaluation completed by KZNDOSH, more information is requested on the application pack
HS/0 24	Mbozamo	18	R1 580 000	R0	R0		Project rectification was approved for only 255 houses, the houses were completed in 2017/2018 financial year
HS/0 25	Mgigimbe	9	R12 726 750	R1 965 000	R2 200 000		Project at stage 1 close out, KZNDOSH to evaluate the stage 2 application pack submitted after closeout of stage 1
HS/0 26	Mnyundwini P5	9	R 1 490 000	R 549 000	R0		The IA has appointed the contractor to do 94 houses they will be establishing on site in September, the Spluma application was approved now awaiting for the ROD
HS/0 27	Monkey Town	17/18	R6 186 822.19	R0	R 1588 322.19		Stage 1 application pack has been submitted to KZN DOHS for consideration.
HS/0 28	Nkobongo P1	8	R0	R0	R0		Rectification Programme has been phased out by KZ
HS/0 29	Nkobongo P2	8/22	R0	R0	R0		Rectification Programme has been phased out by KZ
HS/0 30	Nonoti Mouth	3	R4 970 756.58	R0	R 372 256.58		The funding from the Inqaba Trust has been approved the Environmentalist will be preparing the documents required for the EIA application

APPENDIX M(II): CAPITAL EXPENDITURE - UPGRADE/RENEWAL PROGRAMME ...continued

PROJECTS IMPLEMENTATION PLAN (IDP): HUMAN SETTLEMENTS							
PROJECTS ID	PROJECT NAME	WARD	ESTIMATED COST 3 YEARS	2019/20 BUDGET	2020/21 BUDGET	2021/2022	STATUS
HS/0 31	Nyathikazi	3	R10 279 900	R0	R2 279 900		KZNDOSHS will present the stage 1 close out, evaluation of stage 2 application pack underway
HS/0 32	Ntshaweni	26	R82 323 858	R34 564 126	R18 292 934		Project is at site servicing and construction of houses stage. 10 units on wall plates level,
HS/0 33	Ohlange San Souci	25	R0	R0	R0		This project is still at initial stage of planning. Awaiting land acquisition funding from KZN DOHS and Housing Development Agent.
HS/0 34	Rocky Park	19	R27 821 000	R0	R5 400 000		The project was blocked on 2018/19 financial year, the stakeholders are have worked very hard to unblocked this financial year 19/20 the project has been unblocked and the construction will start the first part will be doing emergency work, funding has been approved and construction has started on site
HS/0 35	Sakhamkhan ya Phase 1	1	R107 712 115	R 26 993 820	R18 827 934		The project is at construction stage 350 units has been completed
HS/0 36	Senzangakho na	18	R0	R0	R0		The project constructed 46 units out of 62, 16 houses remaining the challenge on this project is subsidy administration
HS/0 37	Shakashead Phase 1	4	R0	R0	R0		Rectification Programme has been phased out by KZ
HS/0 38	Shakashead Phase 2	4	R800 000	R800 000	R0		The project doesn't have any more sites to develop 690 houses were constructed on project
HS/0 39	Shakaville Ext	18	R0	R0	R0		The stage 1 application pack has been evaluated by Province all documents required has were sent July 2019 the project is ready for Province to be presented in their committee

APPENDIX M(II): CAPITAL EXPENDITURE - UPGRADE/RENEWAL PROGRAMME ...continued

PROJECTS IMPLEMENTATION PLAN (IDP): HUMAN SETTLEMENTS							
PROJECTS ID	PROJECT NAME	WARD	ESTIMATED COST 3 YEARS	2019/20 BUDGET	2020/21 BUDGET	2021/2022	STATUS
HS/0 40	Shayamoya	23	R516 000	R516 000.00	R0		Only six (6) houses were remaining to be built however it was found out that the site office was built on these sites. An application to reduce the yield has been prepared and will be submitted for consideration.
HS/0 41	Sihle Phakhathi	24	R50 459 732	R1 000 000	R19 992 934		The project is at site servicing and construction of houses
HS/0 42	Sokesimbone	1,25	R83 668 117	R15 033 200	R 25 507 045		The project has 893 house completed, 98 houses at different stages of construction
HS/0 43	Steve Biko P1	13,26	R0	R0	R0		Rectification Programme has been phased out by KZ
HS/0 44	Steve Biko P2	13,26	R119 854 407	R34 875 287	R27 357 546		The project is at site servicing and construction of houses 91 houses completed and 251 houses at different stage of construction
HS/0 45	Umvoti Toll	12	R0	R0	R0		The feasibility study conducted revealed that the project is not feasible.
HS/0 46	Vlakspruit	23	R13 760 00.00	R0	R688 000.00		Project at Pre- feasibility stage, the project routes (Road) cross over private land the negotiations are ongoing with the land owners and response on availability of Bulks
HS/0 47	Blythedale Hills Coastal Resort	3	R2 000 000	R0	R2 000 000		Project is at Initial stage
HS/0 48	Rocky Ridge	23	R2 000 000	R0	R2 000 000		Project is at Initial stage
HS/0 49	Sheffield	22	R2 000 000	R0	R0		Project is at Initial stage
HS/0 50	Renovations to Compounds		R4 000 000	R2000 000	R0		The project is for the removal of 27 roofs in the Gledhow Compound

APPENDIX N: CAPITAL PROGRAMME BY PROJECT CURRENT YEAR

The values below are in draft and subject to change to with finalisation of the AFS.

SUMMARY CAPITAL EXPENDITURE 2020/21							
BUSINESS UNIT	APPROVED BUDGET	1 ST ADJUSTED BUDGET	2 ND ADJUSTMENT BUDGET	3 RD ADJUSTMENT BUDGET	YTD EXP.	YTD %	AVAILABLE BALANCE
OFFICE OF THE MUNICIPAL MANAGER	-	-	-	-	-	0,0%	-
CORPORATE SERVICES	22 400 000	22 400 000	22 318 312	22 318 312	1 667 571	7,5%	20 650 741
FINANCE	-	250 000	450 000	450 000	103 714	23,0%	346 286
EDP	10 300 000	10 300 000	7 501 717	7 501 717	681 836	9,1%	6 819 880
COMMUNITY SERVICES & PUBLIC AMENITIES	39 503 259	39 503 254	34 433 348	34 433 348	25 472 098	74,0%	8 961 251
COMMUNITY SAFETY	22 693 099	22 693 099	4 883 024	4 883 024	2 177 872	44,6%	2 705 152
CIVIL ENGINEERING & HUMAN SETTLEMENTS	84 981 324	84 981 330	84 981 326	84 433 500	73 568 091	87,1%	10 865 409
ELECTRICAL ENGINEERING	114 504 619	113 635 054	80 247 228	80 247 228	39 405 911	49,1%	40 841 317
YOUTH DEVELOPMENT	1 000 000	1 000 000	1 000 000	1 000 000	962 886	96,3%	37 114
TOTAL	295 382 302	294 762 738	235 814 954	235 267 128	144 039 979	61,2%	91 227 149 (38.8%)

Table 71: Capital Programme

APPENDIX O: CAPITAL PROGRAMME BY PROJECT BY WARD CURRENT YEAR

CAPITAL PROGRAMME	PROJECT	WARD CURRENT YEAR
Development of a Grade A Motor Vehicle and Driver Testing Centre	Acquisition of Land	Ward 15
	Smart Metering	Whole of the Municipality
	Implementation of KDM Scada System	Whole of the Municipality
	Parks Equipment 070422546	Whole of the Municipality
	Mdlebeni Community Hall 170461939	Ward 6
	Mellow Wood Community Hall	Ward 22
	Cremator Filtration System	Ward 5
	Charlotdale-Kick about- Ward 29	Ward 29
	Upgrade to Theunissen Road Park Phase 1 075452108	Ward 19
	Upgrade to Theunissen Road Park Phase 1 075452108	Ward 19
	Nonoti Beach Node Development 075452156	Ward 3
	075 Upgrade to Tidal pool and Septic Tank at Tinley Manor Beach	Ward 13
	075 Ward 13 Ablution Facility for Combo Court	Ward 19
	Ward 10 Sport Field Rehab and Combo Court 075/461546	Ward 10
	075 Nkobongo Sport field Rehabilitation	Ward 8
	Kick About Ward 9	Ward 9
	Beach Ablution Willard 075452157	Ward 6
	Upgrade to Beach Facilities 075422743	Whole of the Municipality
	Blythedale Beach CP Upgrade 070	Ward 11
	Kick about- Ward 16	Ward 16
	Refurbishment of Combo Court-Ward1	Ward 1
	Creche Ward 28 075422723	Ward 28
	Shakashead Swim Pool (Guard house)	Ward 4
	075 Construction of Combo Courts	Whole of the Municipality
	Upgrade Beach Ablution Zinkwazi	Ward 2
	165 City Hall Development	Ward 19
	Renewal of Muslim Cemetery Drive Way	Ward 19
	Construction of Combo Court - Ward 9	Ward 9
	Construction of Museum	Ward 19
	Crematorium Development 056440053	Ward 5
	Cemetery Land Acq Cem Dev 056440051	Ward 3
	NV Roads Stormwater Commuter Shelters 170452118	Ward 6
	Roads Stormwater Groutville Community Hall 170461937	Ward 29
	Network Upgrade	Whole of the Municipality
	NV SAPPI Gizenga Substation 440423981	Ward 9
	Electricity Admin New Dukuza 80MVA Bulk 400452153	Ward 28
	NV Replace 33kVA Lavo Indust Sub 440452151	Ward 16
	Replace 33kV Cable between Lavopiere and Industrial Sub Phase	Ward 19
	Electricity Admin Housing Elect Project	Whole of the Municipality
	Tinley Manor 11kV OHL Phase 6	Ward 12
	NV Replace Grid Prot Relays 11K P3 430452146	Ward 22
	KwaDukuza Mall Bulk Supplies- DTI funding	Ward 19
	KwaDukuza Mall Bulk Supplies- LPD funding	Ward 19
	MV Substations Rebuild: SAPPI Substations - KDM	Whole of the Municipality
	Furniture & Equipment 160	Whole of the Municipality
	Furniture and Equipment 215	Whole of the Municipality

APPENDIX O: CAPITAL PROGRAMME BY PROJECT BY WARD CURRENT YEAR ...continued

CAPITAL PROGRAMME	PROJECT	WARD CURRENT YEAR
Development of a Grade A Motor Vehicle and Driver Testing Centre	Office Furn & Equipment	Whole of the Municipality
	NV Corporate Comm Office Furn Equipment 025400013	Whole of the Municipality
	Furniture and Equipment 215	Whole of the Municipality
	NV Refuse Service 1 x Weight Bridge 255	Whole of the Municipality
	NV Electricity Admin Tools Equip 400400027	Whole of the Municipality
	Back-up Generators	Whole of the Municipality
	165 Tools and Equipment	Whole of the Municipality
	Emergency Equipment 042420509	Whole of the Municipality
	Marine Safety Equipment 045418519	Whole of the Municipality
	Tools & Equipment	Whole of the Municipality
	Library Tools and Equipment	Whole of the Municipality
	CCTV Equipment	Whole of the Municipality
	Engineering Equipment	Whole of the Municipality
	Street Litter Bins 25542240	Whole of the Municipality
	Elec Staff Attendance Register 021419516	Whole of the Municipality
	NV Mechanical Workshop Tools Equipment 360400027	Whole of the Municipality
	New Office Building	Whole of the Municipality
	027 Renovation to LED Centre	Ward 19
	042 Standby Quarters	Whole of the Municipality
	New Off Space Park Home 026new	Whole of the Municipality
	Nokukhanya Luthuli Building Security Upgrade	Ward 4
	Renov to Compounds 026414505	Ward 15
	Rehab of Roads 170461529	Whole of the Municipality
	Ward 11 Rehab of Blythedale Road (Mvoti Drive Tarpon Crescent)	Ward 11
	Ward 28: Rehabilitation of Roads	Ward 28
	Ward 16: Tensing Climb	Ward 16
	Ward16: Stanger Heights And Moola Industrial	Ward 16
	Stanger Heights Roads Improvement Phase 1	Ward 16
	Ntshawini Priority 1 and 4	Ward 29
	Ward 24: Side Walk	Ward 24
	Ward13: Glenhills Steve Biko	Ward 13
	Rehabilitation Of Salt Rock	Ward 6
	Wooden Bridge: Ward 1	Ward 1
	Retaining of Wall Road Access and Storm Water	Whole of the Municipality
	Sokesimbone Access Road & Stormwater (Ward 1)	Ward 1
	Khuboni Access Road Ward 9	Ward 9
	Ward12 Rehab Tinley Manor Rd.(Lagoon Dr. Ocean View Seaview)	Ward 12
	Ward 17 Dendethu Access Road	Ward 17
	Ward 2 Internal roads	Ward 2
	Gledhow South Link	Ward 15
	NV Street Lights Cluster E 100 SL 400452126	Whole of the Municipality
	NV Street Lights Cluster B 37SL 400452123	Whole of the Municipality
	NV Street Lights Cluster C 100SL 400452124	Whole of the Municipality
	NV Street Lights Cluster D 100SL 400452125	Whole of the Municipality
	NV Roads Stormwater Traffic Calming Measures 170461528	Whole of the Municipality

APPENDIX O: CAPITAL PROGRAMME BY PROJECT BY WARD CURRENT YEAR ...continued

CAPITAL PROGRAMME	PROJECT	WARD CURRENT YEAR
Development of a Grade A Motor Vehicle and Driver Testing Centre	Rehab of Hysom / Smithers Street & Intersection	Ward 19
	Chief Albert Luthuli Road	Ward 19
	Ward 4 Internal Roads MIG	Ward 4
	Groutville Surface Roads and Stormwater MIG	Ward 29
	Khalafukwe internal roads MIG	Ward 20
	Mdlbeni Access Roads and Stormwater	Ward 25
	Waterworks Road Upgrade to Blacktop	Ward 14
	NV Roads Stormwater Hlalanathi Roads Upgrade 170	Ward 24
	NV Gizenga Street 170New.	Ward 9
	NV Street Lights Cluster F 50 SL 400452127	Whole of the Municipality
	NV Street Lights Cluster G 50 SL 400452128	Whole of the Municipality
	NV Street Lights Cluster A 100 SL 400452122	Whole of the Municipality
	Shayamoya Road Upgrade to Blacktop	Ward 23
	045 Jet Ski	Whole of the Municipality
	Road Cleaning and Sweeping Truck	Whole of the Municipality
	045 Quad Bikes	Whole of the Municipality
	4X4 Rescue Vehicle	Whole of the Municipality
	2 x Sedans	Whole of the Municipality
	Sedan	Whole of the Municipality
	Patrol Vehicles	Whole of the Municipality
	Municipal Fleet	Whole of the Municipality
Diesel Tank with Trailer	Whole of the Municipality	
Info Tech PC Printers Upgrades 210414504	Whole of the Municipality	

Table 72: Capital Projects by Ward

APPENDIX P: SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

No backlogs at schools and clinics during this financial year

APPENDIX Q: SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

Source: iLembe Water Backlog Study 2007

LOCAL MUNICIPALITY	HOUSEHOLDS	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016
Water - Backlog Study Estimates											
KwaDukuza	70 284	13 125	12 225	9 725	9 725	9 725	7 056	6 875	6 613	6 253	6 253
Sanitation - Backlog Study Estimates											
KwaDukuza	70 284	12 456	12 456	12 456	12 456	12 456	12 311	12 311	12 311	12 311	12 311

Table 73 - Achievement Backlogs iLembe Water and Sanitation

APPENDIX R: DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

DESCRIPTION	LOAN NUMBER	INTEREST RATE	DATE REPAYABLE	BALANCE AT 30/06/2020	INTEREST PAID	REDEEMED / ADJUSTMENTS / (INTEREST CAPITALISED) DURING THIS PERIOD	BALANCE AT 30/06/2021
Non Annuity Loans	101267/1	6.83%	31/03/2026	12 498 271.67	900 830.96	2 083 045.28	10 415 226.39
	61006918/19	9.73%	30/09/2030	126 243 334.65	12 155 751.90	5 522 952.06	120 720 382.59
	61006918/19	9.73%	31/12/2032	72 356 435.53	6 967 075.87	3 165 483.00	69 190 952.53
Total Non-Annuity Loans				211 098 041.85	10 771 480.34	20 023 658.73	200 326 561.51
Annuity Loans							
Total Annuity Loans							
TOTAL EXTERNAL LOANS				211 098 041.85	10 771 480.34	20 023 658.73	200 326 561.51

Table 74: Grants and Loans

APPENDIX S: DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71-FINANCE

APPENDIX T: NATIONAL AND PROVINCIAL OUTCOME FOR LOCAL GOVERNMENT

The powers and functions of the municipality have been detailed in the annual report on page 58 and as well as the sharing of functions with other sector departments on page 8 of the 2020/2021 Annual Report.



2020-2021 MPAC OVERSIGHT REPORT



MUNICIPAL PUBLIC ACCOUNTS OVERSIGHT COMMITTEE (MPAC)

Members: Cllr: A Mhlongo, N Qwabe, E Kolia, JF Magwaza, SC Mwandla, K Naidoo, V Govender, DN Ngema, TT Mkhize, NJ Mpanza

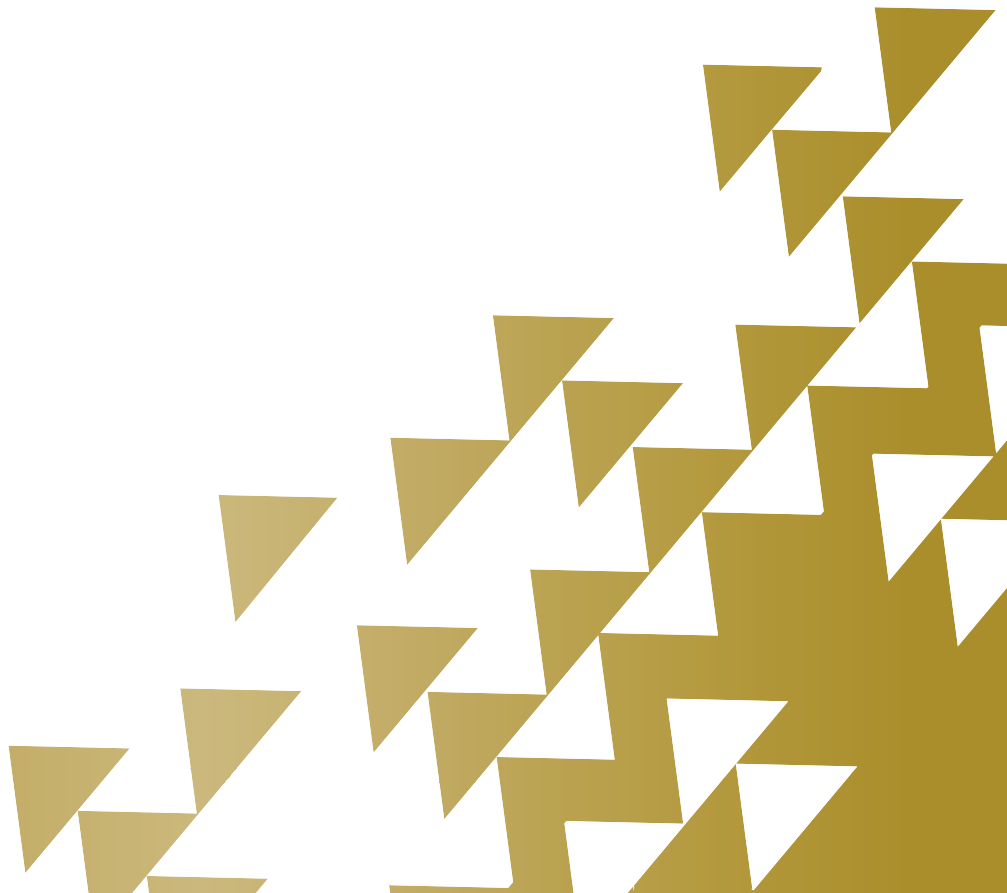
Officials: NJ Mdakane (Acting Municipal Manager), AM Manzini (COO), S Rajcoomar (CFO), SC Viramuthu (ED: Community Safety), SV Hlongwane (ED: EDP), EM Sithole (ED: Civil & HS), SM Khanyile (ED: Community Services & PA), S Jali (ED: Electrical), L Moothusamy (Head: SCM), S Zulu (Dir: Communications), A Nunkumar (Dir: B & C), Y Pillay (Head: IA), S Chonguene (Dir: Expenditure), P Murugan (Manager: AFS), M Mahlalela (As. Manager: PM & E), J Sewdular (Asst. Manager: PM & E), S Mkhize (Media Liaison Officer).

Extended invite: Mr C Meyiwa (PAC Chairperson), Mr M Coates (AG) and COGTA

NOTICE OF THE MPAC MEETING

Notice is given that a **MPAC MEETING** will be held on **TUESDAY, 22 MARCH 2022**, at the **KWADUKUZA COUNCIL CHAMBERS, COMMENCING AT 08H00am** for the purpose of discussing the items on the agenda.

Acting Municipal Manager
N.J Mdakane
18/03/2022



ADGENDA

1.	Prayer
2.	Notice of Meeting
3.	Signing of Attendance
4.	Declarations of Pecuniary Interest/ Other Forms of Interest a. Councillors: None b. Staff: None.
5.	Apologies
6.	Councilors Leave of Absence: a. Granted: b. Applications:
7.	Official Announcements:
8.	Confirmation of Minutes: 15 March 2022 a. Matters arising from Minutes: 15 March 2022
9.	Business of the Day
	MPAC COMMENTS ON 2020/2021 ANNUAL REPORT
	◊ Public Comments
	◊ Political Parties Comments
	◊ Portfolio Chairpersons Comments

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1. INTRODUCTION

The Council is vested with a responsibility to oversee the performance of KwaDukuza Municipality as required by the Constitution, Municipal Finance Management Act, 56 of 2003 (MFMA) and the Municipal Systems Act, 32 of 2000 (MSA). The oversight responsibility for Council is key when considering the Annual Report.

Both the MFMA and MSA recognize the Council as a critical role player to ensure that all Municipal Departments perform according to what has been planned in the SDBIP. There is a critical linkage between the strategic goals set by Council in the Integrated Development Plan (IDP), which is translated into budget and the delivery of those goals through the Service Delivery Budget Implementation Plan which is reported in the Annual Report. It is essential that the Council ensures the budget gives effect to priorities as contained in the IDP. A good budget will form the basis of a better oversight and the fulfillment of a contract between the Executive/Council, administration, and the public.

The MFMA gives effect to financial management reforms that place a greater emphasis on service delivery responsibilities to Managers and make them more accountable for their own performance. Whilst it is the responsibility of the Mayor and the Executive Committee to resolve any performance failures, the Council is also vested with powers and responsibility to oversee both the Executive and Administration. Oversight occurs at various levels in the municipality and is clearly explained on the table below:

	RESPONSIBLE FOR	OVERSIGHT OVER	ACCOUNTABLE TO
Council	Approving policy and budget	Mayor or Committee	Community
Mayor or Committee	Policy, Budget, and Outcomes	Municipal Manager	Council
Municipal Manager	Outputs and Implementation	Administration	Mayor or Committee
Chief Financial Officer and Senior Managers	Outputs and Implementation	Financial Management and Operational functions	Municipal Manager

Table 1: Financial Governance Framework applicable to Local Government

2. BACKGROUND

The oversight role of Council is an important component of the financial reforms, and it is achieved through the separation of roles and responsibilities between Council, the Executive (Mayor and Executive Committee) and Administration. Good governance, effective accountability, and oversight can only be achieved if there is a clear distinction between the functions performed by the different role players.

Non-executive Councillors are required to maintain oversight on the performance of specific responsibilities and delegated powers that they have given to the Mayor/Executive Committee. In other words, in exchange for the powers in which Council have delegated to the Executive, Council retains a monitoring and oversight role ensuring that there is accountability for the performance or nonperformance of the municipality.

The Municipal Finance Management Act, No.56 of 2003 (MFMA) vests in Council specific powers of approval and oversight.

- ◊ Approval of budgets;
- ◊ Approval of Budget related Policies; and

- ◊ Review of the Annual Report and adoption of the Oversight Report.

3. FUNCTIONS OF THE OVERSIGHT COMMITTEE

The functions of the Oversight Committee are to:

- ◊ Undertake a review and analysis of the Annual Report;
- ◊ Invite, receive, and consider inputs from Councillors and Portfolio Committees, on the Annual Report;
- ◊ Consider written comments received on the Annual Report from the public consultation process;
- ◊ Conduct Public Hearing(s) to allow the local community or any organs of state to make representations on the Annual Report;
- ◊ Receive and consider Council's Audit Committee views and comments on the annual financial statements and the performance report, and
- ◊ Preparation of the draft Oversight Report, taking into consideration, the views and inputs of the public, representative(s) of the Auditor-General, organs of state, Council's Audit Committee and Councillors.

4. COMPOSITION OF OVERSIGHT COMMITTEE

4.1 MEMBERSHIP

The Oversight Committee is a committee of Council established under section 79 of the Municipal Structures Act, 1998. Section 79 allows for the co-option of advisory members to a Committee of Council, who are not members of the Council.

Due to the separation of roles and responsibilities, between Council and the Mayor and Executive Committee it is not appropriate that members of the Executive Committee be members of the Oversight Committee. The sole function of the Oversight Committee can be performed by MPAC.

4.2 AUTHORITY & POWER

The Oversight Committee is delegated the responsibility to conduct meetings and to hold public hearings to receive and hear public submissions on the Annual Report, on behalf of Council.

Timely notice of all meetings should be given, and all meetings held by the Oversight Committee must be open to the public and minutes of the meetings must be submitted to Council meetings.

4.3 MEETING SCHEDULE

The Annual Report was submitted to Council at its Council Meeting held on the **27th of January 2022**, as per MFMA S127 (2)(3)(a)(b). The report was referred to the MPAC Committee subject to a few minor enhancements to the Report. The community was advised through the print media of the availability of the Annual Report and was invited to submit representations on the report.

The Annual Report was available at all municipal libraries and offices and was also placed on the KwaDukuza Municipality website at www.kwadukuza.gov.za. The Annual Report was submitted to the Auditor-General, Provincial Treasury and the Department of Local Government and Traditional Affairs.

At the closing date for public submissions of the Annual Report on the **17th of February 2022**, one submission from

the member of public was received. The Public were invited to the tabling of the Annual Report to Council on the **27th of January 2022**, and the media had been invited to attend the meetings through the advert sent to all local newspapers.

5. THE OVERSIGHT REPORT

This Oversight Report is for the financial year ended 30 June 2021. The Annual Report was presented to Council on the **27th of January 2022** whereby it was approved by Council and the following matters were raised and noted:

CHAPTER 1 – EXECUTIVE SUMMARY (PAGES 2-29) OF THE ANNUAL REPORT

The performance of the different KPAs for the 2020/2021 Financial Year is as follows:

FINANCIAL MANAGEMENT AND VIABILITY

The overall score for the KPA is 65%.

PERFORMANCE HIGHLIGHTS

- ♦ Implemented the Council approved COVID-19 debt relief scheme;
- ♦ Initiated the process of looking at systems to improve of revenue generation - GIS based systems One Map;
- ♦ 100.52% collection rates as of June 2021;
- ♦ Implemented the Consumer portal for e-services and consumer statements;
- ♦ Initiated the process of procuring electronic handheld meter reading devices and implemented with effect from May 2021;
- ♦ Improved controls to deal with meters billed on estimates
- ♦ Ensured meetings with the panel of attorneys on debt collection matters
- ♦ Conducted adhoc meter reading audits using appointed temporary Meter Readers
- ♦ Reduced the number of indigent applicants by appointing a service provider to verify indigent applicants,
- ♦ Improved revenue collection by the appointed Service Provider conducting regular disconnections
- ♦ Revised SOPs in respect of deeds returns and update of property Ownership to ensure that this is processed timeously
- ♦ Consistent payments of Creditors within 30 days.
- ♦ A significant decrease on Irregular Expenditure.
- ♦ Consistent payment of salaries and allowances on time.

CHALLENGES

- ◊ IT challenges
- ◊ Load shedding
- ◊ High vacancy rate
- ◊ Challenges on implementation of Municipal Standard chart of Accounts (MSCOA) on creditors and payroll due to system development complexity.

CORRECTIVE ACTIONS

- ◊ There is an on-going strategy to have debtors statement e-mailed and completion of debit order forms;
- ◊ Arrear debtors who utilize prepaid electricity are partially blocked from buying electricity.;
- ◊ Reports on recovery of arrear debtors through disconnection and meter inspection are interrogated at energy loss task team to address any challenges experienced and expedite debt recovery;
- ◊ Vigorous disconnection of electricity and meter inspections of electricity has commenced in August 2020 by a newly appointed Service Provider.

BASIC SERVICE DELIVERY

- ◊ **The overall score for the KPA is 56%.**

PERFORMANCE HIGHLIGHTS

- ◊ Completion of Housing Electrification Project;
- ◊ Completion of KwaDukuza Mall Bulk Supplies;
- ◊ Completion of the project, KwaDukuza People's Park formerly known as "Theunissen Road Park;
- ◊ Procurement of concrete street bins;
- ◊ Refurbishment of Nkobongo sport field and an ablution block;
- ◊ Construction of an ablution facility for a combo court in ward 13;
- ◊ Construction for a combo court in ward 10;
- ◊ 8997 m² Chief Albert Luthuli street;
- ◊ 5086 m² Hysom & Smithers street rehabilitated;
- ◊ 1664.08m² Stanger Heights of in ward 16;
- ◊ 3031.945m² Stanger Heights and Moola Industrial in ward 16;
- ◊ Completed KwaDukuza Yellow Wood Waste Transfer station;
- ◊ KwaDukuza had its Integrated Waste Management Plan; endorsed by the Minister of Economic Development, Tourism and Environmental Affairs;
- ◊ The Business Unit procured one skip loader truck; and
- ◊ Renovation of the KwaDukuza Crematorium

PERFORMANCE CHALLENGES

- ◊ Budget Cut-/Constraints
- ◊ Unavailability of Funds for Land Acquisition

- ◊ Illegal Sale of Council plan
- ◊ Unavailability of burial space in the Northern area of KwaDukuza
- ◊ Unprecedented economic decline and closure of businesses due to COVID-19,
- ◊ Land and completed house invasions,
- ◊ Landowners not willing to release their land for the proposed development,
- ◊ There is still a challenge with the increase in energy losses.

CORRECTIVE ACTIONS

- ◊ For projects that have tenders that have not been awarded, the service providers will be appointed in the first quarter of the 2020/2021 financial year;
- ◊ Land negotiations are in place with landowners for the acquisition of land;
- ◊ The legal route has been taken for those that sell Council land;
- ◊ A task team has been developed to help in reduction of electricity losses through disconnections of businesses and households who have been illegal connected; and
- ◊ A new procurement process for the appointment of a service providers has been completed in the first quarter of the 2020/21 financial year.

INSTITUTIONAL TRANSFORMATION AND MUNICIPAL DEVELOPMENT

- ◊ **The overall score for the KPA is 75%.**

PERFORMANCE HIGHLIGHTS

- ◊ Reviewed and adopted council policy as per the 2020-21 policy register;
- ◊ Appointed 41 interns and 8 in-service learners;
- ◊ Finalised 77% of the disciplinary cases reported to HR;
- ◊ Kept the staff turnover at 3.25 % (34 out of 1043); and
- ◊ Kept the staff vacancy rate at 6.6%.

PERFORMANCE CHALLENGES

- ◊ Less appointment of women;
- ◊ Lack of training the targeted staff audience; and
- ◊ Lack of communication tools under COVID-19.

CORRECTIVE ACTIONS

- ◊ The KDM selection committees shall in the 2021-22 year ensure that out of all vacancies available per business unit, 60% of those shall be filled by women and HR shall advise the Municipal Manager regularly prior to approving of appointments per interview conducted;

- ◊ The Budget for Training was reduced from R2.5 million to R620 000 due to COVID-19 which only allowed for partially implementation of Mandatory training; and
- ◊ The support function is executed in consultation with stakeholders the lack of communication equipment such as screen and network has been identified as a challenge. Council must review its cell phone policy and allocation of data bundles to staff members.

SPATIAL PLANNING & ENVIRONMENTAL MANAGEMENT

- ◊ **The overall score for the KPA is 88%.**

PERFORMANCE HIGHLIGHTS

- ◊ Enforcement of COVID-19 regulations in terms of the Disaster Management Act;
- ◊ Multi Agency Operations;
- ◊ Income received through traffic offences – R316 000.00;
- ◊ Income received from all traffic licences issued – R5 054 700.00;
- ◊ More than six (6) Fire Safety Awareness Campaigns (school visits and special programs) were conducted;
- ◊ The department was also involved in the Child Protection Campaign which was coordinated by Department of Education and ILembe District Municipality;
- ◊ Daily safety and beach information on local radio station Life & Style 88.0 FM - Monday to Saturday performed by the Beach Manager.
- ◊ Conducted 10 Learn to Surf programmes
- ◊ A total number of 157 Relaxation, Special Consents and Site Development Plan Applications has been processed between the months of July 2020 and June 2021,
- ◊ The municipality contributed towards 14.2% (1 871.1 million) of the value of total building plans approved in KZN (13 213.7 million),
- ◊ The total number of 768 building plans were submitted during the 2020/2021 financial year which was a significant increase of 13.8% (652) in comparison with the 2019/2020 financial year,
- ◊ The total number of building plans approved for the 2020/2021 financial year was 578 plans, and
- ◊ A total of 499 occupation certificates were issued for the 2020/2021 financial year.

PERFORMANCE CHALLENGES

- ◊ All essential services employees have been working overtime during the national disaster, and this has resulted in exceeding the overtime threshold and has strained the

overtime budget;

- ◊ Continuous illegal advertising within the jurisdiction on Municipal verges and public open spaces, especially over weekends when there is no monitoring;
- ◊ The increase in the illegal advertising has resulted in advertising clutter;
- ◊ Lack of Public Awareness of the Outdoor Advertising By-law;
- ◊ Complaints are being received for the new Outdoor Advertising streetlamp pole advertising;
- ◊ Marine Safety Power Craft (Jet ski/Boats) are aging and of the 5-jet ski's, all 5 need to be replaced as they are over 5 years old; and
- ◊ Marine Safety has 5 boats - 3 are operational and 2 are out of service. All 5 need to be replaced as they are over 5 years old.

CORRECTIVE ACTIONS

- ◊ Most Businesses were inspected and had consequently formalised applications to Economic Development Planning unit for occupational certificate as well as trading licence;
- ◊ Prohibition notices were issued to persons/owners to curb non-compliance with Regulations pertaining to Disaster Management Act;
- ◊ Applications to carry out vehicle testing is done via an appointment system;
- ◊ Driving license tests are carried out on Tuesdays and Thursdays;
- ◊ Awareness campaigns will be conducted on public awareness of the Outdoor Advertising By-Law;
- ◊ Engagements meetings with the service provider on streetlamp pole advertising complainants will be initiated in the new financial year; and
- ◊ The municipality has issued a correspondences for the removal of signage on private property.

LOCAL ECONOMIC DEVELOPMENT & SOCIAL DEVELOPMENT

The overall score for the KPA is 56%.

PERFORMANCE HIGHLIGHTS

- ◊ Successful licensing of efficient processing of forty one (41) new and sixteen (16) renewals business licenses applications within the prescribed time frames which includes renewals and new issues;
- ◊ Total number of ten (10) new and renewal of three (3) pre-scheme areas business licence approval for taverns and other liquor selling businesses;

- ◊ A total number of 271 permits issued to informal traders during 2020/21;
- ◊ 170 informal traders received R1500 (each) once-off stipend to be utilised for buying stock and COVID-19 PPE's sanitisers and gloves. Total amounts spend was R255 000.00. This was part of the KDM Socio-Economic Recovery Plan deliverables as adopted by KDM Council; and
- ◊ 14 traders allocated with trading space at Shakashead Business Hive and 9 traders in Groutville Market.

PERFORMANCE CHALLENGES

- ◊ Lack of tourism product in the inland area;
- ◊ High risks of investor leaving the area because of intimidation and violent takeover of construction site by the business forums;
- ◊ Lack of local employment pact;
- ◊ Lack of diversified investment in our area;
- ◊ Lack of affordable business facilities for SMME;
- ◊ No clear policies and strategies to manage the SMME Development and the economy;
- ◊ Lack of tourism sector transformation and tourism spread;
- ◊ Lack of Community Tourism organization;
- ◊ Lack of big vacant agricultural land to be used by cooperatives or for communal agriculture; and
- ◊ Lack of land to build incubation centres and other facilities for business.

CORRECTIVE ACTIONS

- ◊ Conduct capacity building session for cooperatives; once Lockdown restrictions are permitted;
- ◊ An informal traders permit awareness and compliance campaign will be done before end of September 2021;
- ◊ Focus will be put on ensuring that Informal trading permits are extended in the areas that were outside the town planning scheme.

GOOD GOVERNANCE & PUBLIC PARTICIPATION

- ◊ **The overall score for the KPA is 69%.**

PERFORMANCE HIGHLIGHTS

- ◊ Rural Women Celebration Phila Montana and Breast Cancer Awareness Campaign celebrated by handing over of hoes and watering cans and different Seeds for Rural women Clubs,
- ◊ Disability International Celebration through handing over 10 Wheelchairs,
- ◊ KwaDukuza Gender Women Caucus hand overed Sanitary towels as an Outreach Program for Girl learners.
- ◊ Senior Citizens Covid Awareness campaign led by Department of Social Development, SASSA, Department of Health, Love Life and Department of Sports and Recreation who handed over Sports Equipment,
- ◊ Developed an online streaming service for the participation of the public during Council meeting.

PERFORMANCE CHALLENGES

- ◊ There is still some challenges with regards to establishment of Anti-fraud Hotline for the Municipality, however the municipality is currently using National Anti-fraud Hotline services;
- ◊ Implementation of internal and external audit recommendations; and
- ◊ Lack of IT audit capacity

CORRECTIVE ACTIONS

- ◊ Anti-fraud and Ethics policy developed;
- ◊ Whistle Blowing policy developed;
- ◊ Anti-fraud and Corruption strategy developed; and
- ◊ Fraud Risk register developed.

CHAPTER 3– FUNCTIONAL AREAS AND PERFORMANCE

DEPARTMENTS	HIGHLIGHTS	CHALLENGES	CORRECTIVE ACTIONS
Municipal Manager: COO	<ul style="list-style-type: none"> ◊ 2021/2022 IDP in line with Chapters 5 & 6 MSA approved by Council on 31 May 2021; ◊ 71% % of (114) action plans were implemented from the 20/21 risk register; ◊ The Performance Management Framework has been developed for implementation and evaluation of municipal performance 	The municipality had planned to develop and approve a Business Continuity but was not able to do so due lack of capacity	The district municipality has appointed a service provider together with the Swiss government. The process is funded by the Swiss government and will be able to facilitate and develop a business continuity plan for the entire district.
Corporate Services	<ul style="list-style-type: none"> ◊ 85% employment of women and youth at all levels, ◊ 90% of a municipality's training budget spent on implementing its workplace skills plan, ◊ Appointed 41 interns and 8 in service learners c) Finalized 77% of the disciplinary cases reported to HR 	<ul style="list-style-type: none"> ◊ Only 50% of 90% of Audit finding resolved. ◊ Less appointment of women 	The IT Charter and IT policies have been submitted to Council committees to help resolve the AG findings,
Economic Development & Planning	<ul style="list-style-type: none"> ◊ KwaDukuza CBD Regeneration Plan approved and adopted by council on the 27/05/2021, ◊ Shakaskraal/ Umhlabi CBD Regeneration Plan was approved by Council on the 29/06/2021, ◊ 96% of building plans more than 500m² processed with 60 days by 30 June 2021, ◊ 98% of consent applications processed within 60 days, from closing date of advert or submission date, ◊ 98% of consent applications processed within 60 days, from closing date of advert or submission date. ◊ 40 Cooperatives supported 	91 Jobs out of the planned 120 jobs created through LED initiatives. Covid lockdown delayed initiatives to support job creation initiatives for the 1 st and 2 nd quarter of the financial year	The programme is now being implementation is now being implemented in this financial year
Financial Services	The KDM budget was approved by Council on the 27 May 2021 in line with the MFMA,	irregular expenditure decreased by 56%	Business units need to fast track all procurement processes related to contracts that are giving rise to irregular expenditure.
Community Safety	<ul style="list-style-type: none"> ◊ R5 054 700 collected from all traffic licenses issued; ◊ Daily safety and beach information on local radio station Life & Style 88.0 FM - Monday to Saturday performed by the Beach Manager; ◊ Conducted 10 Learn to Surf programmes; and ◊ Daily safety and beach information on local radio station Life & Style 88.0 FM - Monday to Saturday performed by the Beach Manager. 	Only R316 000 revenue collected from outstanding fines and other traffic offences	Roadblocks were stopped to reduced physical contacts to minimise the spread of covid. The directive from the public protectors office to date all the fines issued now to after June that delays the process of payments
Community Services	<ul style="list-style-type: none"> ◊ 100% of estimated households with access to basic level of solid waste removal by 30 June 2021; and ◊ 127 Community Services jobs created through capital projects 	Ward 26 Combo Court was planned to be completed by 30 June 2021. There was poor performance by the appointed contractor which led to termination of services.	The Ward 26 Combo Court has been appointed in Quarter 1, September 2021. The completion of Ward 26 Combo Court will be achieved by the end of quarter 3 2022.
Civil Services	<ul style="list-style-type: none"> ◊ 21 252 m² of blacktops roads rehabilitated; ◊ 10 storm water infrastructure projects rehabilitated; ◊ 1 Wooden bridge constructed; ◊ Ward 10 Sport Field Ablution Facility upgraded; ◊ 197 Civil and Human Settlement jobs created through capital projects; and ◊ 10.48 roads regavelled in KDM. 	Only 140 new houses constructed instead of 184 due to implementing Agents withdrawing from 5 projects Lloyd, Ntshawini, Chris Hani, Sihle Phakathi and Sakhamkhanya	The Municipality has appointed new service providers for the above 5 mentioned projects in the first quarter of the year.

CHAPTER 3– FUNCTIONAL AREAS AND PERFORMANCE...CONTINUED

DEPARTMENTS	HIGHLIGHTS	CHALLENGES	CORRECTIVE ACTIONS
Electrical Services	86 Electrical Services jobs created through capital projects, 3425 streetlights repaired in the financial year.	33kV Cable between Lavopiere and Industrial Sub Phase was not done due the service provider not being appointed.	A contract will be appointed in the next financial year.
Cross cutting issues	<ul style="list-style-type: none"> ◆ 33 multidisciplinary roadblocks conducted; ◆ 129 fire compliance inspections conducted; and ◆ 38 campaigns conducted. 		

CHAPTER 4 – HUMAN RESOURCE AND ORGANIZATIONAL DEVELOPMENT (PAGE 176-189)

Corporate Services

COMMENTS BY THE COMMITTEE

CHAPTER 6: REPORT OF THE AUDITOR – GENERAL

PAGES 199-203 OF THE ANNUAL REPORT

6.1 MANAGEMENT RESPONSE AND ACTION PLAN

REFER TO THE ANNUAL REPORT PAGES 296-297

6.2 ANNUAL REPORT CHECKLIST...CONTINUED

INFORMATION REQUIRED TO BE INCLUDED IN ANNUAL REPORTS	COUNCIL / COMMITTEE CONSIDERATIONS & QUESTIONS	RESPONSES/COMMENTS
1. FINANCIAL MATTERS – ANNUAL FINANCIAL STATEMENTS - SECTION 121 (3) MFMA	FINANCIAL REPORTING MATTERS TO BE CONSIDERED	
121 (3)(a) The Annual Financial Statements (AFS) for the municipality and, if applicable, consolidated statements (with all entities) as submitted to the Auditor-General.	<p>To ensure the Annual Financial Statements complies with GRAP and GAMAP issued by the Accounting Standards Board.</p> <p>MFMA Circular 18 with Annexures, 23 June 2005, provides guidelines on the new accounting standards for municipalities.</p>	KwaDukuza Municipality's AFS has been prepared in accordance with South African Standards of Generally Recognised Accounting Practice (GRAP) as prescribed by the Minister of Finance and also in terms of the standards and principles contained in Directives 3 and 5 issued by the Accounting Standards Board ("ASB") respectively, as amended. Refer to pages 208-295 of Annual Report.
121(3)(b) The Auditor-General's reports on the financial statements of the municipality	Is the audit report included in the Annual Report as tabled? If not, when will the audit report be tabled? What are causes for the delays? What actions are being taken to expedite the report?	The audit report is included in the Annual Report. Refer to pages 199-204 of the Annual Report
121 (3)(h) Any explanations that may be necessary to clarify issues in connection with the financial statements.	The accounting standards require that notes accompany the KwaDukuza Municipality's Annual Financial Statements to provide explanations of issues and matters reported.	The notes have been included in the Annual Report. Refer to pages 236-287 of the Annual Report.
121 (3)(e) An assessment by the accounting officer on any arrears on municipal taxes and service charges, including municipal entities.	<p>Has the Accounting Officer of KwaDukuza Municipality included the following in the Annual Report?</p> <p>♦ An adequate assessment, on the arrears?</p>	An adequate assessment on the arrears has been included in the Annual Report. Refer to pages 17-18 of the Annual Report.
	♦ Sufficient explanation of the causes of the arrears and of actions to be taken to remedy the situation?	Sufficient explanation of the causes of the arrears and of actions to be taken to remedy the situation has been included in the Annual Report. Refer to pages 17-18 of the Annual Report.
121 (3)(g) Of any corrective action taken or to be taken in response to issues raised in the audit reports.	The conclusions of the annual audit must be an unqualified audit opinion with or without management issues, which means that the financial statements are acceptable;	KwaDukuza Municipality has received an unqualified audit report with matters of emphasis and other issues. Refer to pages 199-201 of the Annual Report
	The objective of the municipality should be to achieve an unqualified audit opinion.	The Municipality received its 16 th Unqualified audit opinion for the 2020/2021 financial year.
	<p>Taking into account the audit report, audit opinion and the views of the audit committee, Council should consider: To what extent does the report indicate serious or minor financial issues?</p>	<p>Contingent liabilities As disclosed in note 38 to the financial statements, the municipality entered into service level agreements with property developers to reimburse them for the cost of bulk electricity supplies. The reimbursements are dependent on the developers meeting future targets as set out in the service level agreements. The timing and outcome of the reimbursement cannot currently be determined and no provision for any liability that may result has been made in the financial statements.</p> <p>Material losses – electricity As disclosed in note 52 to the financial statements, material electricity losses of 153 728 734 kwh (2019-20: 137 297 168 kwh) amounting to R181,21 million (2019-20: R152,56 million) were incurred, which represents 22,82% (2020-21: 20,95%) of total electricity purchased. The losses were due to transmission/distribution losses and illegal connections.</p> <p>Underspending of capital budget As disclosed in the statement of comparison of budget with actual information, the municipality materially underspent on its' capital budget by R78 million which represents 33% of the total capital budget. The main reason for this underspending was as a result from delays in construction due to the nationwide lockdown.</p>

6.2 ANNUAL REPORT CHECKLIST...CONTINUED

INFORMATION REQUIRED TO BE INCLUDED IN ANNUAL REPORTS	COUNCIL / COMMITTEE CONSIDERATIONS & QUESTIONS	RESPONSES/COMMENTS
1. FINANCIAL MATTERS – ANNUAL FINANCIAL STATEMENTS - SECTION 121 (3) MFMA	FINANCIAL REPORTING MATTERS TO BE CONSIDERED	
	Is the action proposed considered to be adequate to effectively address the issues raised in the audit report?	The various issues raised by AG together with Management actions and commitments are detailed in the action plan with specific target dates for resolving issues raised by the AG on pages 296-297 of the Annual Report
	Has a schedule of action to be taken been included in the Annual Report, with appropriate due dates?	Yes, the schedule of actions is included in the management action plan on pages 296-297 of the Annual report
	Note that actions taken on audit issues are to be reported to the provincial legislature, the MEC's for local government and finance to report on any omissions by municipalities in addressing issues. Council should confirm that the audit report has been forwarded to the MEC's.	Yes – the audit reports have been forwarded to the National, Provincial Treasury & COGTA
121 (3)(f) An assessment by the municipality's accounting officer of the municipality's performance against measurable performance objectives for revenue collection from each revenue source and for each vote in the approved budget.	Does the budget of KwaDukuza Municipality contain measurable performance objectives for revenue from each source and for each vote in the budget, taking into account the IDP (MFMA s17(3)(b))?	Yes, the budget of KwaDukuza Municipality contains measurable performance objectives for revenue from each source and for each vote in the budget.
	Has the Accounting Officer included these objectives in the Annual Report and report on performance accordingly?	Yes, the Accounting Officer included these objectives in the Annual Report and reported on performance, refer to pages 144-175 of the annual report
	Has the performance met the expectations of council and the community?	Yes, performance partly met expectations of council and community as the Accounting Officer included these objectives in the Annual Report and reported on actual performance on pages 144-175 of the annual report
	Have the objectives been met?	Yes, some of the planned objectives were partially met as the actual performance is at 68%, refer to pages 144-175 of the annual report
	What explanations have been provided for any non-achievement?	None
	What was the impact on the service delivery and expenditure objectives in the budget?	All capital and operational spending was against the Council approved budget.
121 (3)(i)(k) Any information as determined by the municipality, the entity, or its parent municipality.	Review any other information that has been included in regard to the AFS.	N/A
121 (3)(j) and 121 (4)(g) Recommendations of the audit committee in relation to the AFS and audit reports of the municipality and its entities.	Have the recommendations of the KwaDukuza Municipality's Audit Committee with regard to the AFS been adequately addressed by the municipality?	Yes, the recommendations of the Audit Committee with regard to the AFS have been adequately addressed. Refer to Appendix G on page 307 of the Annual Report.
	What actions have been taken in terms of these recommendations?	No actions have been taken yet as these actions will be discussed in the Good governance committee that deals with all compliance matters inclusive of the AG outcome and recommendations by the Audit committee
	The conclusions on these recommendations and the actions required must be incorporated in this Oversight Report.	Conclusions and recommendations will be included into the Oversight report of the Annual Report

6.2 ANNUAL REPORT CHECKLIST...CONTINUED

2. ALLOCATIONS RECEIVED AND MADE	COUNCIL / COMMITTEE CONSIDERATIONS & QUESTIONS	RESPONSES AND COMMENTS
123 (1)(a) Allocations received by and made to the municipality.	Does the Kwa-Dukuza Municipality 2020/2021 Annual Report disclose the following:	
	Details of allocations received from another organ of state in the national or provincial sphere. (Government grants and subsidies).	Refer to page 261-266 of the Annual Report
	Details of allocations received from a municipal entity or another municipality.	No allocations were received from a municipal entity or another municipality.
	Details of allocations made to any other organ of state, another municipality, or a municipal entity.	No allocations were made to any other organ of state, another municipality, or a municipal entity.
	Any other allocation made to the municipality under Section 214(1)(c) of the Constitution.	Yes, allocation were made to the municipality in terms of section 214(1)(c) of the Constitution. Refer to page 263-266 of Annual Report
	Have these allocations been received and made?	Yes – Refer to page 263-266 of the Annual Financial statements on page of the Annual Report.
	Does the audit report confirm the correctness of the allocations received in terms of DORA and provincial budgets?	Yes, the audit report confirms the correctness as there are no matters reported on in terms of allocations received.
	Does the audit report or the audit committee recommend any action?	Yes
125 (1) Information in relation to outstanding debtors and creditors of the municipality and entities	Has KwaDukuza Municipality reported on whether it has met its statutory commitments, including the payment of taxes, audit fees, and contributions for pension and medical aid funds?	Yes, this has been included in the Notes to Annual Financial Statements. Refer to note 54 to 58 on pages 283-284 of the Annual Report.
	Was Council satisfied that – ♦ The information has been properly disclosed;	Yes, this has been included in the Notes to Annual Financial Statements. Refer to note 54 to 58 on pages 283-284 of the Annual Report.
	♦ Conditions of allocations have been met; and	Yes, this has been included in the Notes to Annual Financial Statements. Refer to note 54 to 58 on pages 283-284 of the Annual Report.
	♦ That any explanations provided are acceptable.	Yes, this has been included in the Notes to Annual Financial Statements. Refer to note 54 to 58 on pages 283-284 of the Annual Report.
	The comments of the Auditor-General and the views of the audit committee should be used to determine the accuracy and appropriateness of this information.	No informal audit queries were raised by the Auditor-General in respect of this.
123 (1)(c) Information in relation to the use of allocations received.	In terms of Section 123 of the MFMA and MFMA guidance circular 11, has KwaDukuza Municipality provided information per allocation received per vote and include:	Yes, information in relation to the use of allocations received has been provided in the Annual report
	♦ The current year and details of spending on all previous conditional grants, for the previous two financial years.	Yes – refer to Note 26 on pages 263-266 of Annual report which gives details of all allocations received and spent.
	♦ Information stating whether the municipality has complied with the conditions of the grants, allocations in terms of section 214(1)(c) of the Constitution and allocations received from other than another organ of state.	Yes – refer to pages 263-266 of Annual Report.
	♦ Information on whether allocations under the DORA were delayed or withheld and the reasons advanced for this.	Yes – refer to page 266 of Annual Report.
	Has the Auditor-General ensured that the audit process included a proper assessment (and reconciliation) on all national grants received by KwaDukuza Municipality?	Yes, the grants received by the Municipality have been highlighted in the Note 26 to the Annual Financial Statements. Refer to pages 263-266 of the Annual Report.

6.2 ANNUAL REPORT CHECKLIST...CONTINUED

3. DISCLOSURES IN NOTES TO AFS	CONSIDERATIONS RELATING TO SECTION 124	RESPONSES AND COMMENTS
Information relating to benefits paid by municipality and entity to Councillors, directors and officials	Has the following information been included in the notes to the KwaDukuza Municipality 2020/2021 Annual Report and Annual Financial Statements: <ul style="list-style-type: none"> ◊ salaries, allowances and benefits of political office bearers, Councillors and boards of directors, whether financial or in kind; 	Yes, refer to Note 29 on page 269 of the Annual Report.
	<ul style="list-style-type: none"> ◊ any arrears owed by individual Councillors to the municipality or entity for rates and services, which at any time were outstanding for more than 90 days, including the names of Councillors; 	Yes – refer to Note 53 – page 282 of Annual Report
	<ul style="list-style-type: none"> ◊ salaries allowances and benefits of the municipal manager, CEO of a municipal entity, CFO and every senior manager; 	Yes, refer to Note 28 on pages 266-268 of Annual Report.
	<ul style="list-style-type: none"> ◊ contributions for pensions and medical aid; travel, motor car, accommodation, subsistence and other allowances; housing benefits and allowances; 	Yes, refer to Note 28 on pages 266-268 of Annual Report.
	<ul style="list-style-type: none"> ◊ overtime payments; 	Yes, refer to Note 28 on pages 266-268 of Annual Report.
	<ul style="list-style-type: none"> ◊ loans and advances, and boards of directors, whether financial or in kind; 	N/A
	<ul style="list-style-type: none"> ◊ any other type of benefit or allowance related to staff. 	N/A
	Was Council satisfied that – <ul style="list-style-type: none"> ◊ the information has been properly disclosed; 	Yes – there were no shortcoming identified during the audit process.
	<ul style="list-style-type: none"> ◊ conditions of allocations have been met; and 	Yes. – there were no shortcoming identified during the audit process
	<ul style="list-style-type: none"> ◊ That any explanations provided are acceptable 	Yes. – there were no shortcoming identified during the audit process

4. MUNICIPAL PERFORMANCE	COUNCIL COMMENTS & CONSIDERATIONS	RESPONSES AND COMMENTS
INFORMATION REQUIRED TO BE INCLUDED IN THE ANNUAL REPORT		
The annual performance reports of the municipality and entities	Section 46, MSA requires KwaDukuza Municipality to submit a performance report reflecting performance. A comparison of the performance with targets set for the previous year and measures taken to improve performance. This report forms part of the 2020/2021 Annual Report.	KwaDukuza Municipality has submitted an Annual Performance Report. Refer to pages 150-175 of the Annual Report.
	Does the performance evaluation in the Annual Report compare actual performance with targets expressed in the budgets and SDBIP approved for the financial year?	Yes, the performance evaluation in the Annual Report compare actual performance with targets expressed in the budgets and SDBIP approved for the financial year. Refer to pages 150-175 of the Annual Report.
	Is the Council satisfied with the performance levels achieved?	Partly as 68% of the planned targets were achieved compared to 63% of the previous financial year. The Performance Management Committee and Audit Committee have put measures in place to help improve performance.
	Is the community satisfied with performance?	Partly as 68% of the planned targets were achieved. However, the Municipality is putting strict measures in place to deal with poor levels of performance. Consequence management will be implemented for poor performance.

6.2 ANNUAL REPORT CHECKLIST...CONTINUED

4. MUNICIPAL PERFORMANCE INFORMATION REQUIRED TO BE INCLUDED IN THE ANNUAL REPORT	COUNCIL COMMENTS & CONSIDERATIONS	RESPONSES AND COMMENTS
	Has a customer satisfaction survey been undertaken and, if so, how do the results align with the Annual Report contents?	No, The survey was not conducted due to budget constraints. Discussion are still underway to conduct the survey online and manually. The manual one will require a budget for the payment of data collectors. Both these surveys are necessary doing one has many limitations.
	What were the outcomes of public consultation and public hearings in relation to the customer satisfaction survey?	N/A.
	What actions have been taken and planned to improve performance?	N/A
	Is the Council satisfied with actions to improve performance?	N/A
	Did the targets set in the budgets, SDBIP agree with the targets set in the performance contracts of the municipal manager and each senior manager?	Yes
	Does the report evaluate the efficiency of mechanisms applied to deliver the performance outcomes?	Yes
	Taking into account the audit report and opinion and the views of the audit committee, is performance considered to be efficient and effective?	Partly efficient and effective performance as there are still few areas of compliance to legislations that needs to be attended to urgently.
	To what extent have actions planned for the previous year been carried over to the financial year reported upon? Have any actions planned in the reported year been carried over to the current or future years? If so are any explanations been provided by the municipal manager and are these satisfactory?	There are still repeat findings on the following areas: <ul style="list-style-type: none"> ◊ SCM processes ◊ Irregular expenditure ◊ Energy losses However, the action plan is on pages 296-297 of the Annual Report.
Audit reports on performance.	Section 45, MSA requires that the Auditor-General audit the results of performance measurements, as part of the internal auditing processes and annually.	The Auditor-General has conducted an audit - refer to pages 199-204 of the annual report.
	Have the recommendations of internal audit been acted on during the financial year?	Some of the Internal Audit and AG findings and recommendations have been implemented by Management
	Have recommendations by internal audit and/or the Auditor-General been included in action plans to improve performance in the following year?	Yes, the action plan is included on pages 296-297 of the Annual Report.
Performance of municipal entities and municipal service providers.	The Annual Report of KwaDukuza Municipality should provide an assessment of the performance of the municipal entities and all contracted service providers. The report should evaluate the effectiveness of these services and whether alternative mechanisms should be considered.	<ul style="list-style-type: none"> ◊ KwaDukuza Municipality does not have any Municipal Entities. ◊ Performance of service providers is included as Appendix I on pages 312-315 of the Annual Report
	Is the Council satisfied with the evaluation and conclusions of the KwaDukuza Municipality?	The Council is satisfied, however, with reservations and has advised the Heads of Business Units to at least target for 80% achievement of planned targets for the new financial year
	What other actions are considered necessary to be taken by the accounting officers?	All non-performing contractors are put on terms and their contracts are terminated and another service provider is appointed to complete the work. In order to deal decisively with repeat findings, the Accounting Officer will implement consequence management where necessary and also an action plan to deal with low expenditure on Capital budget will be dealt.

6.2 ANNUAL REPORT CHECKLIST...CONTINUED

5. GENERAL INFORMATION	THE FOLLOWING GENERAL INFORMATION IS REQUIRED TO BE DISCLOSED IN THE ANNUAL REPORT.	RESPONSES AND COMMENTS
INFORMATION REQUIRED TO BE INCLUDED IN THE ANNUAL REPORT	COUNCIL COMMENTS & CONSIDERATIONS	
The use of any donor funding support.	What donor funding has Kwa-Dukuza Municipality received?	None
	Have the purposes and the management agreements for the funding been properly agreed upon?	N/A
	Have the funds been used in accordance with agreements?	N/A
	Have the objectives been achieved?	N/A
	Has the use of funds been effective in improving services to the community?	N/A
	What actions need to be taken to improve utilisation of the funds?	N/A
Agreements, contracts and projects under Private-Public-Partnerships.	Information similar to the details of municipal entities should be provided.	N/A
	Council should ensure that all details have been supplied.	N/A
Service delivery performance on key services provided.	This may be a high level summary, in addition to detailed information on performance, which sets out overall performance under the strategic objectives of the municipality. Overall results on the strategic functions and services should be summarised. This should cover all services whether provided by the municipality, entities or external mechanisms.	The high level summary for a detailed information on the performance on strategic objective is available in the Annual report. Refer to pages 147-149 of the Annual Report
Information on long-term contracts.	Details of all long-term contracts including levels of liability to the municipality should be included.	External loan as well as lease agreements have been entered into and are disclosed adequately in notes 16 & 19 pages 257-259 of the annual financial statements as well as the Appendix R. Refer to page 354 of annual report for a schedule of external loans. Appendix H on page 308-311 also provides details on long term contracts.
Information technology and systems purchases and the effectiveness of these systems in the delivery of services and for ensuring compliance with statutory obligations.	Details of significant IT activities at KwaDukuza Municipality are outlined indicating the effectiveness of the IT projects and the quality of IT services.	Refer to page 60 of the Annual report for all detailed IT activities
Three year capital plan for addressing infrastructure backlogs in terms of the Municipal Infrastructure Grant (MIG) framework.	A summary of the long-term capital plans and how these address the backlogs of services in KwaDukuza Municipality.	Refer to Appendix Q on page 353 of the Annual Report

6.2 ANNUAL REPORT CHECKLIST...CONTINUED

6. OTHER CONSIDERATIONS RECOMMENDED	OTHER CONSIDERATIONS RECOMMENDED	RESPONSES AND COMMENTS
Timing of reports	Was the Annual Report for KwaDukuza Municipality tabled in the time prescribed?	The Annual Report was tabled timeously, on 27th January 2020 and was later made public in all municipal libraries and offices
	Has a schedule for consideration of the report been adopted?	Yes, a schedule for consideration of the report has been adopted.
Oversight Committee or other mechanism	What mechanisms have been put in place to prepare the oversight report?	Yes, an MPAC Oversight Committee was established and its meetings were advertised in the newspaper inviting members of public to attend.
	Has a schedule for its completion and tabling been adopted?	Yes, the MPAC Oversight meetings to review the 2020/2021 APR were advertised for the following dates: 1. 01 March 2022 2. 08 March 2022 3. 15 March 2022 4. 22 March 2022 These meetings also invited members of the public to attend as well as officials from COGTA and the Office of the AG
Payment of performance bonuses to municipal officials.	As per Section 57 MSA as amended, bonuses based on performance may be awarded to a municipal manager or a manager directly accountable to the municipal manager after the end of the financial year and only after an evaluation of performance and approval of such evaluation by the municipal Council. The basis upon which performance is evaluated for payment of bonuses should be reconciled with the municipal performance reported in the Annual Report.	Council complies with legislative prescripts. Quarterly reviews are conducted at the end of each quarter. Any approved performance bonuses will only be paid after the Annual Report and Oversight Report is approved by Council by the end of March.
	Have bonuses been paid based on achievements of agreed outputs and after consideration of the Annual Report by Council?	Payment of bonuses has not been completed. This will only be effected after the adoption and approval of the annual report by the 31 st of March 2022.
	If so has a proper evaluation of performance been undertaken?	Evaluation of performance of all Section 56 Managers occurs on quarterly basis, assessed by the Performance Evaluation Committee appointed by Council. The Final performance evaluation for all Section 56 Managers is expected to take place in April after the adoption of the 2020/2021 performance report by Council.

CONCLUSION

The onerous requirements of so many legislative mandates, makes it difficult to achieve an unqualified report, a feat that very few municipalities achieve in South Africa. The achievement of 16th consecutive unqualified audit reports for KwaDukuza Municipality is recognised and commended by the MPAC.

The MPAC commends Council, the Municipal Manager, the Senior Managers and all staff at KwaDukuza Municipality on the strides made towards good governance. However, much needs to be done in planning and reporting on performance information and the 2020/2021 financial year has target to focus attention in this area.

Having performed the following tasks:

- ◊ Reviewed and analyzed the Annual Report;
- ◊ Invited, received, and considered inputs from members of the public, political parties Councilors and the Portfolio Committees on the Annual Report;
- ◊ Considered numerous written comments that were received on the Annual Report from the public consultation process received from Dolphin Coast Rates Payers Association (DOCRRA);
- ◊ Conducted Public Hearings to allow the local community or any organs of state to make representations on the Annual Report;
- ◊ Received and considered Council's Audit Committee views and comments on the annual financial statements and the performance report; and
- ◊ Prepared the Oversight Report, taking into consideration, the views and inputs of the public, representatives of the Auditor-General, organs of state, Council's Audit Committee and Councilors;

The MPAC has pleasure in presenting the Oversight Report to Council to consider the following resolutions and then to be forwarded to the relevant Departments and Provincial Legislature:

RESOLVED TO RECOMMEND:

1. That Council having fully considered the Annual Report of the KwaDukuza Municipality, adopts the Oversight Report for the 2020/2021 Financial Year, with reservations as included in the comments in the Oversight Report as referred to hereunder:-
 - ◊ Contingent liabilities (AG's report – paragraph 7)
 - ◊ Material losses – electricity (AG's report – paragraph 8)
 - ◊ Underspending on Capital Budget (AG's report-paragraph 9)
 - ◊ Performance Management (AG's report – paragraphs 16-22)
 - ◊ Compliance with laws and regulations and Expenditure Management (AG's report – paragraphs 23-28)
 - ◊ Internal control deficiencies (AG's report-paragraphs 33-34)
 - ◊ Investigations (AG's report-paragraph 36)
2. That the Oversight Report be made public in accordance with Section 129(3) of the Municipal Finance Management Act 56 of 2003.
3. That the Oversight Report be submitted to the Provincial Legislature within 7 days in accordance with Section 132(2) of the Municipal Finance Management Act 56 of 2003.
4. That MPAC as the Committee of Council monitors implementation of the AG action plan by all Senior Managers
5. That progress reports on implementation of the AG action Plan be submitted to Council on quarterly basis for Council to play its oversight role.
6. That the internal audit department be capacitated.
7. That the municipality needs to ensure that consequence management is being implemented.

ANNEXURE A: MPAC OVERSIGHT MINUTES

MINUTES OF THE MUNICIPAL PUBLIC ACCOUNTS OVERSIGHT COMMITTEE MEETING HELD, ON TUESDAY, 1 MARCH 2022 AT 08H00

PRESENT:

Councillors: Cllr A Mhlongo (Preterm Chairperson), Cllr E Kolia, Cllr N Qwabe, Cllr JF Magwaza, Cllr SC Mwandla, Cllr V Govender, Cllr TT Mkhize, Cllr J Mpanza

Officials: NJ Mdakane (Acting Municipal Manager), AM Manzini (Chief Operations Officer), SC Viramuthu (ED: Community Safety), S Rajcoomar (Chief Financial Officer), SM Khanyile (ED: Community Services & Public Amenities), L Moothusamy (Head: SCM), S Zulu (Dir: Communications), Y Pillay (Head: Internal Audit), J Sewdular (Ass. Manager: PM&E), NS Chonguene (Dir: Expenditure), M Mahlalela (Ass. Manager: PM&E), P Murugan (Manager: AFS), & S Mpunzana (Secretariat)

Other: C Meyiwa (PAC Chairperson), B Botes (DOCRRA), P Maharaj (Human Rights Association)

1. OPENING PRAYER & WELCOME

Cllr N Qwabe elected Cllr A Mhlongo as a pro tem chairperson, and was seconded by Cllr TT Mkhize.

The meeting opened with a silent prayer at 08:15 and the chairperson welcomed all present.

2. NOTICE OF MEETING

The notice of the meeting was taken as read.

3. SIGNING OF ATTENDANCE REGISTER

The attendance register was noted by the meeting and was circulated for all present to sign

4. DECLARATIONS OF PECUNIARY INTEREST/ OTHER FORMS OF INTEREST

- a. Councillors: None
- b. Staff: None

5. APOLOGIES:

- a. Cllr K Naidoo was on leave
- b. Mr SV Hlongwane (ED: EDP) was to join the meeting late
- c. Mr EM Sithole (ED: Civil Engineering) was to join the meeting late
- d. Mr SM Khanyile (ED: Community Services) was to join the meeting late

6. COUNCILLORS LEAVE OF ABSENCE:

- a. Applications: None
- b. Granted: None

7. OFFICIAL ANNOUNCEMENTS

None

8. BUSINESS OF THE DAY:

There were no comments on the report therefore the Oversight Committee requested that the Municipal Manager must formally write to all the chairpersons of the portfolio committees to provide their comments to the annual report.

A concern was raised in terms of electricity losses as an action plan was put in place however it has not worked because energy losses is still very high.

ANNEXURE A: MPAC OVERSIGHT MINUTES ...continued

MINUTES OF THE MUNICIPAL PUBLIC ACCOUNTS OVERSIGHT COMMITTEE MEETING HELD, ON TUESDAY, 1 MARCH 2022 AT 08H00 ...continued

RECOMMENDATIONS

1. An updated AG action plan will be put in place, whereby additional information will be provided,
2. At every monthly meeting there should be a report that details the progress to see if the plan is working to avoid the energy losses and also consequence management should be implemented. And an AG action plan must indicate measures that have been put in place to deal with electricity losses,
3. However, have been measures put in place thus far as there was a task team established that did disconnections in businesses around town, and that was a practical action that management put in place.
4. Meters must be installed at the point of supply and not rely on Eskom alone, but the municipality must be able to read the meters and be able to confirm if the losses reflecting are correct.
5. On a monthly basis MPAC must assess progress especially in the last for months before the financial year end: management must be able to table a report to present to the MPAC committee and the committee must indicate what other measures must be put in place.

6. A team that will always deal with disconnections must be established,
7. In terms of developers, a decision that was taken at good governance was to appoint lawyers that will give legal opinion on the validity of these agreements, and the report will come back to the MPAC committee as part of the AG action plan.
8. There has been a commitment on the side of management to deal with performance management, and going forward there will be a performance management agreement implemented as it was legislated and it will be explained further to the councillors at the Lekgotla.
9. There are delays in the post office and consumes do not get statements on time. There the municipality emails the statements to consumers, and a consumer portal has been activated whereby the consumer can access and obtain the statement directly from the portal.
10. Another point raised was to install meters outside the houses and Mr Jali (ED: Electrical) was requested to contact Cllr Mwandla to discuss further on the matter or suggestion.
11. The committee requested that on the next meeting that should be proper comments from all the ED's

There being no further matters for discussion the meeting terminated at 10h17



Cllr. A Mhlongo

**(Pro-Term Chairperson): Municipal Public Accounts
Committee (MPAC)**

Date: 1 March 2022

ANNEXURE A: MPAC OVERSIGHT MINUTES ...continued

MINUTES OF THE MEETING OF MPAC OVERSIGHT COMMITTEE HELD IN THE COUNCIL CHAMBER, 14 CHIEF ALBERT LUTHULI STREET, KWA DUKUZA ON TUESDAY 08 MARCH 2022 AT 08H00

PRESENT: Cllr A Mhlongo (Protem Chairperson), N Qwabe, EM Kolia, JF Magwaza, SC Mwandla, K Naidoo, V Govender, DN Ngema, TT Mkhize and NJ Mpanza

Officials: NJ Mdakane (Municipal Manager), A M Manzini, M E Sithole (ED: Civil & HS), SL Jali (ED: Electrical), SM Rajcoomar (CFO), Y Pillay (Head: IA), SV Hlongwane (ED: EDP), SC Viramuthu (ED: Comm Safety), M Manzini (COO), SM Khanyile (ED: Community Services), M Faya (Director: Community Safety), J Sewdular (Assistant Manager: PM&E), D. Pillay (Director: Compliance), S Chonguene (Director: Expenditure), M Mahlalela (Acting Director: PMS), P Murugan (Manager: AFS), L Moothusamy (Head: SCM), S Mkhize (Media Liaison Officer) and Z Mgobhozi (Secretariat)

Other: Mr D Viljoen Dolphin Coast Ratepayers Association (DOCRRA), Mr Maharaj (Human Rights Commission)

AGENDA

1. PRAYER

The meeting observed a moment's silent prayer.

2. NOTICE OF MEETING

It was unanimously agreed that the Notice of Meeting be taken as read.

3. SIGNING OF ATTENDANCE REGISTER: NOTED

4. DISCLOSURE OF PECUNIARY INTEREST

- a) Councillors: Nil
- b) Staff: Nil

5. APOLOGIES FOR ABSENCE:

- a) S Rajcoomar was to join later
- b) Mr C Meyiwa PAC chair was unavailable
- c) M Manzini was to join later

6. COUNCILORS LEAVE OF ABSENCE

- 6.1 Granted: None
- 6.2 Applications: None
- 6.3 Absent: None

7. OFFICIAL ANNOUNCEMENTS: NONE

8. CONFIRMATION OF MINUTES: 01 MARCH 2022.

Moved by Cllr V Govender and Seconded by Cllr N Qwabe.

ANNEXURE A: MPAC OVERSIGHT MINUTES ...continued

MINUTES OF THE MEETING OF
MPAC OVERSIGHT COMMITTEE
HELD IN THE COUNCIL
CHAMBER, 14 CHIEF ALBERT
LUTHULI STREET, KWA DUKUZA
ON TUESDAY 08 MARCH 2022
AT 08H00 ...continued

2020/2021 MPAC OVERSIGHT REPORT

RECOMMENDATIONS

1. That the Dolphin Coast Ratepayers Association be given opportunity to study the responses given by officials on the document and submit their inputs before Friday this week.
2. That management double checks the quality of the material being ordered for streetlight.
3. That all the comments be consolidated and submitted by close of business tomorrow.
4. That the Close Protection Policy be relooked at and reviewed accordingly.

5. That information submitted for the Oversight report be based on the Annual report,
 6. That some of the issues raised by the Human Rights Commission be directed to the Municipal Manager, Mayor and the Speaker and that these comments are not included as comments on the Annual Report.
 7. That all oversight report comments on the annual report be submitted by political parties and portfolio chairs by close of business of Tuesday, 09 March 2022.
 8. That the Annual Report be proofread by management, for quality assurance and credibility.
 9. That it be noted that not all the comments from the relevant officials were received, as responses are received these responses will be updated onto the Oversight Report and submitted to the MPAC Oversight Meeting on 15 March 2022.
 10. That the Portfolio of Evidence for the installation of streetlights be submitted to MPAC
-

There being no other matters for discussion the meeting terminated at 10h00



Cllr. A Mhlongo

**(Pro-term Chairperson): Municipal Public Accounts
Committee (MPAC)**

Date: 08 March 2022

ANNEXURE A: MPAC OVERSIGHT MINUTES ...continued

MINUTES OF THE MEETING OF MPAC OVERSIGHT HELD ON TUESDAY, 15 MARCH AT 08H11AM AT THE COUNCIL CHAMBER, KWADUKUZA

PRESENT: Cllr A Mhlongo (Pro-Term Chair), Cllr N Qwabe, Cllr E Kolia, Cllr JF Magwaza, Cllr SC Mwandla, Cllr K Naidoo, Cllr V Govender, Cllr DN Ngema, Cllr NJ Mpanza

OFFICIALS: N.J Mdakane (Municipal Manager) M Manzini (COO), S Sithole (Civil & HS), C Viramuthu (ED: Community Safety), S Hlongwane (ED: EDP), S Jali (ED: EBU), Y Pillay (Head: IA), S Chonguene (Dir: Expenditure), M Mbili (Dir: IT), NL Ngwane (Dir: Community Services), C Pereira (Dir: Special Programmes), L Moothusamy (Head: SCM), MR Mahlalela (Ass. Manager: PME), J Sewdular (Ass. Manager: PME), S Mkhize (Media: Liaison Officer), P Murugan (Act Manager: AFS).

BY INVITATION: Mr. C Meyiwa (PAC Chairperson) and PH Maharaj (Human Rights Association)

AGENDA

Mr. NJ Mdakane (Acting Municipal Manager) advised the Committee that a pro-term chairperson needed to be elected seeing the position of the chairperson still remains as vacant. The name of Cllr A Mhlongo was moved by Cllr V Govender and seconded by Cllr DN Ngema. Cllr A Mhlongo assumed the position of pro-term chairperson and opened the meeting.

1. PRAYER

The meeting observed a moment silent prayer.

2. NOTICE OF MEETING

It was unanimously agreed that the Notice of Meeting be taken as read.

3. SIGNING OF THE ATTENDANCE REGISTER

Attendance register was circulated to all present.

4. DECLARATION OF PECUNIARY INTEREST

- a) Councillors: None
- b) Staff: None

5. APOLOGIES FOR ABSENCE:

- a) Cllr K Naidoo to be late
- b) Mr Brian Botes and Deon Phillian (DOCRRA) to attend in the next meeting.
- c) Mr. S Khanyile (ED: Community Services) on leave
- d) S Rajcoomar (CFO) unwell

6. LEAVE OF ABSENCE

- a) Granted: Cllr T.T Mkhize

7. OFFICIAL ANNOUNCEMENTS:

- a) Cllr Mwandla inquired about the meeting that was scheduled for 28/02/2022. That it was postponed and they had received an agenda which was not yet discussed. Municipal Manager advised that after the Committee has dealt with the Oversight Committee meeting, the normal MPAC meeting will continue and that agenda will be dealt with.
- b) Cllr Kolia requested that the attendance record be also part of the Agenda and that in the last meeting held on the 8th of March 2022 the last item speaking to the UIFW to form part of the normal MPAC meeting.
- c) Mr Mahlalela (Assistant Manager: PM&E) informed the Committee that the submission of comments have closed.
- d) Mrs J Sewdular (Assistant Manager: PME) Informed the Committee of the PAC meeting scheduled for 10h00 at the Stanger Mall Hall and requested to be excused at 09h30, together with the PAC Chair.

8. CONFIRMATION OF MINUTES: 08 MARCH 2022

- a) **Corrections:** That on page 47, under recommendation 4 be corrected to say, "that the CPO policy be provided in the next meeting".
- b) **Matters Arising:** Mr. M Mahlalela (Assistant Manager: PMS&E) requested that the requested that CPO Policy be provided at the normal MPAC Meeting.

Minutes were moved by Cllr SC Mwandla and seconded by Cllr N Qwabe

9. BUSINESS OF THE DAY

ANNEXURE A: MPAC OVERSIGHT MINUTES ...continued

MINUTES OF THE MEETING OF MPAC OVERSIGHT HELD ON TUESDAY, 15 MARCH AT 08H11AM AT THE COUNCIL CHAMBER, KWADUKUZA ...continued

2020/2021 MPAC OVERSIGHT REPORT

COMMENTS:

CLLR E KOLIA

- ◊ Page 390 bullet point 2 on the Internal Audit not conducting an investigation on covid payment, Councillor would like to know what the case is and will the process of disciplinary be taking place
- ◊ To have a clear report whether we are capacitating the Internal Audit unit or the unit is an effective unit.
- ◊ Goods over R200 000 procured without inviting bids as per SCM regulation, Councillor raised concerns on those regulations not being followed and why consequence management is not implemented.
- ◊ On mileage and fuel consumption, that vehicles are monitored through C-Track system and vehicles with abnormalities are reported to the user departments, that the response doesn't make sense as the abnormality could relate to the condition of the vehicle, and this doesn't speak to the issue of employees using municipal vehicles for their private purposes and disciplinary action must be implemented
- ◊ The aspect control of working hours, the use of a manual register is maintained whenever the electronic system is not working, which is a huge challenge on using the manual system as it is easy for employees to manipulate. That on various departments how many biometric systems are functioning and why are they not fixed.
- ◊ Fraud and corruption on the rocky park housing, investigation on the alleged fraud, concerns raised on this not being finalized.

MUNICIPAL MANAGER

- ◊ That on page 66, The issue raised on Rocky Park, that the report was tabled at Council and Council noted a lot of gaps on the report which were the following:
 - i) Payments were done by the department of human settlements provincially
 - ii) It was the department of Human Settlements Provincially which came and inspected the work done together with NHBRC before payments were made
 - iii) That the report indicates that there was 68million that could not be accounted for.

When this was presented to Council together with relevant annexures as well as with agreements its clearly made sense that the issue had to be further investigated, in which council took a decision to write letters to COGTA and Provincial Treasury and requested them to further investigate the matter, so that the R68million can be addressed. later on, the investigation was referred to the office of the Premier, and last year Internal Audit unit made a follow-up on the matter and was told that matter is still under investigation.

That once matter is finalised, it would be brought before Council then after the context of the investigation will be provided to the public domain.

- ◊ Responding to the biometrics issue, the Municipal Manager reported that the reason Municipality stopped using biometric system was because of COVID-19. That Municipality has gone out for tender and want a system where you would not have to touch but use your forehead for the system to register an employee. Raised that the manual register is inadequate.
- ◊ That on the issue of mileage and the consumption, and on issue raised on vehicles being used for private things, Municipal Manager raised that the possibility is there and always said that unless the member of public sees KDM vehicles doing private business is not brought to the Municipal offices the matter cannot be investigated, It can only be investigated once something is reported and investigations have done so in the past and disciplinary actions were taken and some employees were dismissed.
- ◊ There's not been any procurement that was done unless we have used regulation 36, which is part of the regulations that are applicable in SA.
- ◊ The issue of effectiveness of the Internal Audit unit, that unit is not fully capacitated and yet few individuals assisted by interns are doing their work to a large extent and in the next financial year the Business Unit will set aside a budget to ensure that the unit is fully capacitated.
- ◊ Reference is made on overpayments to contractors, still waiting for the report once its provided the matter will be finalized.

ANNEXURE A: MPAC OVERSIGHT MINUTES ...continued

MINUTES OF THE MEETING OF MPAC OVERSIGHT HELD ON TUESDAY, 15 MARCH AT 08H11AM AT THE COUNCIL CHAMBER, KWADUKUZA

2020/2021 MPAC OVERSIGHT REPORT ...continued

COMMENTS: ...continued

HEAD: IA

- ♦ The Internal Audit is waiting for the financial schedule from finance department. That the Finance department has recovered 90% of the amount and 10% is remaining and after the final schedule is provided, the process of investigating how we ended up with consultants and contractors being over paid will begin, at the moment the Internal Audit will wait for final schedule and from there will then write to the office of the Municipal Manager to implement disciplinary action.

MR. PH MAHARAJ (HUMAN RIGHTS ASSOCIATION)

- ♦ That on the issue of grass cutting and refuse, that the Municipality fails in the duty of oversight.
- ♦ That grass cutters at some places only trim the grass so they can cut it again at an early stage.
- ♦ Raised concern on the issue of stealing from the Municipality, that a man who stole cables and cables found at his house and has been dismissed and his now appealing his dismissal.
- ♦ That on the issue of recycling, the Municipality has outside bins, which have four compartments. The bins were installed in towns and in suburbs, however the bins are not being used by the public as expected.

- ♦ The Rocky Park issue going over 10years, people being deprived of houses, and concerns on how long this will issue last.

MUNICIPAL MANAGER

- ♦ That the name of the organisation will be corrected.
- ♦ The issue of the Rocky Park, that the perpetrators of wrongdoing has to face the rule of law,
- ♦ That the Ngubane and associates did the investigation, however their investigation did not point out exactly who were the culprits, the report of the investigation was very generic and yet indicated that R68million could not be accounted for, in which Council took a decision that Cogta Provincial Treasury to investigate.
- ♦ That the Rocky Park project is continuing and not in standstill.
- ♦ That on the issue of someone who stole the cables, Municipal; Manager reported that currently the employee is dismissed.

DIRECTOR: COMMUNITY SERVICES

- ♦ Noting the issues raised by the Human Rights Association.
- ♦ Recommends of having an engagement with services providers in a sense of ensuring that there are basic services delivery requirements or contractual obligation highlighted and ensures that the department does oversight by taking photographs as evidence by the services provided.
- ♦ The issue of recycle bins was a project aiming of eliminating problems identified by the department, and bis were clearly marked to ensure that recyclers are able to ensure of collecting such recyclables. That the department will raise public awareness of the recycle bins and how these bins are operated.

CLLR E KOLIA

- ♦ Requested to get an update on Tender MN105-2021 security contract, as its should be on the last stage of the processes to be awarded to successful bidder.
- ♦ SCM Challenges on validity period, that there should be a clear response on this issue raised

CLLR K NAIDOO

- ♦ Councillor in arrears, is there a time frame attached to this issue.

ANNEXURE A: MPAC OVERSIGHT MINUTES ...continued

MINUTES OF THE MEETING
OF MPAC OVERSIGHT HELD
ON TUESDAY, 15 MARCH AT
08H11AM AT THE COUNCIL
CHAMBER, KWADUKUZA

2020/2021 MPAC
OVERSIGHT REPORT ...continued

RESOLVED TO RECOMMEND:

1. That the AR report be corrected, and responses be provided on all comments made by public, political parties and Portfolio Chairpersons.

2. That no further comments will be accepted due to the final sitting of MPAC Oversight on the Annual Report.
3. That some comments provided by the public won't be included on the Final Oversight Report as these comments were not related to the Annual Report. These additional matters need to be addressed to the Municipal Manager on a different platform.

ASSISTANT MANAGER: PM&E

10. CLOSURE

There being no other matters for discussion the meeting terminated at 10h45



Cllr. A Mhlongo

**Pro-Term Chairperson: Municipal Public Accounts
Committee (MPAC)**

Date:15/03/2022

ANNEXURE A: MPAC OVERSIGHT MINUTES ...continued

MINUTES OF THE MEETING OF MPAC OVERSIGHT HELD ON TUESDAY, 22 MARCH 2022 AT 08H13 AM

PRESENT: Cllr A Mhlongo (Pro-Term Chair), Cllr E Kolia, Cllr J.F Magwaza, Cllr SC Mwandla, Cllr K Naidoo (arrived at 09h23), Cllr DN Ngema, Cllr NJ Mpanza

OFFICIALS: N.J Mdakane (Municipal Manager), A.M Manzini (COO), S.E Sithole (Civil & Human Settlement), C. Viramuthu (ED: Community Safety), S Jali (ED: Electrical & Fleet Management), S Chonguene (Dir: Expenditure), M Mbili (Dir: IT), P Mkhwanazi (Senior Manager: Operations), L Moothusamy (Head: SCM), M.R Mahlalela (Acting Dir: Manager: PM&E), J Sewdular (Ass. Manager: PM&E), S Mkhize (Media: Liaison Officer), P Murugan (Act Manager: AFS), TP Gumede (Act Dir: Revenue), S Xaba (Manager: Complaints Management), Z Mgobhozi (Secretariat)

BY INVITATION: Mr. C Meyiwa (PAC Chairperson), B Botes (DOCRRA) and P.H Maharaj (Human Rights Association)

AGENDA

Mr. NJ Mdakane (Acting Municipal Manager) advised the Committee that a pro-term chairperson needed to be elected seeing the position of the chairperson still remains as vacant. The name of Cllr A Mhlongo was moved by Cllr NJ Mpanza and seconded by Cllr DM Ngema. Cllr A Mhlongo assumed the position of pro term chairperson and opened the meeting.

1. PRAYER

The meeting observed a moment of silent prayer.

2. NOTICE OF MEETING

It was unanimously agreed that the Notice of Meeting be taken as read.

3. SIGNING OF THE ATTENDANCE REGISTER

Attendance register was circulated to all present.

4. DECLARATION OF PECUNIARY INTEREST

- a) Councillors: None
- b) Staff: None

5. APOLOGIES FOR ABSENCE:

- a) Cllr K Naidoo to be late
- b) Mr Y Pillay was off sick

6. LEAVE OF ABSENCE

- a) Applications:
- b) Granted:
- c) Absent: Cllr TT Mkhize, V Govender and N Qwabe

7. OFFICIAL ANNOUNCEMENTS:

8. CONFIRMATION OF MINUTES: 08 MARCH 2022

a) Corrections: That on page 47, under first bullet point to read disciplinary action

b) Matters Arising: None

Minutes were moved by Cllr NJ Mpanza and seconded by Cllr DM Ngema.

9. BUSINESS OF THE DAY

ANNEXURE A: MPAC OVERSIGHT MINUTES ...continued

MINUTES OF THE MEETING OF MPAC OVERSIGHT HELD ON TUESDAY, 22 MARCH 2022 AT 08H13 AM ...continued

2020/2021 MPAC OVERSIGHT REPORT

COMMENTS:

B BOTES (DOCRRA)

- ♦ There is a discrepancy on the number of staff paid on payroll system as per the annual report: June 2021-1155, 2020 – 1237.
- ♦ That the correctness of these figures will be verified accordingly
- ♦ Is the 44 million property transfer for Rocky Park the same, if yes why the amount differs since it is recorded as 22 million.

CLLR E KOLIA

- ♦ How far has the municipality gone in the investigation of KDM lease properties.
- ♦ The clarity was sought as to the councillor who appear to be in areas with the municipality for years.
- ♦ Page 54: Time frame of investigation undertaken on expenditure on contractors.
- ♦ Page 55: Portfolio of Evidence for the 3425 street light that have been repaired be submitted.

PH MAHARAJ (HUMAN RIGHTS ASSOCIATION)

- ♦ The municipality was encourage to check the root causes of Energy Losses in the municipality and make a breakdown of whether it is:
 - a) Theft
 - b) Illegal Connections
 - c) Meter Tempering
 - d) Average Consumption

- ♦ The public participation was encouraged in the municipality so that members of the public can feel included in the affairs of the municipality.
- ♦ The municipality to do a head count of all employees to avoid paying ghost employees.
- ♦ There was a concern about employees who are seen around during the normal working hours which is interpreted to be a result of no biometric system.
- ♦ There must be a portfolio of evidence indicating that the target was exceeded on the issue of the exceeded target on the streetlight.
- ♦ There was a concern with the Apollo streetlights that are on day and night which might be the cause of high Energy Losses.
- ♦ There was a concern with the exorbitant amount of R 270 000 paid to Special Investigation Unit for their project on investigation of PPE's.
- ♦ In terms of the accounting standards when we take on a property we need to get a property valuer first and that is the main reason for the 22 million property valuer fee.

MUNICIPAL MANAGER

- ♦ Municipal Manager reported that the reason Municipality stopped using biometric system was because of COVID19. That Municipality has gone out on tender and wants a system where you would not have to touch the system but use your forehead for the system to register an employee. Raised that the manual register is inadequate.
- ♦ The money owed to SIU has to be budgeted and paid for since the money is not usually recoverable from the whistle blowers.
- ♦ The KDM public participation policy is enshrined in the Constitution Section 152 and the municipality is always complying in terms of Public Participation through Ward Committees.
- ♦ We are putting in place mechanism to deal with the issue of staff attendance.
- ♦ The Department of Human Settlement had to appoint a qualified valuer before paying for the land.

S JALI

- ♦ There are six meters on Eskom side of which on our side we need to install 6 check meters but for now we only have two functional of which the other four are work in progress. The Municipality mainly focuses on maximum demand meters of which there is 500 consumers. The percentage of energy losses on Appolo streetlights is low compared to the other losees which are affecting the municipality such as capable theft. The turn around time for the installation of meter if about 5 days but depending on the availability of meters.

ANNEXURE A: MPAC OVERSIGHT MINUTES ...continued

MINUTES OF THE MEETING OF
MPAC OVERSIGHT HELD ON
TUESDAY, 22 MARCH 2022 AT
08H13 AM ...continued

2020/2021 MPAC
OVERSIGHT REPORT ...continued

COMMENTS: ...continued

S RAJCOOMAR

- ♦ In terms of the councillor that is in areas, the debt has been disputed but no further details can be provided in trying to comply with the POPI Act.
- ♦ The Covid 19 Debtors Incentive Scheme was open to those who came forward we offer acknowledgement of debt to sign but unfortunately others were collected through legal processes.

- ♦ In terms of Energy Losses we are experiencing challenges in terms reading a meters because some properties are not accessible and some consumers remove meters.

CLLR E KOLIA

- ♦ The internal audit capacity and consequence management to be part of the recommendations.

10. CLOSURE

There being no other matters for discussion the meeting terminated at 09h55



Cllr. A Mhlongo

**Pro-Term Chairperson: Municipal Public Accounts
Committee (MPAC)**

Date: 23/03/2022

ANNEXURE B: RESPONSES TO COMMENTS RECEIVED FROM MEMBERS OF THE PUBLIC

ANNUAL REPORT COMMENTS FROM THE PUBLIC (DOCRRA)			
COMMENT	RESPONSIBLE DEPARTMENT	CONCERNS	MANAGEMENT CORRECTIVE ACTIONS
Why have no bi-monthly meetings taking place in the period 1 July 2020 to 30 June 2021? Page. 7	IDP & Public Participation		The reasoning behind no Bi-monthly Ward Committee Meetings/IDPRF was due to COVID-19 restrictive conditions to public gatherings and that is why they could not sit on a bi-monthly or even quarterly basis. It must be noted that only two Ward Committee/IDPRF meetings sat during the period of 01 July 2020 TO 30 June 2021 i.e., 05 December 2020 and 05 May 2021 both were held at the Town Hall.
Rates and refuse billing amounts have been swapped around, need to change rows. Great effort by KDM on the collection rates for all as alluded to above, however, electricity billings only increased by 3.9% for 2021 despite tariff increases and the country being out of stringent lockdown for much of the year. This speaks to increases in electricity losses reported on above and later. Page. 18	Finance Department Finance Department		The reduction in electricity revenue could be attributed to increase in electricity theft, faulty meters, and alternative energy namely solar.
All actions relating to energy losses marked as complete, yet the problem has escalated. Why is that? Page. 19	Electrical Department		The KDM electricity measuring and calculations system has not been resolved, however to mitigate this error there will be installation of the metering system which will be done for the 3 Eskom intake points, the 27 transformers located in the 14 substations and all the 244 feeders in KDM. The metering system in the 14 substations will be resolved by SCADA and Control Centre project in which the tender is at appeals stage. The execution of smart metering system has been constrained by budget availability. The estimated cost of installing advanced metering infrastructure (Smart metering) is R70M.
Our understanding is that there is still several vacancies in Finance department however "Motivation for additional staff" is marked as achieved. Please clarify? None of the action plans under risk 8, Human Resources have been met. These do not appear to be particularly difficult. Please explain. Page. 19	Finance Department Human Resources		The posts have been including on the list of prioritized posts. The upgrade to the new HR/Payroll system from VIP Premier to SAGE People 300 could not balance at payroll and a decision was taken in December 2021 to implement Electronic Leave Management on the VIP Premier The Payroll Section, committed to implementing People 300 which includes work that was done on data migration of the VIP Premier to People 300 on the payroll part of People 300. There were however many challenges which arose during data migration and balancing the system while the SAGE representative lacked some technical assistance through observation in assisting and resolving the technical challenges experienced by the payroll staff. Furthermore, SAGE did not provide the municipality another municipality which uses People 300 to assess its success rate.

ANNEXURE B: RESPONSES TO COMMENTS RECEIVED FROM MEMBERS OF THE PUBLIC ...continued

ANNUAL REPORT COMMENTS FROM THE PUBLIC (DOCRRA)			
COMMENT	RESPONSIBLE DEPARTMENT	CONCERNS	MANAGEMENT CORRECTIVE ACTIONS
It seems unlikely that value for money has been achieved from this completed streetlight expenditure due to the number of complaints and outages noted in wards 6, 22 and 30. We request that a special investigation be undertaken on the expenditure and contractor that supplied the service. Page. 73	All Business Units		The current problem with streetlights infrastructure is cable faults caused by service providers that dig during infrastructure maintenance works. Most of the work done by contractors revolves to issues of streetlights infrastructure that is above ground. There are also further issues wherein thieves cut cables during housing breakings for the reasons to cut power supplies. The investigation to the mentioned suggestion will be done.
The AG reported in the 2020 audit that performance information was incomplete or not able to be verified and there were material errors, which resulted in a qualified report. What action did the MPAC institute to correct this for the 2021 audit? This outcome casts doubt for the readers of the annual report on the accuracy and credibility of the information presented. Page. 146	Performance Monitoring and Evaluation		In this current year, PMS and Internal Audit have been able to resolve all queries raised in the previous financial year. The incomplete performance information raised by the AG was pertaining to the number of households electrified which most of the evidence required Eskom to play a part in providing the municipality with the correct figures.
OPMS 29 – streetlights noted here as achieved yet residents of DOCRRA complain consistently of these being out of order. Please explain. OPMS 29b - only 17% of budget spent yet target noted as achieved. Please explain. Page. 161	Electrical Department		The streetlights on OPMS 29 are based on the 2020/21 financial year target which was to repair 1000 street lights. However, the municipality exceeded the target, and repaired 3425. There are factors that hinder the optimal repairs of all streetlights within KDM which include budget. On OPMS 29b- TARGET MET 100% expenditure on projects with completion certificates and handover certificates dated 02/07/21 to 08/07/21
Table 62 1. Ideal total 1213 (2020 – 1130) 2. Exist total 1113 (2020 – 985) Therefore, there is a vacancy rate of 8.2% which is different to 6% reflected earlier – page 40 – and supported by the vacancy percentage reflected on Page. 182 . To ensure accuracy, please can you provide the number of personnel paid per the June 2020 and June 2021 payrolls. The numbers of ideal and exist have increased from 2020 by approximately 100 each. Why has the ideal staff numbers increased from 2021? Page. 181	Human Resources		The ideal includes all post that were approved on the structure, while the vacancy rate only include those vacant and budgeted for The change resulting from reviews that took place annually by the Municipality. NUMBER OF STAFF PAID ON PAYROLL SYSTEM JUNE 2021 – 1155 JUNE 2020 – 1237
Number of vacancies seem to be much lower than those reported to DOCRRA in our engagements with ED's. In some department's vacancies are more than 30% so this needs further investigation and clarification. Page. 182	Human Resources		This due to the approved 5-year structure compared to prioritized and budgeted posts

ANNEXURE B: RESPONSES TO COMMENTS RECEIVED FROM MEMBERS OF THE PUBLIC ...continued

ANNUAL REPORT COMMENTS FROM THE PUBLIC (DOCRA)			
COMMENT	RESPONSIBLE DEPARTMENT	CONCERNS	MANAGEMENT CORRECTIVE ACTIONS
<p>In 2020 AR you provided the reporting date which you have not disclosed this year. Please can these be inserted to improve transparency.</p> <p>It is pleasing to note that many cases pending in June 2020 have been finalized through 2021 or are in progress. Page. 184</p>	Human Resources		The dates will be inserted on the report.
<p>Further to comments made above regarding under spending of the budget, it is noted that the actual operating surplus is R174,2m against a budgeted deficit of R14,9m, a positive variance of R189m. While this is significantly impacted by savings on Debt Impairments, the other areas of operational expenditure should be spent if budgeted. Page. 209</p>	Finance Department		<p>Page 209 refer to the budget statement – The surplus of R243m is shown on the 7th line of page 346. No amendment required.</p> <p>R 140m of the positive variance is attributable to Debt Impairment. Noted, however the PME targets provide a better basis of analysis if the key focus areas have been achieved as there may have been efficiencies in meeting outcomes.</p>
<p>A listing of Investment Property is encouraged for improved disclosure and transparency. Note 2</p> <p>Certain figures have decimal points which should be removed, and the numbers rounded.</p> <p>Can the land donation of R22m please be identified and explained? Page. 218</p>	<p>Finance Department</p> <p>Finance Department</p>		<p>Department of Human Settlements transferred 2 properties to KDM for future housing projects. As we did not pay for these as a municipality, this was recognised as a donation. For further information please refer to EXCO item C1099 as submitted Civil Business Unit.</p>
<p>The description of Intangible Assets is encouraged for improved disclosure and transparency.</p> <p>If assets are brought into use, (reconciliation table) wouldn't they be a negative in under construction, as disclosed, but a positive in the top line which is not reflected so how does it balance? Page. 242</p>	Finance Department		<p>The municipality accounts for many intangible assets, mainly those relating to Software. These are too numerous to list but a narrative of the major classes will be considered going forward.</p> <p>Previously we reflected assets under construction column on the PPE note which clearly reflected what is being asked. That disclosure resulted in the negative recognition as alluded to in the comments.</p> <p>Upon engagements with the Office of the Auditor General and guided by section 42 of GRAP 17 updated guidance is that assets under construction as a separate class should not be a separate class but should be included in the opening balances across all affected asset groups/classes.</p> <p>The breakdown of assets under construction is included at the bottom of the PPE note.</p>

ANNEXURE B: RESPONSES TO COMMENTS RECEIVED FROM MEMBERS OF THE PUBLIC ...continued

ANNUAL REPORT COMMENTS FROM THE PUBLIC (DOCRA)			
COMMENT	RESPONSIBLE DEPARTMENT	CONCERNS	MANAGEMENT CORRECTIVE ACTIONS
Does KDM also not lease office space, which it has been considering acquiring? This doesn't appear to be disclosed here. Page. 256	Finance Department		The disclosure is for Finance Leases. The Office space lease is a direct operating expense hence it cannot be recognized under this category.
Can we request that the Eskom payable be split and shown separately from Trade Payables for improved disclosure? Note 20	Finance Department		We will consider this for future years as the AFS is based on nature does not function and we would need to ensure consistency in other areas.
Gross income fewer gross purchases from electricity has reduced from R126m in 2020 to R101m in 2021. This is a concerning trend which goes to the other points on electricity losses. The margin has also reduced from 17 to 13%. What is Council's action on this? Page. 260	Finance Department/ Electrical Department		The measuring and calculations system is not yet resolved. Installation of metering system starting from 3 Eskom intake points down to 27 transformers located in 14 substations and all 244 feeders. The metering system in 14 substations will be resolved by SCADA and Control Centre project of which tender is at appeals stage. The execution of smart metering system that will resolve the installation of metering system for 244 feeders is constrained by unavailability of budget.
The balance for note 27 is missing at bottom of this page- suggest move total note to next page. Page. 266	Finance Department		Agreed, formatting to be corrected.
There is a table of figures at the top of this page which is not identified? Please can KDM explain why the % increases for costs such as Medical (8,1%), Pension (7,1%) and Standby (21,9%) increased above those of Basic (5,1%)? Page. 266	Finance Department		Agreed, formatting to be corrected. The increase on Medical Aid is due to a change of options during the year, and new staff joining the medical aid. Change on pension is due to new staff members joining pension fund and change of members from lower options to higher options. In addition, there is an annual inflationary escalation. Reason for many standby – electrical.
It seems incorrect that in most ED's remuneration for Salary, Travel, Pension etc. is same as 2020 when officials reportedly received an inflationary increase. Did they not receive a general increase or is the 2020 or 2021 information incorrect? Pages. 266-268	Finance Department		A zero increase was proposed through the Gazette on Upper Limits Of Total Remuneration Packages Payable To Municipal Managers And Managers Directly Accountable to Municipal Managers for the period reported.
Please can KDM explain why Councilors' Pension contributions increased by 60,8% in 2021? Page. 269	Finance Department		The increase between 2020 and 2021 is attributable to changes at Council due to death, resulting on new councilors joining in, between the two periods, there was an acting mayor and their changes at Council. In addition to this, the increase was due to an annual escalation on pension contribution

ANNEXURE B: RESPONSES TO COMMENTS RECEIVED FROM MEMBERS OF THE PUBLIC ...continued

ANNUAL REPORT COMMENTS FROM THE PUBLIC (DOCRRA)			
COMMENT	RESPONSIBLE DEPARTMENT	CONCERNS	MANAGEMENT CORRECTIVE ACTIONS
Is it appropriate that this ED conducts such significant outside work, outside of his role as an ED for KDM? Pages. 322-324	Performance Monitoring & Evaluation		<p>The provided document is a disclosure form in which all sections 56/57 managers need to disclose their businesses/properties or any shares they may have. This is submitted annually to the Cooperative Government and Traditional Affairs (COGTA) as part of their Performance agreements as legislature.</p> <p>All government employees both from municipalities and sector departments are not limited to having businesses if it will not affect their duties. HR KDM policy also requires employees below section 56/57 to annually disclose their businesses.</p>
On pages 153 & 166 , under Community Safety you record that roadblock were stopped. In the last section under cross cutting (maybe cost cutting?), you state that "33 roadblocks conducted". These are obviously contradictory.	Community Safety		33 roadblocks were conducted but due to COVID-19 restrictions these road blocks were stopped.
The AG findings are covered in pages 269 – 297 of the AR. There is no comment in these pages on the action plan for electricity losses.	Electrical Department		<p>An action plan was presented to Energy Loss task team and sent to NERSA. The plan included the following:</p> <ol style="list-style-type: none"> 1) Energy purchases analysis and forecast 2) Energy sales analysis and forecast 3) Tariff review and development 4) Meters procurement and replacements 5) Amnesty on illegal connections 6) Meter audits 7) Customer network link and Network Equipment Link (CNL & NEL) 8) Smart grid feasibility studies as per National Treasury PP guidelines 9) Smart metering implementation 10) Energy flow studies and losses identification 11) Service connection business process development and implementation 12) Revenue protection unit establishment in Office of MM <p>Stakeholders' engagements</p>
The question is whether recommendations of the Audit Committee have been addressed. Appendix G on pg. 307 only provides the recommendations and not how they were addressed so how will the Committee evaluate this? As a number of these are repeat findings it must be stated that whatever action was taken by KDM has been ineffective.	Internal Audit		There is a Good Governance and Compliance Committee established by the Municipality to deal with a range of issues relating to governance. The audit committee recommendations will be analysed and develop realistic and attainable action plan to address them.

ANNEXURE B: RESPONSES TO COMMENTS RECEIVED FROM MEMBERS OF THE PUBLIC ...continued

ANNUAL REPORT COMMENTS FROM THE PUBLIC (DOCRA)			
COMMENT	RESPONSIBLE DEPARTMENT	CONCERNS	MANAGEMENT CORRECTIVE ACTIONS
Please clarify the status of Enterprise iLembe? Is this a "subsidiary" of KDM?	Economic Development & Planning		Enterprise Ilembe is the wholly owned municipality entity of Ilembe District Municipality. Therefore, KwaDukuza Municipality does not own any stake or shares in this entity.
Regarding statutory commitments – note 58 and pgs. 283-284 not relevant here. Also, the notes do not state whether all payments have been made, e.gg on PAYE and pension? Should note 58 be included in reference?	Finance		The AFS provides the amounts paid to these various bodies. Whilst in the annual report the MM's report will have a specific deceleration stating what is outstanding at year end. This is therefore 2 disclosure processes.
Refer to Appendix H however in every instance on these pages, 308 – 311, the preferential points is 100, the amount in rands is not provided, the reason for award is the same. Your response only covers some tenders. Suggest the relevant and full information be recorded in the AR for full and historical disclosure.	Finance SCM		All tenders are awarded on the highest scoring points in terms of the Preferential Procurement Regulations of 2017. The tenders awarded where "rates" are recorded for the amount awarded refers to tenders that deal with line items where there are individual rates for each item procured. The below tenders have various rates attached to each item to be procured. There is no fixed amount for the given contract as the quantity ordered is demand based. Each item is priced individually and orders are placed when an item is required only: - TENDER MN 171/2019 TENDER MN 172/2019 TENDER MN 229/2019 TENDER MN 90/2020 TENDER MN 140/2020 TENDER MN 141/2020 TENDER MN 91/2020 The below tenders have various rates attached to each item / service rendered. There is no fixed amount as each order is based on the nature of the services rendered and the amount of materials used which differ from project to project: - TENDER MN 51/2019 TENDER MN 266/2019 TENDER MN 92/2020 TENDER MN 56/2020 All other tenders where rates are indicated pertains to the cutting of grass and litter picking for a period of three years for various wards. There's a standard negotiated rate for all wards/ zones as follows: <ul style="list-style-type: none"> ◊ Average initial cut rate negotiated – R0.54 ◊ Average growing season negotiated rate – R0.40 ◊ Average dry season negotiated rate – R0.35.
Pg.353 – Appendix Q does not provide a plan to address the backlog and ends in 2015/2016?			This is iLembe's function with regards to appendix Q. we have tried to attain information from Ilembe, but information was not provided.

ANNEXURE B: RESPONSES TO COMMENTS RECEIVED FROM MEMBERS OF THE PUBLIC ...continued

ANNUAL REPORT COMMENTS FROM THE POLITICAL PARTIES (AFRICAN NATIONAL CONGRESS)			
COMMENT	RESPONSIBLE DEPARTMENT	CONCERNS	MANAGEMENT CORRECTIVE ACTIONS
The African National Congress (ANC) recommend that reasonable steps to prevent irregular expenditure must be undertaken as Section 32(2)(b) of the MFMA require. Hence Lack of consequence management results in limited accountability.	Municipal Manager		The AG findings confirm that irregular expenditure has been drastically reduced.
Management must take remedial action promptly when a capital project falls behind planned implementation schedule.	Municipal Manager/ Finance		The municipality will develop a policy on service provider monitoring together with a template to constantly monitor and evaluate the service rendered by the Service provider.
The KDM municipality reports every month on its expenditure on capital projects.	Finance		The municipality through the finance business units reports monthly on both capital expenditure and operational expenditure via the monthly scheduled Finance and Corporate Services Portfolio Committee.
The ANC hold strong view that they must be Proper project management in KDM since this is important element of ensuring that objectives are achieved, and the lack of management or poor planning can compromise the ability of the municipality to achieve its vision.	Civil		There is a PMU Directorate within the Civil Engineering and Human Settlements Business Unit with only 3 staff complement. The 3 incumbents are funded from the 5% of the MIG which currently is fully utilized. Additional budget would be required to strengthened the PMU Directorate in order to achieve KDM long term vision. Proposed organogram is part of the 5 Year Strategic objective for the KwaDukuza Municipality. The Filling in of the proposed vacancies will have to funded by Council and will have to be prioritized.
The ANC cannot emphasise more the importance of Proper consequence management through contract management, and it should also apply to service providers who underperform or fail to perform in terms of the appointments they have been given.	Municipal Manager/SCM		Noted, this will be implemented going forward.
KDM Management should create an environment that promotes openness in the conduct of municipal business, and this environment should be created through leading by example. To guarantee that the municipality appoints service providers for projects who are capable and resourced to deliver on outsourced projects, all processes, particularly supply chain activities, should be performed transparently, equitably, and in accordance with applicable laws and regulations.	Municipal Manager/SCM		Noted, this will be implemented going forward.
The ANC also notes that there was 23% increase in the energy loss which stand at R181-million in 2020/2021 and this indicate the serious problem and Lekgotla should make resolution on how to minimise energy losses.	Electrical service		On the Lekgotla agenda there is a presentation on Energy Losses where recommendations for lekgotla resolutions are listed.
KDM's performance is currently rated at 68% which is significant increase from the 47% of 2019/2020 however they are a room for improvement, the upcoming Lekgotla should develop clear strategy to improve KDM performance.	PM&E		The PM&E will work tirelessly with all departments to ensure that we meet at least 80% of our planned targets in the coming financial year. We will continue to ensure that performance is at its highest.

ANNEXURE B: RESPONSES TO COMMENTS RECEIVED FROM MEMBERS OF THE PUBLIC ...continued

ANNUAL REPORT COMMENTS FROM THE POLITICAL PARTIES (DEMOCRATIC ALLIANCE)			
COMMENT	RESPONSIBLE DEPARTMENT	CONCERNS	MANAGEMENT CORRECTIVE ACTIONS
<p>Risk Assessments – The draft annual report shows the top 10 risks to the municipality as opposed to the top 20 in the 2019 /20 annual report.</p> <p>It is concerning the critical risk EE1 (electricity illegal connections / energy losses remain the number 1 risk without seeing a positive outcome. Material losses increasing from R152,56 million in 2019/20 to R181,21 million in 2020/21. This is increase in losses is not sustainable.</p>	<p>Risk Management</p> <p>Electrical Department</p>		<p>Risk assessments are performed on annual basis. Top10 risk register is developed based on assessment of inherent level and residual level, The residual level risk for energy loss remains Critical in both years.</p> <p>There are mitigation strategies put in place to minimize losses e.g. Eskom check meter installations, meter inspections and replacement will be done through tender MN91/2020. The changes are not seen because the measuring system to physical measure energy flow from Eskom six metering points down to 14 substations.</p>
<p>Overall performance – this has increased from 47% to 68%. This trend must continue and will be assisted when Performance Management systems are adhered to.</p>	PM&E		<p>The Municipality's performance has shown a very high improvement due to new measures that have been put in place. In the coming years the target is to achieve at least 80% of our planned targets.</p>
<p>There has been an increase of 13 building plans approved, and a decrease in the number of occupation certificates issued by the Business units of 74. The quicker the plans are passed, and occupation certificates issued, the sooner rates can be charged.</p>	Economic Development & Planning		<p>There is no correlation between building plans approved and occupation certificates issued. The building plans reported is for period of 12 months, which means the last building plan issued will be on the 30th of June in that financial year. Therefore, the property owner with an approved building plan might build that planned property within 12 months and even after 12 months, which does not translate to occupation certificates. Put differently, an owner or developer may choose to delay construction, and this means that the delayed development will not be part of the stats for occupation certificate. The occupation certificates referred to in the report are for the properties that might have got the approval of their building plans in the past years and each project is dependent on the individual project cash flow and timeframes. So, the main measure used is how quickly does the municipality take to process building plans or occupation certificates once formally submitted or requested by developers / clients within a 12months period. It is unfortunate that there is an assumption that the building plans are approved not quicker hence the occupation certificates issued. The audited and verified figures by Stats SA, Internal Audit and by World Bank, clearly indicate that on average, the KwaDukuza Municipality decides to either approve or refer or disapprove building plans within prescribed statutory timeframes.</p>

ANNEXURE B: RESPONSES TO COMMENTS RECEIVED FROM MEMBERS OF THE PUBLIC ...continued

ANNUAL REPORT COMMENTS FROM THE POLITICAL PARTIES (DEMOCRATIC ALLIANCE)			
COMMENT	RESPONSIBLE DEPARTMENT	CONCERNS	MANAGEMENT CORRECTIVE ACTIONS
Human Settlement – New houses constructed shows as 275, a decrease of 90 units. The housing crisis in the municipality needs urgent attention, if no action is taken there will be an increase in illegal land invasion.	Civil Engineering		Delivery of houses constructed is based on the budget availability from the Department of Human Settlements. It admitted that performance decreased which was because of the performance of the service providers which led to contract termination. New service providers were appointed and there has been noticeable improvements however there is still more to be done. Land invasion can only be overcome by the establishment of the Anti-Land invasion Unit and be housed in an appropriate Business Unit.
Underspending of the capital budget is a continuing trend. The under expenditure of the capital budget of R78 million represents 33% of the capital budget impacting service delivery programmes. Stringent planning measures in place could mitigate this from repeating.	Municipal Manager/ Finance		Commitment from Finance Business Unit:-It has been determined that one of the major contributors to poor capital expenditure is due to non attendance at bid committees. In order to ensure accountability, the Finance Business unit undertakes to report to the FCS Committee, monthly, regarding the performance and attendance to the BID committee. Each business unit should be monitoring their projects to ensure full capital spend.
Councillor in arrears – a sitting councillor is in arrears as of June 2021 to the amount of R501 608.00. Despite this being reported to the office of the speaker it appears that will be an impaired debt. We insist on tough action against the councillor.	Finance		Information on this matter was provided to Legal and Office of the Speaker. As at mid last year (2021), Office of the Municipal Manager was dealing with this matter and requested an inspection on the property. Electrical Business Unit conducted an inspection and found that there was a direct electricity connection on the property. With regards to Ownership and the electricity account, I advise as follows: 1. Councillor Govender's property description is at Shakaskraal. The Councilor's rates & refuse account which is up to date. 2. The application for services that we have on hand was made by Councillor Govender which can be linked to his property meter number recorded on the application although the property description on the application does not reflect the Councilors property. 3. The meter was removed in around 2016 by the Contractors.
Total debtors have reduced by 7.51% or approximately R17.2m. Council must ensure efficient debt collection and credit control systems remain in place to further reduce outstanding debt.	Finance		The reduction on total of debtors is due to the Disconnection, prepaid blocking, and Debtors Incentive Scheme,

ANNEXURE B: RESPONSES TO COMMENTS RECEIVED FROM MEMBERS OF THE PUBLIC ...continued

ANNUAL REPORT COMMENTS FROM THE POLITICAL PARTIES (DEMOCRATIC ALLIANCE)			
COMMENT	RESPONSIBLE DEPARTMENT	CONCERNS	MANAGEMENT CORRECTIVE ACTIONS
Unauthorized, Fruitless, and wasteful expenditure has been reduced from R155.53 million to R86.75million. The irregular expenditure incurred must be investigated as required by the MFMA.	Finance		<p>Unauthorised, Fruitless, and wasteful expenditure has been reduced from R155.53 million to R68.75million for the period 2020/21 financial. Irregular expenditure incurred is submitted by the municipality monthly to Municipal Public Accounts Committee for investigation as required by the MFMA.</p> <p>Matters that are outstanding will be dealt with by MPAC in the 2021/22 financial year, whereas MPAC will either resolve to recommend to Council to write off irregular expenditure or resolved that such expenditure be recovered as per Section 32 of the MFMA.</p>
Consequence Management policy has been developed and must be implemented.	Municipal Manager		All incurred Irregular expenditure is presented to MPAC for MPAC to exercise its mandate as per the MFMA.

ANNUAL REPORT COMMENTS FROM THE POLITICAL PARTIES (ECONOMIC FREEDOM FIGHTERS)			
COMMENT	RESPONSIBLE DEPARTMENT	CONCERNS	MANAGEMENT CORRECTIVE ACTIONS
The increase of overall performance from 47% to 68% shows that there is a commitment, which must continue	PM&E		PM&E will continue to strive for a betterment of performance management in the municipality. We plan to improve performance to up to 80% of our planned targets.
We acknowledge that the unauthorised fruitless and wasteful expenditure has been reduced from R155.53 million to R86.75 million. We believe that by the mid term 2021/22 we will be at zero in terms of unauthorised expenditure.	All Business Units		The municipality is working hard to further decrease irregular expenditure. It is evident based on the current outcome that in the coming year the figure will be improved.
In terms of illegal electricity connections, the task team must work very hard and honesty because this is getting more worse day by day	Electricity Department		The municipality will continue to work hard to mitigate this challenge.

ANNEXURE B: RESPONSES TO COMMENTS RECEIVED FROM MEMBERS OF THE PUBLIC ...continued

ANNUAL REPORT COMMENTS FROM PORTFOLIO COMMITTEE (FINANCE & CORPORATE SERVICES CHAIRPERSON)			
COMMENT	RESPONSIBLE DEPARTMENT	CONCERNS	MANAGEMENT CORRECTIVE ACTIONS
The foreword into the document accounts for Cllr O.L. Nhaca as the mayor during the period under review. It must be clear that such information is misleading since Cllr. Nhaca, served as the MPAC Chairperson and it was Cllr. Dolly Govender who served in the position as mayor at that time.	PM&E		The comment is noted and will be changed.
The report does not clearly indicate the period where the late Cllr Motala assumed his role as an EXCO member. Cllr. Motala became an EXCO member before the end of the period under review.	Administration/ Speaker's office		On the 11 March 2021, the late Councillor Motala was appointed as EXCO member.
I have also observed that the photo of the former EDP Portfolio Committee Chairperson and Deputy Mayor, Cllr Lucky Makhathini was omitted.	Administration		Comment Noted and will be corrected
I wish to stress that corrections of the dates and footnotes be made on the changes that took place during that financial year, including that of the Chairperson of the MPAC.	Administration		This date is correct as per council resolution C597, 29 April 2021
During the period under review, several members of staff and councillors succumbed to the devastating Covid-19. It may be a fitting tribute consider all life lost during that period. I would recommend that a tribute page be reserved for all councillors and officials who passed on during that financial year.	Human Resources		A tribute page for all the employees, Councillors who succumbed to Covid-19 will be inserted on the Annual report.
Corrections are due on the following pages: Page 33 – change the naming of the committee which is referred to Amenities, Safety and Security Portfolio Committee, to Municipal Services Portfolio Committee. Page 33 – change the name reflected as Budget and Audit Steering Committee to Budget Steering Committee. Page 33 – please add the following committees as part of section 79 committees (i) Audit Committees (ii) Risk Management Committee and IT Steering Committee.	Administration PM&E		The committees have been corrected. The Committees have been including page 88. The IT steering committee will be added.
Further corrections are required, on page 25, under the items that deals with audit opinion, material loss and cash/liquidity ratio. All these items are reflected upon on the 2019/2020 financial year.	Finance		The format of the annual report contains a historical analysis of the previous year (2019/2020) to allow the users to place the progress into context. Actual outcomes for the 2020/2021 year appear on PG 318.
I have also noted that there is no mention of the KwaDukuza Municipality Local Command Council (LCC) for COVID-19 and the District Command Council (DCC), these were councils established following the COVID-19 state of disaster to guide our response on COVID-19 related interventions. I will expect that a schedule of meetings be part of the annual report on COVID-19.	Administration		This has been noted. The DCC and LCC meetings scheduled will not be inserted due to the records of the schedule of the meetings were planned by the district municipality.

ANNEXURE B: RESPONSES TO COMMENTS RECEIVED FROM MEMBERS OF THE PUBLIC ...continued

ANNUAL REPORT COMMENTS FROM PORTFOLIO COMMITTEE (FINANCE & CORPORATE SERVICES CHAIRPERSON)			
COMMENT	RESPONSIBLE DEPARTMENT	CONCERNS	MANAGEMENT CORRECTIVE ACTIONS
<p>I also went through the draft report and noted the following key issues, which need to be considered by the MPAC as well as management.</p> <p>Energy loss – We have an increase of energy loss despite significant steps. The scope of dealing with energy loss must be widened to include all business units instead of being reduced to the Electricity BU and Finance BU. KwaDukuza must speed up the process of deploying meters on the point of connection to ESKOM supply and fast-track meter the auditing programme.</p> <p>Irregular Expenditure – it must be noted that the irregular expenditure decreased sharply from R165 million in 2019/2020 to R65 million in 2020/2021. This is the significant step towards the attainment of a clean audit. We should be on a path towards further reducing irregular expenditure to nothing less than R20 million before the mid-term of this new council. The management is urged to finalise the security and all grass cutting contracts to reduce irregular expenditure. We are also expecting management to monitor all contracts that need to be advertised to avoid irregular expenditure</p>	<p>Electrical Department</p> <p>Community Safety and</p> <p>Community Services- Please provide inputs</p>		<p>The installation of Eskom check meters is being implemented by starting at Shakaskraal substation where it is expected that meters should be in by end of March. In Driefontein and Stanger Point of Supply there is a lot of infrastructure required hence it is going to take long time to finish the works. The service provider was appointed but there were issues with SCM compliance and that caused delays on.</p> <p>The auditing of meters is being done under MN91/2020 and budget has been increased to cater for more meters to be checked and replaced. Community Safety irregular expenditure is made up of security costs. The tender MN 20/2020 was cancelled as there were no responsive bidder. Tender MN 105/2021 has been evaluated and adjudicated. A new service provider will be appointed as soon as appeals are resolved.</p>
<p>Page 18 – Covid Debt Incentive Scheme. I have noted that 673 applicants applied but only 342 were able to meet all their obligations. The report does not reflect on the nature of challenges of applicants who did not meet their obligations, and what remedial action was taken to deal with their failure. The report should be able to clearly indicate the different categories or levels of compliance by the scheme applicants. It will be interesting to know the number of applicants who failed to raise and pay 20% or 40% of the principal debt and those who paid but failed to manage to fulfil their monthly commitments.</p>	<p>Finance- Provide</p>		<p>Many debtors' electricity were disconnected and then came forward to enter into the DIS so that their electricity may be reconnected. Thereafter they failed to maintain the DIS and were subsequently disconnected.</p> <p>◊ Debtors defaulted due to loss of jobs, short-time, and the effects of COVID.</p> <p>Reasons for non-compliance include the following:</p> <p>◊ Many debtors electricity were disconnected and then came forward to enter into the Debtors Incentive Scheme so that their electricity may be reconnected. Thereafter they failed to maintain the DIS and were subsequently disconnected.</p> <p>◊ Debtors defaulted due to loss of jobs, short-time, and the effects of COVID.</p> <p>Remedial Action</p> <p>◊ Debtors were offered a "Special Acknowledge of debt (AOD)" whereby they were allowed to enter into an AOD with the municipality for an extended period, however the interest and admin charges were not reversed.</p>

ANNEXURE B: RESPONSES TO COMMENTS RECEIVED FROM MEMBERS OF THE PUBLIC ...continued

ANNUAL REPORT COMMENTS FROM PORTFOLIO COMMITTEE (FINANCE & CORPORATE SERVICES CHAIRPERSON)			
COMMENT	RESPONSIBLE DEPARTMENT	CONCERNS	MANAGEMENT CORRECTIVE ACTIONS
<p>Risk Register – I have noted that some of the critical organizational risks have not been achieved, this includes the risks outlined on page 30 relating to Corporate Services and on page 29 relating to Legal services. There is an urgent need that a plan be put in place to address the foregoing issues before the end of the current financial year. These risks if not addressed would compromise council financially and legally</p>	<p>Risk/Legal Service & Human Resources</p>		<p>This is noted and the departments are working towards mitigating risk.</p>
<p>Page 22 – the Finance BU must expand on their challenges instead of writing one word. It is important that the author must consider the reader of this document who is not part of the municipality. For example, IT challenges – what are these challenges? Is this related to Financial System? IT network? IT equipment? I will urge that the challenges must be fully written.</p>	<p>Finance</p>		<p>This has been reworked into the annual report.</p>
<p>SCM Challenges – the SCM is making a serious accusation that some of the business units do not provide proof of the validity period extension. How does the committee deal with those circumstances? This is a huge risk, and it must form part of the risk register.</p>	<p>SCM/ALL Business Unit</p>		<p>Electrical business unit – the validity periods are extended on time-</p> <p>Tenders for technical projects are expected to be resolved within 56 days and 84 days exceptional cases as stipulated in the CIDB Regulations. For all other projects tender prices are valid for 90 days as contained in the GCC. This is also stipulated in councils Supply Chain Management Policy. All tenders should be evaluated and adjudicated within the specified time as allowed for within the bid documents. Going forward we are now going to ensure that the Business Units' try to finalize their tenders within the validity period.</p>
<p>Tender Appeals Committee – the reporting template provided on the annual report might have certain discrepancies. The template does not provide the following information:</p> <p>(1) Period of the appeal (14 days) – start date and last date of considering appeals.</p> <p>(2) Date of appeal and sitting of the appeal.</p> <p>(3) The outcome of each appeal.</p> <p>I have further noted that this report the pending appeals were some of them are more than 3 months and even 6 months to be concluded. There are no reasons given on the delays in solving the challenges. One of the reasons mentioned is that the letters are at MMs office for signature. This is referring to the appeals that were lodged during October 2020. I assume that on the date of submitting the annual report to AG which is 30th of August 2021, these were still unresolved. The management must explain on what the impact of this delays is in dealing with irregular expenditure and how many of these are still unresolved.</p>	<p>SCM</p>		<p>All appeals considered must be received by the municipality within the 14 days stipulated from the date that bidders are notified of the outcome of the tender. Therefore, the date received is recorded in the register under "date"</p> <p>The outcome as well as the date resolved is indicated in the table provided.</p> <p>All appeals listed have now been resolved.</p>
<p>Civil Engineering Projects – I have noted that on page 116 and 117, there are projects that are reflected which are related to tables that deal with re-gravelling of roads, road rehabilitation and storm water projects. It will be important to add the amount spent on each project and the source of budget for that project.</p>	<p>CIVIL</p>		<p>A correction has been done on the mentioned pages.</p>

ANNEXURE B: RESPONSES TO COMMENTS RECEIVED FROM MEMBERS OF THE PUBLIC ...continued

ANNUAL REPORT COMMENTS FROM THE PORTFOLIO COMMITTEE CHAIRPERSONS (EDP-)			
COMMENT	RESPONSIBLE DEPARTMENT	CONCERNS	MANAGEMENT CORRECTIVE ACTIONS
I would like to appreciate the opportunity given to comment on the 2020/2021 Financial Year Report , on behalf of the ECONOMIC DEVELOPMENT, PLANNING, SPECIAL PROGRAMMES AND YOUTH AFFAIRS REPORT.			
The comments will cover issues that affects the Business units, of which our Portfolio Committee plays an oversight over, which includes Special programmes under the office of the Municipal Manager. Furthermore, I would like to provide comments on a wide range of municipal issues, which has bearing on all Business units.			
I have noted the improvement of performance of both the LED KPA and Spatial Planning and Environment KPA, from 39% (2019/2020) to 56% (2021/2020), and from 58% (2019/2020) to 88% (2020/2021). This can be attributed to the fact that during the 2020/2021 financial year, the lockdown Regulations were relaxed, and the economy was recovering. There was an increase in economic activities, in particular the construction sector. This is good progress.	Economic Development & Planning		
The Bylaws schedule appearing on page 59 , needs to be corrected. I have noted that some Bylaws have been repealed but are appearing on the list of the Bylaws of this Council. An example of this is on page 92, where you have an Advertising Bylaw, amended in 2000, and thereafter on page 93, there is an Advertising Bylaw, which was promulgated in 2018. The correct name of the 2018 bylaw is: KDM Outdoor Advertising Bylaw. I have also noted the omission of SPLUMA Bylaw and the Problem Building Bylaw on the list of the bylaws. There is a need to correct the list of bylaws and remove all the bylaws that are no longer applicable or were repealed.	Legal Department		The comments have been noted and have been corrected. They will be included in the final report.
I have noted good progress made by the EDP Development Enforcement Directorate in enforcement of the Bylaws. I have also taken note that the new amendment of Rates policy with the introduction of the "Illegal/ Unauthorized development" Rates category, which came into effect on 1 st of July 2020, was piloted and implemented by the BU on at least 14 buildings/properties that transgress the Bylaws.	Legal Department		Bylaws have been updated in the report.
The report is not reflecting on the initiatives taken by Government to support the economic recovery due to Covid, and the work done by the municipality to facilitate those opportunities for local businesses.	Economic Development & Planning		The final annual report to council will be corrected and add this information
The report has not mentioned the refurbishment of the LED Centre under Youth Development, to accommodate the NYDA District Office. It will be proper that the report does reflect on the envisaged role of this office, and its impact on the youth development agenda.	Economic Development & Planning		The final annual report to council will be corrected and add this information.
The report does not reflect on the plans of finalizing the post of Executive Director: Youth Development and the challenges related to this function.	Human Resources		Council will play a role in the process of the post. The section is still waiting for advice from Council.
I have noted the progress made by the Youth Development unit in re-opening some sports and cultural activities within the confines of the strict COVID-19 lockdown regulations.	Economic Development & Planning		
The KwaDukuza Municipality was able to continue to provide support to the school going youth, by implementing its programmes i.e., KDM External Bursary and Dress a Child campaign under the unprecedented conditions.	Economic Development & Planning		





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