



2021/2022

**DRAFT - ANNUAL REPORT
FOR
ILEMBE DISTRICT MUNICIPALITY
1 JULY 2021 – 30 JUNE 2022**

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CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

1.1 OVERVIEW BY HIS WORSHIP THE MAYOR

It is a great honour for me to present the Draft Annual Report of iLembe District Municipality for the year ending on 30 June 2022.

The purpose of the annual report is to provide a record of the activities of the Council during the financial year, whilst providing a report on performance against the budget of iLembe Council for the financial year under review. The annual report is also aimed at promoting accountability to our local communities for decisions made throughout the year by the Municipality. The report is therefore aimed at providing all citizens and stakeholders who have an interest in our District an insight into the workings of this organisation.

Following the strategic planning session of iLembe District Municipality for 2016 – 2021 period which was held between the 24th and the 27th of October 2016, where relevant stakeholders deliberated on ways to overcome the prevailing challenges and chart a path for developing and growing the District over the next five years and beyond, a shared vision i.e. Vision 2030 was set taking into account national and provincial priorities as well as the development visions of the constituent local municipalities.

“BY 2030 ILEMBE DISTRICT MUNICIPALITY WILL BE A SUSTAINABLE PEOPLE CENTRED ECONOMIC HUB PROVIDING EXCELLENT SERVICES AND QUALITY OF LIFE”.

In presenting this Annual Report, the municipality is proud to set out activities on our performance highlights and financial management. The report is published in terms of the requirements of the Municipal Finance Management Act No. 56 of 2003 which requires municipalities to report on all aspects of performance, providing a true, honest and accurate account of the goals set by Council and our successes, including any hindrances towards achieving these goals.

Our five-year strategic plan is aligned to the national KPA's and PGD's, including our organisation scorecard, organised according to the five prescribed national Key Performance Areas which are:

- Municipal Transformation And Institutional Development;
- Local Economic Development And Planning;
- Basic Service Delivery;
- Financial Viability And Management; and
- Good Governance And Public Participation.

We are proud to acknowledge the collective effort of our leadership, employees, service delivery partners and all citizens who contributed to transforming the municipality into a cohesive institution that is able to deliver on its core mandate.

iLembe District continues to embark on vigorous implementation of the Back to Basics (B2B) approach which was launched by the former State President in 2014. This was done in an effort to recognise and adequately reward good performance and ensure sufficient consequences for under-performance. Our municipality has maintained its status of functional in its implementation of the B2B approach. This indicates that there is good political stability, governance, service delivery, financial management, institutional management and community satisfaction in the District. iLembe District Municipality's overall performance was good with 72% of our targets being met, with 28% not being met by the end of June 2022.

MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

During 2021/22 financial year, the vacancy rate was originally at 13 % but as council we took a decision that our Human Resources Unit must embark on a process of prioritizing posts in order to ensure alignment with the budget affordability, and in line with our austerity measures.

LOCAL ECONOMIC DEVELOPMENT AND PLANNING

Enterprise iLembe continues to improve co-ordination of Local Economic Development in the District including the upscaling of agriculture, capitalising on tourism potential, increasing manufacturing output and ensuring job creation.

iLembe District is committed to creating an enabling environment that will see the growth and emancipation of the local emerging entities owned by black people. During this period, we are also reporting on the Enterprise iLembe (EI) having introduced SMME support strategies to assist local SMMEs who are in great need of support structure and awareness about the available options for them in order to enable growth of their businesses. Through its LED function, EI remains responsible for the support and incubation of the emerging entities through allocating work using our own procurement systems. This will take our objectives a step further towards the realization of economic empowerment of our previously disadvantaged individuals.

BASIC SERVICE DELIVERY

In terms of the targets that were set for 2021/22 financial year, as iLembe District we pride ourselves as we were able to achieve the set target for water connections, with good progress made in terms of the households that were targeted for sanitation connections as such targets were over achieved. In terms of the set targets for water connections (which was **1565**), a total of **1565** households were connected, which amounts to the achievement of **100%** in terms of the percentage.

As previously stated, as a municipality we proud that in terms of the targeted households for sanitation, since a total number of **1308** of households were targeted, with **1386** households connected (which is **105%** achievement) in terms of the households that were targeted. Overall, a lot of our communities (especially in our rural municipalities of Maphumulo, Ndwedwe and Mandeni), continue to benefit immensely in our water and sanitation programmes.

We recognise the challenges that are being experienced with regard to the provision of water and sanitation, and are therefore working tirelessly towards implementing measures to improve our performance. In terms of the 2021/2022 Performance Rating for Service Providers, there has been stability in terms of performance since the performance rating for Umngeni Water , Gledhow Sugar has been at acceptable level, with Sembcorp Siza Water performance rated as satisfactory, during the period under review.

KWADUKUZA WATER BORNE SEWER PROJECT – GROTVILLE D

The primary objective of this project is to provide a bulk sanitation system to service the growing needs of Groutville development areas which, besides Groutville D Water Borne Sanitation, serves the areas of Thembeni, Njekane, Ethafeni, Chief Albert Luthuli Land Reform, Mnyundwini and proposed Lloyds / Chris Hani Ntshawini Region and all located within KwaDukuza local Municipality. On completion, this scheme will serve a total of 129 000 citizens. This project is jointly being implemented by KwaDukuza Local Municipality, iLembe District Municipality, COGTA KZN, KZN Department of Human Settlements and the KZN Department of Water and Sanitation. The total cost of this staged project is R 254 million.

This project is being implemented in phases. First phase was done in 2017/18 Financial Year. Second phase of the project is ongoing at Etsheni Area where about 420 households will be connected on completion of the project. Third phase will be implemented this financial year in Ward 10 of KwaDukuza

SOUTHERN REGIONAL BULK WATER AND SANITATION

The municipality undertook to implement the Southern Regional Bulk Water and Sanitation Scheme (SRBWSS) in July of 2017. The purpose of the project is to provide bulk water and sanitation to the areas of Etete, Palm Lakes, Shayamoya, Nkobongo, Shakaskraal and Shakashead. In 2014, iLembe District Municipality submitted a business plan to the Department of Water and Sanitation requesting funding for the project. Only a partial sum of R89.7m of the requested budget was approved by DWS to implement the first phase of Southern Bulk Water and Sanitation Scheme. The total cost for phase 1 was R85 841 458.48.

The estimated cost for Phase 2 is R281 365 289. Implementation of the project will only commence once the Water Use License Authorizat on (WULA) has been approved.

Listed below, are projects that are under planning for the 2022-2023 financial year:

- Manda Farm Water Borne Sewer;
- Maphumulo Town Bulk Sewer;
- Kwadukuza Regional Waste Water Treatment Works;
- Masibambisane Water Supply Scheme;
- Maqumbi Water Supply Scheme;

- Driefontein Water Borne Sewer;
- Frasers Waste Water Works Upgrade;
- Lindelani Sewer Upgrade;
- Lindelani Water Upgrade;
- Ntunjambili Water Supply;
- Upgrade of Sundumbili Waste Water Treatment Works; and
- Upgrade of Sheffield Waster Water Treatment Work

FINANCIAL VIABILITY AND MANAGEMENT

Trade and other payables from exchange transactions accounted for 46.1% of current liabilities and 31.5% of the total liabilities of the municipality. It has decreased by 33.0% compared to the prior year which signifies the Municipality's efficiency in terms of meeting short term obligations. This translated into 32 creditor days (down from 49 creditor days during 2020/21 financial year). This signifies remarkable improvements as this means that the Municipality is getting closer to being able to pay its creditors within 30 days legislative requirement. The cash flow position of the municipality continues to be constrained given the persisted poor collection rate particularly from historical debt. However, the collection ratio for the 2021/22 was 58.0% and has slightly improved from 54.0% achieved during the previous financial year.

Management and Council are working vigorously to turn the situation around by means of strengthening the credit control and collection measures, implementing stringent cash flow monitoring, including revamping and re-enforcing control measures at the Stores Department, and these are some of the measures that are implemented.

GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Community Services remains one of our core functions as the district, and through this function we have been able to get involved in activities that are entirely community based and are directed towards creating awareness to improve the lives of our communities through education campaigns and celebratory events in collaboration with communities, sector departments, non-governmental organisations, and relevant stakeholders.

Public Participation remains an important pillar of our democracy. As stipulated in the legislative framework governing local government, the municipality has undertaken various

initiatives to ensure an informed and active citizenry. A total number of three (3) planned public participation meetings were held, with the 3 meetings requested also conducted during the financial year.

iLembe District Municipality as a Water Services Authority will at any given point engage with local communities on water and sanitation issues. The purpose of these meetings, for an example, is to introduce new projects, engage the community on revenue matter and any other matters related to the services that are provided by the iLembe District Municipality. The iLembe also gets invited to meetings that are planned by the local municipalities to address challenges related to sanitation and water provision.

Again in relation to IDP meetings, the IDP Representative Forum meetings are convened where public representatives and sector departments are invited, and this platform is crucial to ensure stakeholder participation and alignment as the IDP process takes place. In addition, broader public engagements were held with the communities of the respective local municipalities to engage them on their needs and the approval of the budget. To ensure that the community is consulted for their input in the IDP, the public engagements and consultation happened through internet, mayoral media interviews and social media.

Our District has also been commended for having fully functional OSS/DDM IGR Structures, with the District Political DDM Hub co-chaired by myself and the MEC Champion (Hon. P.N Nkonyeni), and also fully supported by another astute political champions at a National Level, who are Honourable Deputy Minister Of Finance, D. Masondo and Deputy Minister Of Health, Dr S. Dlomo. This arrangement is also aimed at ensuring that there is integrated, district based service delivery approach that will fast track service delivery to our local communities (One District, One Plan and One Budget).

I would like to extend my gratitude to the Municipal Manager and the entire team of officials who are central in the execution of our vision and we commit ourselves to continue reaching greater heights as we move forward.

His Worship the Mayor
Cllr T. P Shandu
Date: 31 August 2022

1.2 FOREWORD BY THE MUNICIPAL MANAGER

The Annual Report for 2021/2022 financial year has been compiled in accordance with Section 46 of the Local Government Municipal Systems Act, No. 32 of 2000 (as amended), Section 127 (2) of the Local Government Municipal Finance Management Act, No. 56 of 2003, as well as accompanying circulars, templates and guidelines. In particular, MFMA Circular No. 63, issued in September 2012, added guidance to the preparation of this annual report, requiring all municipalities to report within the established framework and for such reports to be submitted to the Auditor General at the same time as the Annual Financial Statements in August each year.

This report records the performance and progress made by iLembe District Municipality in fulfilling its strategic objectives contained in the Integrated Development Plan (IDP), Institutional Scorecard and Service Delivery and Budget Implementation Plan (SDBIP) approved by Council for the period under review. The 2021/2022 financial year saw us enjoy a string of successes from an administrative perspective. We are also required to report on the performance of the municipality's entity, which is iLembe Enterprise for which we have total ownership.

The Municipality also continues to align its reporting processes and has ensured there is consistency from the first phase of planning i.e. development of Integrated Development Plan (IDP) to when we report on our final performance for the year in the Annual Report. The Municipality has also taken strides in ensuring that it enhanced its reporting structures relating to performance management, and this has seen a significant improvement towards achieving targets as set out in the municipal Service Delivery Budget Implementation Plan (SDBIP).

iLembe District Municipality has the following relationship with the following entities:

- A wholly owned entity with net assets of approximately R20 million – iLembe Management Development Enterprise (Pty) Ltd;
- R31 374 million long-term loan with Development Bank of South Africa bearing interest rates between 9.02% and 11.04% per annum payable every six months with the last repayment due on 31 December 2025;

- R222 472 million Bulk Water purchases mainly from Umgeni Water inclusive of capital contributions towards the contraction costs of water dams .
- R167 914 million contracted services for various service delivery functions.
- R137 770 million outstanding consumer debtors of which approximately 90% is attributable to households.
- R103 138 million trade and other payables from exchange transactions, the majority of which is attributable to infrastructure projects, vehicle leases, bulk water purchase and employee related benefits and third parties.

During the previous financial year, iLembe District Municipality obtained an unqualified audit opinion from AGSA with emphasis of matter, that is, non-compliance with legislation. As a collective, i.e (councillors and officials), we remain committed towards achieving the clean audit going forward.

As a district, we are faced with a number of challenges, relating to the non-payment of services. To date, we have not seen a significant improvement towards collecting debt owed by residents on the services that we render to them. The municipality is also making sure that there are specific interventions that are aimed at other sectors (such as Business, Sector Departments etc) to pay municipal debt, based on services that have been rendered.

Our relationship with the four local municipalities in the district has always been strong and with the Shared Services concept planning, we have been able to add capacity to our struggling local municipalities. This is also evident in the integration of our IDP's and a concerted effort to align the service delivery mechanisms of the local municipalities with that of the district. The partnership that the municipality has with sector departments, civil society, business, Vuthela iLembe and other stakeholders has made us achieve our objectives.

DISTRICT FUNCTIONS AND POWERS

The following are the Powers and Functions that Section 156 of the Constitution (1996) of the Republic of South Africa accords to iLembe District Municipality:

1. IDP;
2. Bulk Water;

3. Bulk Sewerage Purification;
4. Health Services;
5. Tourism;
6. Public Works relating to the above;
7. Grants-receiving & distributing;
8. Impose, Collect taxes & levies;
9. Disaster Management;
10. Accountability;
11. Community participation;
12. Financially & Environmentally sustainable service delivery;
13. Equitable Access to Municipal Services;
14. Local Development;
15. Gender Equity;
16. Safe and Healthy Environment;
17. Performance Management Systems;
18. Incremental Improvement; and
19. Responsible Financial Management

The 2021/2022 Annual Report is therefore aimed at presenting to Council, the community and other agencies the performance of the municipality in the above- mentioned powers and functions.

As an administration we might continue to hear about the shortcomings of our Municipality and we are determined to continue seeking means to address the serious areas of concern relating to service delivery (i.e ageing infrastructure network and pit latrines that need dislodging), to name a few. Even with such challenges the Municipality has continued to take the necessary strides of an organisation listening to the most critical voice that drives it, our community.

The effect of non-payment has a negative impact on the cash flow of the Municipality and negatively affects financial viability. Non-payment directly impacts the day to day operations of the municipality as we have limited revenue to fund operational expenditure and internally funded capital projects.

Average collection for the 2021/22 was 58 % as compared to 54% during 2020/21. The Municipality continues to implement financial recovery plan as well as the revenue enhancement strategy. Both these interventions have indeed contributed positively in the Municipality turning around what was assessed to be a severe financial distress 3 years ago to a situation where the Municipality's liquidity position has gained more stability.

Current borrowings accounted for 2.2% of current liabilities and 1.5% of the total liabilities. Non - current borrowings accounted for 25.7% of non - current liabilities and 8.1% of the total liabilities of the municipality. It has decreased by 5.5% compared to the prior year and the decrease is attributable to repayments made during the financial year under review.

The approach to managing liquidity risk is to ensure that sufficient liquid assets are available to meet its liabilities when they fall due without unacceptable losses or risking damage to the municipality's reputation. The District Municipality manages its liquidity risk through on-going review of future commitments and credit facilities. Cash flow forecasts are prepared and monitored and adequate utilised borrowing facilities are monitored. Expenditure and Revenue Management Committee is also in place to manage amongst other things, liquidity risk. The liabilities must be backed by appropriate assets and significant liquid resource.

The institution is working hard to turn around the situation in terms of debt collection, as it was sitting at 58% during the period under review (against the set target of 65%), compared to 54% during 2020/21 (and this marks a significant improvement of 4%). To this end, it is very pleasing to highlight that with effect from 2021/22 financial year, the Municipality has implemented online document flow and tracking system which we strongly believe will assist in clearing the bottlenecks that usually delay the movement of invoices within our system and processes, which (regrettably so) often result in late payment to our suppliers and service providers. This will greatly assist not only the Municipality but also our suppliers and service providers with much quicker turnaround times to receive payments.

The challenges that have been experienced (based on the declaration of COVID 19 Pandemic as a Disaster on the 15th of March 2020), has resulted in a number of challenges for our District in terms of its socio, environmental and economic impact. However, as a

municipality we remain resilient towards ensuring that we cope with the “new normal”, since scientists predict that this global scourge will be with us for years to come. We are also required to report on the performance of the municipality’s entity, which is iLembe Enterprise for which we have total ownership.

As leadership and management, we are content with the level of improvement in the manner in which we live up to the promise of delivering services to our people. Of course, this is limited to the powers and functions that are allocated to the District Municipality as well as the limited financial and technical resources and other factors that have a bearing on our ability to deliver services to our people.

FINANCIAL PERFORMANCE

Financial Viability remains a priority amongst the organizational strategic imperatives. The financial year under review was not different from other financial years in terms of placing a dedicated focus on how the financial situation of the Municipality can be turned around from the historic turbulent position into a more stable one. As we are closely approaching the fourth year of implementing the financial turnaround strategy that was adopted by Council back December 2016. It is indeed encouraging to report remarkable achievement in certain critical areas though we are very mindful of those areas that remain a challenge. The case in point is the current COVID 19 pandemic which has resulted in significant drop in our revenue collection.

One of the key areas Council had set itself to prioritize was the issue of accelerated service delivery. To this end, it is applaudable that the Municipality spend almost 100% of its grant allocations for the year under review with capital expenditure just under 100% when compared to the budget. It is even more encouraging when one considers this rate of improvement against very discouraging levels of performance reported during 2020/21 financial year.

ILEMBE DISTRICT BEST PRACTICES (AND RECOGNITION THEREOF)

As a municipality, we continue to strive for excellence, having being recognised previously by KZN COGTA for producing credible IDP’s. It is also important to mention that in light of the current COVID-19 pandemic, iLembe District was highly commended on how they

changed the District from being the COVID-9 HotSpot into being the 5th affected district within KZN Province. In this regard, iLembe District was requested to share their mitigation interventions, as a best practice to be utilised by other Districts towards curbing the spread of the COVID-19 pandemic. Our District was also highly commended by KZN COGTA in developing the most responsive Post Lockdown Recovery Plan, and this was also shared as a best practice with other Districts.

In light of the current COVID-19 pandemic, the District had to find other most creative ways in engaging the members of the public (Public engagements) during April/May 2020, through utilisation both print and electronic media platforms. This was aimed at ensuring that we continue to engage our communities on their needs, including the approval of the budget during April/May 2021. Be that as it may, the municipality was able to host physical IDP & Budget roadshows under strict COVID 19 protocols. A number of these roadshows were attended by His Worship, the Mayor, Cllr Siduduzo Gumede, EXCO members, fellow councillors and myself as the Municipal Manager. All sectors, including Amakhosi, religious and business leaders, were also consulted during this critical process.

The year 2020/2021 also saw the benefits of the introduction of the new government model in enhancing IGR referred to as District Development Model (DDM). Launched by the State President in December 2019, the DDM aims at improving coherence and impact of government service delivery with focus on 44 districts and 8 metros around the country. The introduction of DDM / Technical District Model has strengthened intergovernmental relations while aligning the delivery of services of governmental sectors. As iLembe we have established 5 DDM Clusters (Governance, Security, Social, Economic & Communications), 1 DDM Technical Hub and 1 DDM Political Hub. The clusters are chaired by Municipal Managers from the 4 LM's under iLembe. The Technical DDM is chaired by the District Municipal Manager assisted by the HOD Champion from COGTA. The DDM Political Hub is chaired by the District Mayor assisted by MEC Champion, Ms NP Nkonyeni and the National Champion, Deputy Minister of Finance Dr D Masondo. Clusters get reports from different sector departments, civil society, business, private sector, etc. These reports are then tabled at the Technical DDM and recommendations are submitted to the Political Hub where decisions are taken for implementation, follow ups, etc.

Vuthela iLembe programme has enabled iLembe District and its local municipalities to improve in their capacity in order to effectively and efficiently improve in their operations particularly in respect of LED, Risk Management, IT, Financial Management, etc.

The new board of Directors was put in place for Enterprise iLembe in January 2021, and we have observed that strides have been made in improving local economic development through projects and programmes being implemented by the entity emanating from their adopted 5 Year Strategic Plan. The municipal entity has succeeded to obtain unqualified audit opinions 3 years in the row (2018/2019, 2019/2020, 2020/2021) with 2 Clean Audits in the prior years (2016/2017 & 2017/2018)

As iLembe District Municipality, we encourage all of our residents and ratepayers from our beautiful district to pay for services, whilst continuing to be the agents of change for the betterment of all communities.

TOP FIVE (5) STRATEGIC RISKS FACING THE MUNICIPALITY DURING 2020/2021 FINANCIAL YEAR

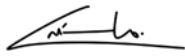
It is important to mention that to ensure the long-term sustainability of the municipality, as a collective, we need to deal with the top five risks that have been identified. Below are the top 5 strategic risks that have been identified during the period under review:

- Business Support: Lack of communication with Stakeholders and communities;
- Technical Services: Delays in reviewing Siza Water Concession;
- Technical Services: Security of raw Water Sources;
- Strategy: Inappropriate Corporate Culture; and
- Service Delivery: Violent public protests.

There is a strong political and administrative will to deal with the above-mentioned risks, as there are mitigation strategies put place, and are being closely monitored by our Enterprise Risk Management Unit working closely with the entire management team.

In conclusion, I would like to thank our political leadership, management team of iLembe District and Enterprise iLembe, Vuthela officials and all our employees for their hard work and continued commitment in ensuring that iLembe District Municipality delivers on its obligations and commitment to the people of South Africa. I look forward to another year

in which we will continue to build on our achievements and work together to find innovative ways to overcome our challenges and ensure that we continue to serve our people as required by the Constitution.



Mr. NG Kumalo
Municipal Manager
Date: 31 August 2022

1.3 MUNICIPAL OVERVIEW

1.3.1 ILEMBE DISTRICT MUNICIPALITY PROFILE

The iLembe District Municipality (DC29) lies on the east coast of KwaZulu-Natal, between eThekweni Metro in the south and King Cetshwayo District in the North. To the west, iLembe is bordered by two Districts; uMgungundlovu and uMzinyathi. At 3 260km², this is the smallest of the 10 KZN District Municipalities with a total population of approximately 657,612 people (Stats SA Community Survey 2016). iLembe District is constituted by four Local Municipalities; Mandeni, KwaDukuza, Ndwedwe and Maphumulo. See Figure 1 for an Overview of the iLembe Region.

Figure 1: iLembe District Municipality Overview

Municipalities are the commercial farming hubs of the District. The commercial farming areas of KwaDukuza, Mandeni and Ndwedwe (31% of the iLembe District) are mainly under privately owned sugar cane. Areas of urbanisation in the District comprise of KwaDukuza,



not only to local, but also international markets, the King Shaka International Airport and the Dube Trade Port, just a few kilometres from the southern border of iLembe, have amplified what was already a prime investment destination. The District is made up of 45 Traditional Authorities (TA) areas where settlement is controlled by TA according to a traditional land tenure system. These TA areas cover approximately 63% of the total area of iLembe; where the Ingonyama Trust own the majority of the land within the municipality of Maphumulo, the lower reaches of Ndwedwe (69%) and coastal and inland reaches of Mandeni (49%) (See Figure 2 below).

The northern areas of Ndwedwe, the central corridor of Mandeni and KwaDukuza Municipality are the commercial farming hubs of the District. The commercial farming areas of KwaDukuza, Mandeni and Ndwedwe (31% of the iLembe District) are mainly under privately owned sugar cane. Areas of urbanisation in the District comprise of KwaDukuza,

Mandeni, the Dolphin Coast and Nkwazi Land uses within these areas are typically urban mixed uses with high levels of infrastructural and service development and an adequate provision of social facilities and services to support the resident populations. Industrial development is concentrated in KwaDukuza, IsiThebe and Darnall, most notably the Gledhow and Darnall sugar milling operations at Stanger and the Sappi Paper mills at Mandeni.

Informal settlements with limited facilities or infrastructural services occur on the periphery of the developed areas and within the towns of iLembe. Village centres such as Maphumulo and Ndwedwe in the west, Nyoni and Mbizimbelwa in the north, comprise of commercial and service development in the rural areas. They largely exist in association with a magistrate's court, clinic, pension pay point, health, education and welfare office or similar state service. Wholesale commercial activities have expanded and these villages have emerged as supply centres and transportation hubs to the remote rural areas of iLembe.

Despite its strategic location, iLembe faces numerous economic challenges such as the high levels of poverty in the rural inland areas, which contrasts with rapid development along its coastal regions. The District has been proactive in developing Enterprise iLembe, a broad-based institution aimed at facilitating local economic development in response to its challenges of high rates of unemployment and correspondingly high levels of poverty.

1.3.1.1 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

According to Statistics South Africa, the population of the iLembe District Municipality is at 657 612 people. In order to service the increasing population, the District Municipality functions are indicated on the table below:

<i>District Powers & Functions (Chapter 7, Section 156 Of Constitution)</i>	<i>Currently performed</i>	
	<i>YES</i>	<i>NO</i>
<i>1. Integrated Development Planning</i>	✓	
<i>2. Bulk Water</i>	✓	

3.	<i>Bulk Electricity</i>		✓
4.	<i>Bulk Sewerage Purification</i>	✓	
5.	<i>Solid Waste Disposal</i>		✓
6.	<i>District Roads</i>		✓
7.	<i>Regulating Passenger Transport</i>		✓
8.	<i>Airports Serving District</i>		✓
9.	<i>Health Services</i>	✓	
10.	<i>Fire Fighting</i>		✓
11.	<i>Control Fresh produce markets & abattoirs</i>		✓
12.	<i>Cemeteries & Crematoria</i>		✓
13.	<i>Tourism</i>	✓	
14.	<i>Public Works relating to the above</i>	✓	
15.	<i>Grants-receiving & distributing</i>	✓	
16.	<i>Impose, Collect taxes & levies</i>	✓	
17.	<i>Disaster Management</i>	✓	
18.	<i>Accountability</i>	✓	
19.	<i>Community participation</i>	✓	
20.	<i>Financially & Environmentally sustainable service delivery</i>	✓	
21.	<i>Equitable Access to Municipal Services</i>	✓	
22.	<i>Local Economic development</i>	✓	
23.	<i>Gender Equity</i>	✓	
24.	<i>Safe and Healthy Environment</i>	✓	
25.	<i>Performance Management Systems</i>	✓	
26.	<i>Incremental Improvement</i>	✓	
27.	<i>Air Quality Management</i>	✓	
28.	<i>Responsible Financial Management</i>	✓	

Table 1: District Municipality Powers And Functions

1.3.2 ILEMBE DISTRICT MUNICIPALITY'S 5 YEAR STRATEGIC PLAN ALIGNED TO THE NATIONAL KPA'S AND PGDS

Section 25 of the Municipal Systems Act states that each municipal Council must, after the start of its elected term, adopt a single, inclusive and strategic plan for the development of the municipality. Considering this, iLembe District embarked on a process to review and refine its plans in the context of changing needs and new developments.

iLembe Strategic Planning session took place between **24 - 27 February 2022**, to reflect on the challenges, performance and progress of development initiatives of the previous term of office, consolidate implementation plans for projects, programmes and pave the way for crafting the new five year, **2022-2027** Integrated Development Plan (IDP) with the current Council.

The table below illustrates iLembe's 5 Year strategic objectives aligned to the 14 National outcomes, PGDS and iLembe's DGDP, as follows:

(a) MUNICIPAL VISION

The current Council assumed office in **November 2021** after the local government elections and opted to develop a new vision as follows:

“By 2030 iLembe District Municipality will be a sustainable people-centred economic hub providing excellent services and quality of life”

ILEMBE DISTRICT MUNICIPALITY'S 5 YEAR STRATEGIC PLAN ALIGNED TO THE NATIONAL KPAS AND PGDS				
KPA 1: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT				
IDP REF.	NATIONAL OUTCOME	PGDS GOALS	ILEMBE DGDP PRIORITY	5 YEAR STRATEGIC OBJECTIVE
MTI01	4: Decent Employment Through Inclusive Economic Growth 5: A Skilled And Capable	1: Inclusive Economic Growth	Effective Governance, Policy and Social Partnerships	To establish an efficient and productive administration
MTI02				To ensure effective Individual

	Workforce To Support An Inclusive Growth 9: Responsive, Accountable, Effective And Efficient Local Government	2: Human Resource Development		Performance Management
MTI03				To ensure the municipality provides a safe working environment.
MTI04				To ensure effective and efficient administration in compliance with legal requirements.
MTI05				To ensure efficient, effective, economic and transparent utilisation of fleet management.
MTI06				To provide legal advice and ensure resolution of legal matters against and/or on behalf of the municipality
MTI07				To provide an innovative, effective and efficient Information and Communication Technology service.
KPA 2: LOCAL ECONOMIC DEVELOPMENT (LED) & PLANNING				
IDP REF.	NATIONAL OUTCOME	PGDS GOALS	ILEMBE DGDP PRIORITY	5 YEAR STRATEGIC OBJECTIVE
LED01	4: Decent employment through inclusive economic growth 6: An efficient, competitive and responsive economic infrastructure network 7: Vibrant, equitable and sustainable rural communities and food security for all	1: Inclusive economic growth 3: Human & Community Development 7: Spatial Equity	A diverse and growing economy, promote social well-being	To improve co-ordination of LED in the District
LED02				To upscale Agriculture development in the district
LED03				To capitalize on tourism potential of the District
LED04				To increase investment within the district.
LED05				To ensure job creation
LED06				To ensure Small, Micro, Medium Enterprises (SMME) development.

LED07				To encourage local businesses to take advantage of government programmes (Black Industrialist, Employment Tax incentives, etc.)
KPA 3: BASIC SERVICE DELIVERY				
IDP REF.	NATIONAL OUTCOME	PGDS GOALS	ILEMBE DGDP PRIORITY	5 YEAR STRATEGIC OBJECTIVE
BS01	8: Sustainable human settlements and improved quality of household life	1: Inclusive economic growth	Equity of access	To ensure access to potable water for domestic consumption and support local economic development
BS02	9: Responsive accountable, effective and efficient local government system	4: Strategic Infrastructure	A liveable region	To ensure access to basic sanitation for domestic purposes and support local economic development
BS03				Monitor Siza Water concession contract
BS04				Create job opportunities through Infrastructure Project
KPA 4: FINANCIAL VIABILITY & MANAGEMENT				
IDP REF.	NATIONAL OUTCOME	PGDS GOALS	ILEMBE DGDP PRIORITY	5 YEAR STRATEGIC OBJECTIVE
FV01	9: Responsive accountable, effective and efficient local government system	6: Governance and Policy	Effective governance, policy and social partnerships	To ensure sound revenue management
FV02				To ensure sound budgeting and compliance principles
FV03				To ensure sound expenditure management
FV04				To maintain a clean audit opinion
FV05				To ensure sound expenditure management
FV06				To procure quality goods and services in

				a cost effective, transparent, competitive, equitable and efficient manner within the policy framework
FV07				To ensure sound and effective asset management
KPA 5: GOOD GOVERNANCE & PUBLIC PARTICIPATION				
IDP REF.	NATIONAL OUTCOMES	PGDS GOALS	ILEMBE DGDP PRIORITY	5 YEAR STRATEGIC OBJECTIVE
GP01	9:Responsive accountable, effective and efficient local government system 12:An efficient, effective and development orientated public service and an empowered, fair and inclusive citizenship	6:Governance and Policy 3:Human and Community Development	Promote social well-being, effective governance, policy and social partnerships & a liveable region	To strengthen partnership with various stakeholders through communicating municipal business
GP02				To improve the quality of life within the district
GP03				To preserve our History and heritage
GP04				Compliance and good Governance
GP05				To provide independent, objective assurance and consulting services designed to add value and improve the municipality's operations.
GP06				To implement and maintain compliant, effective and efficient enterprise risk management systems and processes.
GP07				To ensure effective Performance Management
KPA 6: CROSS CUTTING				
IDP REF.	NATIONAL OUTCOMES	PGDS GOALS	ILEMBE DGDP PRIORITY	5 YEAR STRATEGIC OBJECTIVE
CC01	7: Vibrant, equitable and	1: Inclusive Economic Growth	Diverse and growing	To facilitate co-ordinated planning and development

CC02	<i>sustainable rural communities and food security for all</i>	<i>4: Strategic Infrastructure</i>	economy, promote social well-being & living in harmony with nature	To encourage sustainable use of natural resources
CC03				To develop programs responding to impacts of climate change
CC04				To ensure a sustainable and healthy environment
CC05				To ensure prevention and mitigation against disasters
CC06		<i>5: Environmental Sustainability</i> <i>7: Spatial Equity</i>		To coordinate, standardize and regulate fire and rescue services in the District and to support inter-Governmental structures set up for coordination.

Table 1: Strategic Objectives

1.3.3 GOVERNMENT PRIORITIES

(a) SUSTAINABLE DEVELOPMENT GOALS (SDG)

At an International level, the Sustainable Development Goals are one of the many United Nations initiatives that guide constituencies on what standards to strive for in terms of people's needs, the environment and other important factors. They serve as a successor to the Millennium Development Goals. They include 17 goals and 169 targets that capture the global aspirations for sustainable development. The municipality's IDP is to some extent aligned with these goals that were adopted in September 2015. The National Development Plan and the Provincial Growth and Development Strategy, to which the iLembe IDP is aligned, have devised interventions that respond to the 17 goals. The current Council has developed this five year IDP that include strategies on how the municipality will be contributing to each of the Sustainable Development Goals between 2017 and 2022. Chapters 3 and 6, contains strategies and projects that link to the SDGs as they appear in the figure below:

SUSTAINABLE DEVELOPMENT GOALS



FIGURE 1: SUSTAINABLE DEVELOPMENT GOALS

SUSTAINABLE DEVELOPMENT GOALS	ILEMBE DISTRICT MUNICIPALITY RESPONSE
SDG 1: End poverty in all its forms everywhere	• SMME Support programmes by Enterprise iLembe • Operation Sukuma Sakhe interventions. • SCM policies amended to encourage local procurement
SDG 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture	Various agricultural projects implemented by Enterprise iLembe including: • Small scale farmer support • National Schools Nutrition Programme; and • Hydroponic Tunnel projects.
SDG 3: Ensure healthy lives and promote wellbeing for all ages	• Projects and programmes from the Department of Health included in Chapter 4; and • The municipality is implementing various sporting programmes aimed at youth, senior citizens and people with disabilities.
SDG 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	• Projects and programmes from the Department of Education included in Chapter 4 • Implementation of the municipal bursary policy.
SDG 5: Achieve gender equality and empower all women and girls	The municipality is implementing various gender equality programmes to empower women, such as: • Implementation of the Municipal Equity Plan • Take a Girl Child to Work Day initiative

	• Teenage Pregnancy Awareness Campaigns and • Women's Parliament. • SCM policies amended to encourage procurement from women owned companies
SDG 6: Ensure availability and sustainable management of water and sanitation for all	The municipality is implementing various water infrastructure projects to ensure availability of water, these are included in Chapter 4.
SDG 7: Ensure access to affordable, reliable, sustainable and modern energy for all	• Eskom projects under Chapter 4.
SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	• Enterprise iLembe programmes. • Infrastructure projects are implemented utilising EPWP principles
SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	• Energy efficiency
SDG 10: Reduce inequality within and among countries	N/A
SDG 11: Make cities and human settlements inclusive, safe, resilient and sustainable	The municipality, through water and sanitation infrastructure projects is facilitating the establishment of sustainable human settlements.
SDG 12: Ensure sustainable consumption and production patterns	• The municipality is currently piloting a Recycling programme; and • Implementation of an Integrated Waste Management Plan • Energy efficiency
SDG 13: Take urgent action to combat climate change and its impacts	The District Municipality has developed and adopted a Climate Change Response Strategy.
SDG 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development	The two coastal Local Municipalities, KwaDukuza and Mandeni have developed Coastal Management Plans.
SDG 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	The District Municipality has adopted the Wetland Strategy and Action plan.

SDG 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.	The municipality has various measures in place such as: • Anti-Fraud and Corruption Policy and Strategy • A functional external audit committee • A functional risk management committee etc.
SDG 17: Strengthen the means of implementation and revitalise the global partnership for sustainable development.	The municipality has partnered with various international organisations, including SECO (Switzerland) and ICLEI on economic development and environmental management programmes, respectively.

TABLE 3: ILEMBE'S RESPONSE TO SDG'S

(b) MEDIUM TERM STRATEGIC FRAMEWORK

MTSF OUTCOMES	IDM RESPONSE
Priority 1: Capable, Ethical and Developmental State	• iLembe is implementing a number of programmes that foster social cohesion and nation-building, these include: • SALGA Games; • Golden Games; and • Cultural Celebrations (uMkhosi weLembe, Eid, Diwali, etc.).
Priority 2: Economic Transformation and Job Creation	• Department of Economic Development; • Department of Trade and Industry; and • Enterprise iLembe. • Various agricultural projects implemented by Enterprise iLembe, including: Small holdings farmer support; • National Schools Nutrition Programme; and • Hydroponic Tunnel projects.
Priority 3: Education, Skills and Health	• Department of Education • Projects and programmes from the department of health included in Chapter 4; and The municipality is implementing various sporting programmes aimed at youth, senior citizens and people with disabilities. • Projects and programmes from the department of Education included in Chapter 4;

	• Implementation of the municipality's Workplace Skills Plan; and • Implementation of the municipal Bursary Policy.
Priority 4: Consolidating the Social Wage through Reliable and Quality Basic Services	• Governance projects included in Chapter 3 and 6. • Projects and programmes by Eskom under Chapter ; and • Water and Sanitation Projects by the municipality under Chapter 4 and 6.
Priority 5: Spatial Integration, Human Settlements and Local Government	• The municipality, through water and sanitation infrastructure projects is facilitating the establishment of sustainable human settlements. The Implementation plan contained in Chapter 6.
Priority 6: Social Cohesion and Safer Communities	• Special projects that are included in Chapter 3. • South African Police Service
Priority 7: A Better Africa and World	All Government Departments. The Municipality has concluded the following Environmental plans: The Environmental Management Framework; Wetland Assessment Report; and Coastal Management Programmes (Mandeni and KwaDukuza).

TABLE 4: ILEMBE'S RESPONSE TO THE 14 NATIONAL OUTCOMES

(c) BACK-TO-BASICS APPROACH

“SERVING OUR COMMUNITIES BETTER!!”

The Back to Basics programme outlines governments' plan of action to ensure a focused and strengthened local government by getting the basics right and together with other spheres of government, providing basic services efficiently and effectively and in a caring manner. The main goal is to improve the functioning of municipalities to better serve communities by getting the basics right.

Government has enforced a back-to-basics approach for the country's 278 municipalities. The back-to-basics approach want to sure that robots work, making sure that potholes are filled, water is delivered, refuse is collected, electricity is supplied, refuse and waste management

takes place in the right kind of way. Systems to allow national and provincial governments to monitor the performance of municipalities and ensure they respond to crises quicker would be put in place.

These key performance areas for the Back-to-Basics Approach are premised on the five pillars as follows:



FIGURE 3: PILLARS OF BACK TO BASICS

The key performance indicators are assessed under each pillar on a quarterly basis. The programme is measured on an assessment that is main questions, scored and supplementary questions considered and the support plan that is implementation on progress. A 60/40 principle will be applied in terms of scoring. The final results will be categorised as functional, challenged and requiring intervention. The understanding of the categorisation is as follows:

(i) Functional

A good municipality with a score above 70%

- Political stability, functional structures and health admin interface.
- Responsive to service needs & infrastructure well maintained.
- Institutional continuity, clear policy, delegation frameworks in place.
- High collection rate, 7% on maintenance, CAPEX spent and clean audits.
- Community satisfaction, regular engagements and feedback.

(ii) Challenges

A municipality is at risk with a score between 51% to 69%: -

- Signs of political instability, excessive interference in admin or SCM.
- Slow responses to service failures, escalating utility losses or theft.
- Some critical positions not filled, some managers not qualified.
- Low collection rates, CAPEX not spent, declining audit opinions.
- Growing community protests, lack of feedback mechanisms.

(iii) **Requiring intervention**

A municipality with a score below 50%: -

- High degree of instability, fraud and corruption, committees don't meet
- Collapse in service delivery, outages, asset theft, and poor maintenance.
- Incompetent managers, many vacancies, no delegations.
- Chronic underspending, high debtors, no accountability, disclaimers
- Community dissatisfaction, high number of community protests.

It is against this background that the Ministry of Cooperative Governance and Traditional Affairs has pursued the **Back to Basics Approach** to address challenges faced by local government, strengthening municipalities, instilling a sense of urgency towards improving citizens' lives.

The table below illustrates the latest Back to Basics status for iLembe family of municipalities.

(d) **RESPONDING TO IMPACTS OF CLIMATE CHANGE**

As part of the implementation of the 2014 District Climate Change resolutions the District is implementing the following projects:

PROJECT NAME	PURPOSE	DURATION
District Climate Response Plan	To identify vulnerable sectors to climate change impacts and developing programmes as interventions	Completed
Technological need assessment	Identify a list of technologies for the water (adaptation) and energy (mitigation) sector	Completed
Recycling programme	To promote recycling within the municipal offices	on-going

TABLE 6: PROGRAMMES RESPONDING TO CLIMATE CHANGE

(f) **DISTRICT DEVELOPMENT MODEL**

The District Development Model (DDM) promotes a One-Plan, One-Budget Intergovernmental approach for Districts and Metropolitan area which was approved by Cabinet in August 2019. DDM is a new integrated district-based intervention by government to coordinate the delivery of services to communities. Joint and collaborative planning is undertaken at local, district, metropolitan and by all three spheres of governance resulting in a single strategically focused "One Plan".

The Model is firmly based on analysis of previous and current National, Provincial and Local level initiatives to improve the development of Local Government and IGR. Developmental change is shaped and owned at district level in partnership with communities, citizens, and social partners.

In November 2020, the Minister of Cooperative Governance and Traditional Affairs, the Honourable Dr Nkosazana Dlamini Zuma, launched the iLembe DDM during her visit to the family of municipalities from the 17th to the 20th of November 2020. The following was presented and adopted;

- Terms of Reference for the iLembe District Hub;
- Institutional arrangements; and
- DDM Profile.

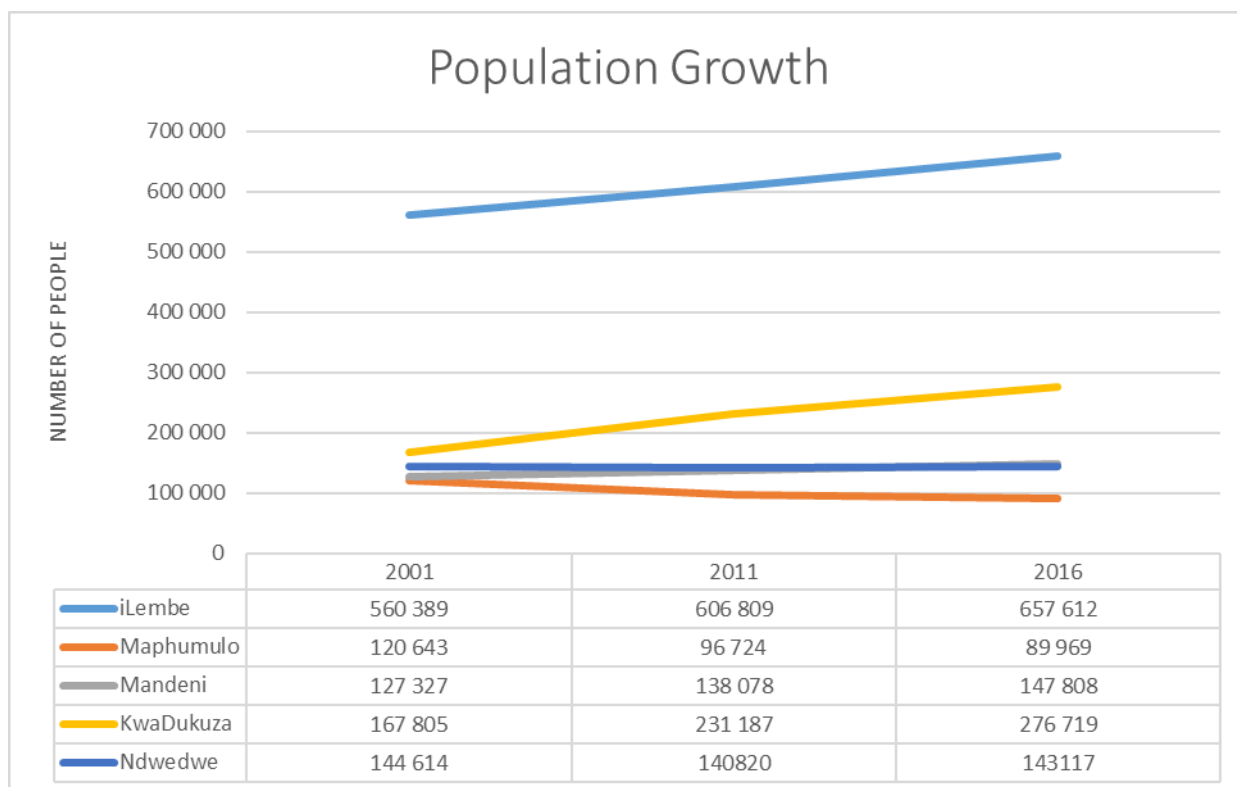
The development of the iLembe District Plan will be commissioned through the Vuthela iLembe LED programme. Service providers have been appointed and the project commenced in November 2020.

(g) DEMOGRAPHIC CHARACTERISTICS

The Statistics SA Census data for 2001 and 2011 and the results of the 2016 Community Survey have been used for the demographic and the economic information in this section.

(h) POPULATION AND HOUSEHOLD PROFILES

The recent Community Survey (2016) results show that the population in iLembe District has grown to 657,612 people and has been growing at 1.7% per annum from 2011 to 2016, this is shown in the graph and tables below. In contrast to the previous comparison of 2001 and 2011 results, where both rural municipalities of the district (Maphumulo and Ndwedwe) were seen to have a decrease in population, Ndwedwe is now experiencing an increase but Maphumulo remains on a downward trajectory as portrayed below. Table 3 further depicts how the rate of population growth has increased per annum in three of the four local municipalities of iLembe, the overall growth rate having increased from 0.8% per annum to 1.7% per annum.



GRAPH 1: POPULATION GROWTH 2001 TO 2016

STATISTICS SA CENSUS 2001, 2011 & COMMUNITY SURVEY 2016

Municipality	Population Growth (% p.a. 2001-2011)	Population growth (% p.a. 2011-2016)
iLembe District	0.80	1.7%
Maphumulo	-2.21	-7%
Mandeni	0.81	1.4%
KwaDukuza	3.20	3.9%
Ndwedwe	-0.27	0.3%

TABLE 1: POPULATION GROWTH COMPARISON

STATISTICS SA CENSUS, 2011 & COMMUNITY SURVEY 2016

According to the Community Survey 2016, the number of households within iLembe District has risen to 191,369 from 157,692 in 2011 and is now growing at 4.3% per annum. Households in KwaDukuza have grown at a fairly rapid rate of 6.0% per annum; despite a further decline in the population, the number of households in Maphumulo has risen slightly. One could speculate that the decline in population but with an apparent increase in number of households may be due to further decrease in the average size of households. As per the Community Survey 2016, the average household size in the District

has decreased from 3.8 to 3.4 and the percentage of female headed households has risen from 45.8% to 47.1% which is above the national average of 41%.

Municipality	Number (2016)	Household Growth (%) p.a.) (2016)	Average Size (2016)	Female Headed % (2016)	Child Headed (2011)	
					Number	%
iLembe	191,369	4.3%	3.4	47.1	614	0.4%
Maphumulo	20,524	0.6%	4.4	61.6	115	0.6%
Mandeni	45,678	3.9%	3.2	51.1	167	0.4%
KwaDukuza	91,284	6.0%	3.0	39.1	113	0.2%
Ndwedwe	33,883	3.2%	4.2	54.6	218	0.7%

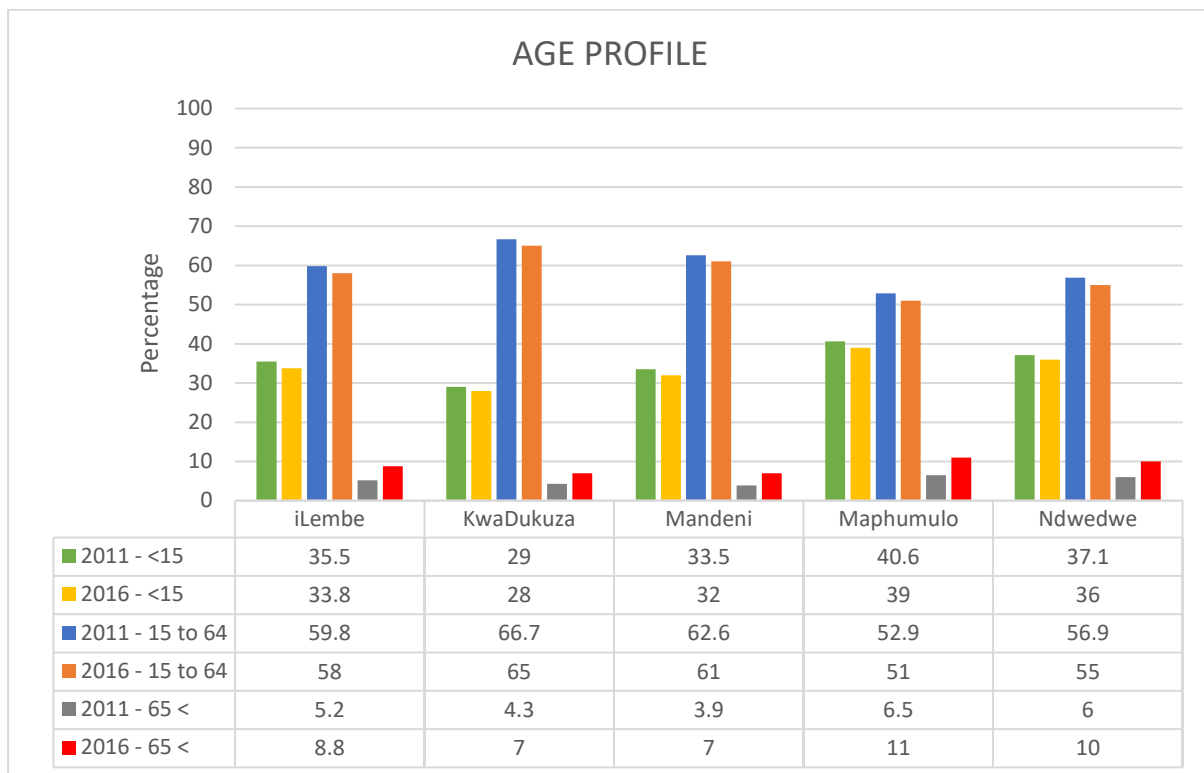
TABLE 8: HOUSEHOLD STATISTICS

STATISTICS SA CENSUS, 2011 & COMMUNITY SURVEY, 2016

It is noted that the above population and household statistics fluctuations are implications of the socio-economic conditions prevalent in the different localities of iLembe. Further analyses the status quo of the economies of the different local municipalities, levels of poverty, employment/unemployment and also gives a view on what has been done to stimulate growth, especially in the field of LED.

(i) AGE PROFILES

The graph below provides an indication of the age distribution within the district as recorded in 2011, compared with the results of the 2016 Community Survey. Within iLembe, 35,5% of the population is under the age of 15, KwaDukuza has the lowest percentage 29% and Maphumulo has the highest percentage of the population under 15 years at 40%. Throughout the district, it seems that all age groups under 65 years have decreased in percentage whilst the percentage of the age group of 65+ has risen. Compared to the other Local Municipalities of the district, KwaDukuza has the highest percentage of the working age group at 66, 7% whilst Maphumulo has the lowest at 52,9%. The majority of people within the District are of working age, however the available employment opportunities are not adequate to absorb this high number- this will be further elaborated upon in the employment profile.



GRAPH 1: AGE PROFILE

STATISTICS SA CENSUS, 2011 AND COMMUNITY SURVEY 2016

(j) GENDER PROFILES

The gender profile of the iLembe District population is typical of the trend prevalent throughout other district municipalities in KZN meaning that there is a greater number of females (341,926) residing in the area compared to males (315,686). Although the population has increased, according to the Community Survey of 2016, the gender ratio remains the same as previously highlighted in the 2011 Census.

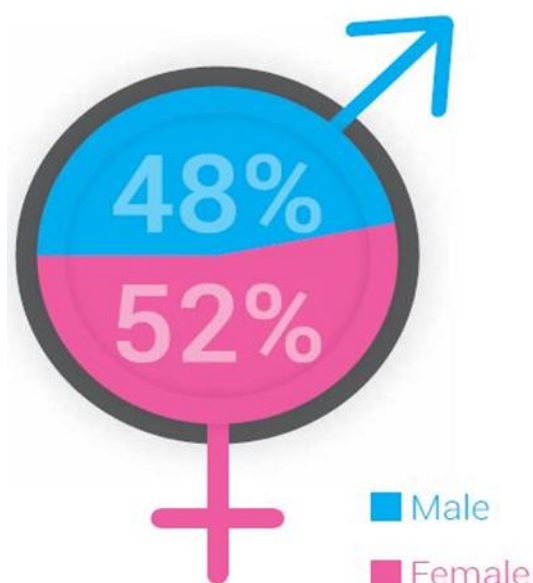
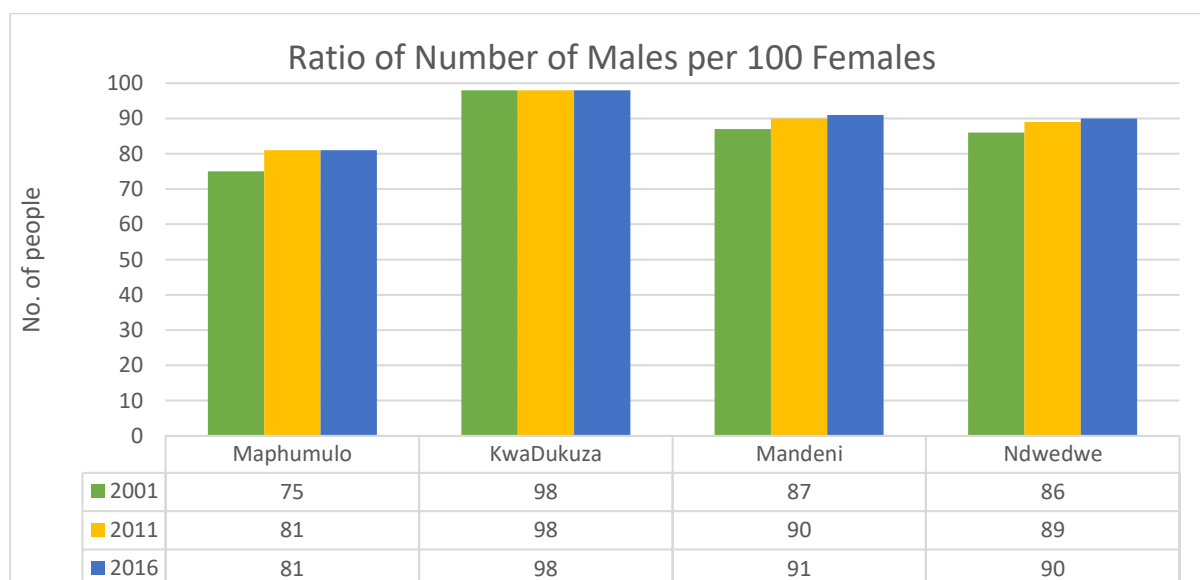


FIGURE 4: DISTRICT GENDER PROFILE

STATISTICS SA CENSUS, 2011 AND COMMUNITY SURVEY, 2016

(k) SEX RATIO (MALES PER 100 FEMALES)

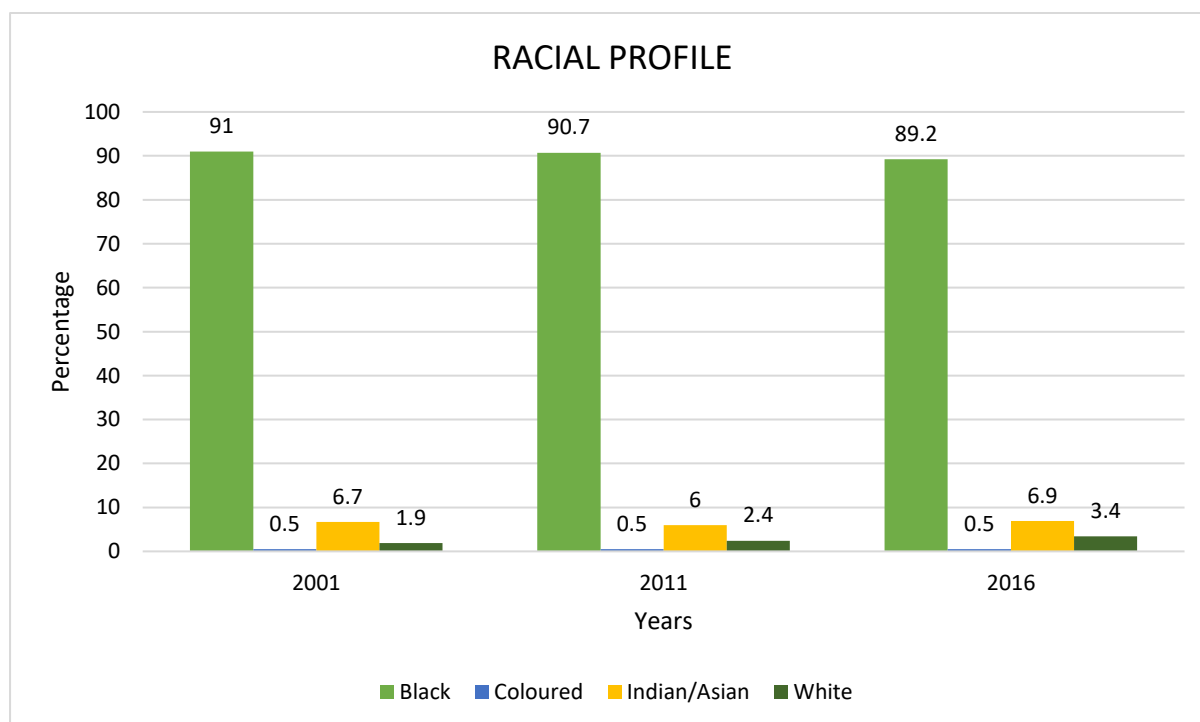
The graph below displays the gender distribution within local municipalities. In iLembe, for every 100 females there are 92 males. KwaDukuza is the most even at almost an equal split between gender groups, whereas Maphumulo is the most uneven with only 81 males for every 100 females.



GRAPH 3: ILEMBE GENDER PROFILE
STATISTICS SA CENSUS, 2001, 2011 & 2016

(l) RACIAL PROFILE

The graph below displays the split of the population of the district by population group from 2001 to 2016. Within the District, the percentage of Black people has shown a slight decrease as the graph depicts that in 2001 the percentage was 91% and at present it is 89, 2% whilst the percentage of White people is steadily increasing from 1, 9 % in 2001 to 3.4% in 2016. Between 2001 and 2011 the Asian population declined slightly, however between 2011 and 2016, the percentage has shown an increase from 6 to 6.9%. The Coloured population remains constant at 0.5% of the population of iLembe District.



GRAPH 4: RACIAL PROFILE
STATISTICS SA CENSUS, 2001 & 2011 AND COMMUNITY SURVEY 2016

In considering the graph above, it is apparent that iLembe is dominated by different races of people who subscribe to different customs and beliefs. iLembe as an institution supports cultural events that take place within the District as part of promoting nation building and social cohesion, programmes.

CHAPTER 2: COMPONENT A: GOVERNANCE STRUCTURES

2.1. GOVERNANCE STRUCTURE

iLembe District Municipality's council operates under the collective executive system. In terms of Section 42 of the Local Government: Municipal Structures Act, 1998 the

Council has established an Executive Committee consisting of six (6) Councillors. The Council has also established the following Portfolio Committees to assist the Executive Committee: -

- Economic Development, Planning Health and Safety Portfolio Committee;
- Infrastructure and Technical Portfolio Committee;
- Finance Portfolio Committee; as well as the
- Local Public Administration and Labour Relations Portfolio Committee.

Each of these committees is established in terms of the Section 80 of the Municipal Structures Act to assist the Executive Committee (EXCO). These committees deliberate on matters that fall within the specific terms of references of that particular committee and make recommendations to the Executive committee for approval or where necessary for endorsement by the executive committee for final approval by the full council.

There are delegations in place for the operations of the EXCO with the exception of the power's provided to council in terms of Section 160(2) of the constitution of the republic of South Africa, 1996. The District EXCO can only make recommendation for approval of such matters.

To assist in performing the oversight role, iLembe District Municipality has also appointed the following committees:

- i. Audit Committee in accordance with the Municipal Finance Management Act 56, of 2003 section 166, and operates within the terms of the Audit Committee Charter, which outlines its modus operandi. The Audit Committee charter is approved by the Council of iLembe District Municipality.
- ii. A Municipal Public Accounts Committee. The Committee consists of six (6) Councillors of the Municipality, who are not members of the Executive Committee. The Chairperson of the Committee is appointed by the Council. The functions of the Committee include the examination of the annual report of the Council and the development of the annual oversight report based on the annual report. The annual oversight report is published separately from the annual report.

2.1.1 POLITICAL GOVERNANCE STRUCTURE



His Worship The Mayor
Cllr T.P Shandu



Hon Deputy Mayor
Cllr J.G Van Whye



Hon. Speaker
Cllr M.D Shandu

2.1.1.1 EXECUTIVE COMMITTEE

No.	Surname and name	Gender	Designation	Party Affiliation
1.	Cllr TP Shandu	M	Mayor	ANC
2.	Cllr JG Van Whye	M	Deputy Mayor	ANC
3.	Cllr HN Ngcobo	F	Exco Member	ANC
4.	Cllr HLB Makatha	F	Exco Member	ANC
5.	Cllr CM Ngcobo	M	Exco Member	IFP
6.	Cllr NS Ncube	M	Exco Member	IFP
7.	Cllr MM Mthiyane	M	Exco Member	EFF

2.1.1.2 COUNCILLORS

iLembe District Municipality comprised of a total of **35** Councillors of which **22** were Ward nominated Councillors and the other **13** are Proportionally Representative (PR) Councillors. Council continues to operate on an Executive Committee System. In respect of the PR Councillors, there were **(7) males** and **(7) female** Councillors. The gender composition on the Ward Councillors is **(8) females** and **(10) males**. Overall there are **(15) female** Councillors and **(20) male** Councillors.

Political Parties are represented as follows in the iLembe District Municipality Council:

PARTY	PR SEATS	NOMINATED COUNCILLORS	TOTAL
African National Congress	7	17	24
Inkatha Freedom Party	3	4	7
Democratic Alliance	1	1	2
National Freedom Party	0	0	0
Economic Freedom Party	1	3	4
Action SA	1	1	2
TOTAL			35

2.1.1.3 ILEMBE DISTRICT MUNICIPALITY COUNCILLORS

(a) PROPORTIONAL REPRESENTATION LISTS

(i) AFRICAN NATIONAL CONGRESS

NO.	NAMES	SURNAME	GENDER
1	Thobani Philani	Shandu	M
2	Monitha Dolly	Shandu	F
3	James Gabangani	Van Whye	M
4	Sandeep	Oudhram	M
5	Happiness Nonhlanhla	Ngcobo	F
6	Hlengiwe Beatrice	Makatha	F
7	Jennifer	Vallan	F
8			
9			

(ii) INKATHA FREEDOM PARTY

NO.	SURNAME	NAMES	GENDER
1.	Ngcobo	Christopher Mbuyiseni	M
2	Cele	Solomon Sphiwe	M
3.	Mbuyazi	Thabisile Brightness	F

(iii) DEMOCRATIC ALLIANCE

NO.	SURNAME	NAMES	GENDER
1	Sing	Krsna	M

(iv) ECONOMIC FREEDOM FIGHTERS

NO.	SURNAME	NAMES	GENDER
1	Mthiyane	Mxolisi Maxwell	M

(v) ACTION SA

NO.	SURNAME	NAMES	GENDER
1	Sewraj	Annet Elizabeth	F

2.1.1.4 NOMINATED COUNCILLORS: KWADUKUZA MUNICIPALITY

(a) AFRICAN NATIONAL CONGRESS

NO.	SURNAME	NAMES	GENDER
1	Mwandla	Virginia	F
2	Sithole	Sicelo	M
3.	Dube	Thubelihle Trueman	M

(b) INKATHA FREEDOM PARTY

NO.	SURNAME	NAMES	GENDER
1	Magwaza	Joyce Fikile	F

(c) DEMOCRATIC ALLIANCE

NO.	SURNAME	NAMES	GENDER
1.	Singh	Nerish Ameer	M

2.1.1.5 NOMINATED COUNCILLORS: NDWEDWE MUNICIPALITY

(a) AFRICAN NATIONAL CONGRESS

NO.	SURNAME	NAMES	GENDER
1.	Ndlovu	Mandla Leonard	M
2.	Bhengu	Sithabiso	M
3.	Ngwane	Zinhle Promise	F

(b) INKATHA FREEDOM PARTY

NO.	SURNAME	NAMES	GENDER
1.	Shangase	Vukani Christopher	M

2.1.1.6 NOMINATED COUNCILLORS: MAPHUMULO MUNICIPALITY

(a) AFRICAN NATIONAL CONGRESS

NO.	SURNAME	NAMES	GENDER
1.	Khoza	Monica	F

(b) INKATHA FREEDOM PARTY

NO.	SURNAME	NAMES	GENDER
1.	Ngidi	Nomzamo Ntombifikile	F
2.	Mhlongo	Nqobile Mhlonipheni	M

2.1.1.7 NOMINATED COUNCILLORS: MANDENI MUNICIPALITY

(a) AFRICAN NATIONAL CONGRESS

NO.	SURNAME	NAMES	GENDER
1.	Dladla	Nhlanhla Oswald	M
2.	Mkhaliphi	Mzwakhe Cornwell	M
3.	Mthembu	Caroline Lungile	F

(b) INKATHA FREEDOM PARTY

NO.	SURNAME	NAMES	GENDER
1.	Ncube	Nduduzo Sibusiso	M

2.1.1.8 TYPE OF COMMITTEE AND NUMBER OF MEMBERS

COMMITTEE	NUMBER OF COUNCILLORS	NUMBER OF VACANCIES
Executive committee	7	None
Finance Portfolio Committee	7	None

Economic Development and Planning Portfolio Committee	7	None
Local Public Administration and Labour Relations Committee	7	None
Infrastructure & Technical Portfolio Committee	7	None
Youth Sub Committee	5	None
Gender Sub Committee	6	None
MPAC	5	None
Local Labour Forum	7	None
Rules Committee	5	None
Audit Committee Performance Evaluation Committee	5	None

2.1.1.9 COMMITTEE ALLOCATIONS

No.	Committee	Councillors
1	Finance Portfolio Committee	
	Cllr T.P Shandu	Chairperson
	(i) Cllr: S Oudhram (ii) Cllr MH Khoza (iii) Cllr ZP Ngwane (iv) Cllr. VC Shangase (v) Cllr CM Ngcobo (vi) Cllr NH Khuzwayo	
2.	Economic Development, Planning Health And Safety Portfolio Committee	
	Cllr HLB Makatha	Chairperson
	(i) Cllr TT Dube (ii) Cllr MH Khoza (iii) Cllr ZP Ngwane (iv) Cllr VC Shangase (v) Cllr TB Mbuyazi (vi) Cllr MC Shangase	

3.	Local Public Administration and Labour Relations Committee	
	Cllr HN Ngcobo	Chairperson
	(i) Cllr TT Dube (ii) Cllr. S Sithole (iii) Cllr S Bhengu (iv) Cllr. NM Mhlongo (v) Cllr K Singh (vi) Cllr MC Khanyile	
4.	Infrastructure & Technical Portfolio Committee	
	Cllr J.G Van Whye	Chairperson
	(i) Cllr CL Mthembu (ii) Cllr MH Khoza (iii) Cllr ML Ndlovu (iv) Cllr CM Ngcobo (v) Cllr SSPP Cele (vi) Cllr NJ Mbonambi	

2.1.1.10 SUB COMMITTEES

No	Sub Committee	Councillors
1.	2.1.1.10.1 YOUTH SUB COMMITTEE	
	Cllr S Sithole	Chairperson
	(i) Cllr NO Dladla (ii) Cllr S Bhengu (iii) Cllr NM Mhlongo (iv) Cllr N Singh	
2.	2.1.1.10.2 GENDER SUB COMMITTEE	
	Cllr M.H Khoza	Chairperson
	(i) Cllr CL Mthembu (ii) Cllr ZP Ngwane (iii) Cllr AE Sewraj (iv) Cllr NJ Mbonambi (v) Cllr TB Mbuyazi	

3.	2.1.1.10.3 MUNIPAL PUBLIC ACCOUNTS	
	Cllr J.A Vallan	Chairperson
	(i) Cllr MC Mkhaliphi (ii) Cllr NO Dladla (iii) Cllr NJ Mbonambi (iv) Cllr SSPP Cele	
4.	2.1.1.10.4 LOCAL LABOUR FORUM	
	Cllr H.N Ngcobo	Chairperson
	(i) Cllr TT Dube (ii) Cllr. S Sithole (iii) Cllr S Bhengu (iv) Cllr. NM Mhlongo (v) Cllr K Singh (vi) Cllr MC Khanyile	
5.	2.1.1.10.5 RULES COMMITTEE	
	Cllr T.T Dube	Chairperson
	(i) Cllr V Mwandla (ii) Cllr TT Mkhize (iii) Cllr S Zungu (iv) Cllr MC Shangase	
6.	2.1.1.10.6 AUDIT COMMITTEE- PERFORMANCE EVALUATION COMMITTEE	
	Cllr S Oudhram	Chairperson
	(i) Cllr S Sithole (ii) Cllr NO Dladla (iii) Cllr TB Mbuyazi (iv) NH Khuzwayo	

2.1.1.11 THE PURPOSE AND FUNCTIONS OF COMMITTEES

The following information reflects the different committees of Council and their respective purpose and functions:

(a) Delegations to the Executive Committee

- 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, including, but not limited to:-
- The Local Government : Municipal Demarcation Act, 1998 :
 - The Local Government : Municipal Systems Act, 2000;
 - The Promotion of Access to Information Act, 2000; and
 - The Municipal Finance Management Act, 2003
- Exercises all Powers of the Council which may be delegated by the Council in terms of the Constitution or any other law and which has not been delegated or assigned to any Municipal Functionary or municipal employee or is not deemed to be so delegated or assigned in terms of any law;
- Considers and determines any particular matter or issue or any matter of policy referred to the Committee by the Municipal Manager; and
- Takes any necessary or incidental decisions for the management or administration of any resolution of the Council.

(b) Delegations to the Rules Committee

- Developing Rules of Order and amendments thereto for recommendation to EXCO;
- Summoning any Councillor or Official to appear before the committee to assist it in the performance of its functions;
- Conducting disciplinary enquiries into Councillor transgressions referred to the Committee by the Speaker or MM, and making recommendations in respect thereof;
- Investigating and making findings on any alleged breach of the Code of Conduct for Councillors, and making suitable recommendations including suitable sanctions in terms of Item 14.2 of such Code; and
- Making written representations to the MEC for Local Government pertaining to an appeal to the MEC by a councillor who has been warned, reprimanded or fined in terms of item 14 (2) (a), (b) or (c) of the Code of Conduct for Councillors.

(c) Delegations To The Finance Portfolio Committee

- Ensuring compliance with the provisions of MFMA;
- Investigating processes and procedures for the implementation of services relating to matters referred to in number 5;
- Making recommendations, in line with the IDP, regarding strategic, administrative, technical, financial and procedural issues relating to matters referred to in number 5;
- Ensuring stakeholder participation in matters referred to in number 5;
- Formulating Policy for recommendation to Council and monitoring implementation in regard to the following matters:-
 - ✓ Audit;
 - ✓ Budget Monitoring;
 - ✓ Credit Control Monitoring;
 - ✓ Expenditure Monitoring;
 - ✓ Imposition and collection of taxes, levies and duties related to the functions of the Municipality;
 - ✓ Income Monitoring;
 - ✓ Indigent Support Programme Monitoring;
 - ✓ Receipt, allocation and, if applicable, the distribution of grants made to the District Municipality;
 - ✓ Supply Chain Management Policy oversight;
 - ✓ Financial Regulations;
 - ✓ Borrowing;
 - ✓ Fixed assets;
 - ✓ Cash and Investment; as well as;
 - ✓ Reviewing of CFO's Monthly Financial Reports

(d) Delegation To The Infrastructure And Technical Portfolio Committee

- Investigating processes and procedures for the implementation of services relating to matters referred to in L 4;
- Making recommendations, in line with the IDP, regarding strategic, administrative, technical, financial and procedural issues relating to matters referred to in number 4;
- Ensuring stakeholder participation in matters referred to in number 4;

- Formulating Policy for recommendation to Council and monitoring implementation in regard to the following matters:-
 - Domestic waste-water and sewage disposal systems;
 - Municipal Fleet Management;
 - Potable water supply systems;
 - Solid Waste Disposal Sites serving more than one local municipality in the District;
- Although the issue of the Solid Waste Disposal Site is a statutory function of the District Municipality, the function has not yet been performed by the Municipality.

(e) Delegation To The Economic Development, Planning, Health And Safety Portfolio Committee

- Investigating processes and procedures for the implementation of services relating to matters referred to in M 4;
- Promotion of local tourism for the area of the District; and
- Promotion of social and economic development, including:
 - Agriculture;
 - Industrial Development
 - Job creation;
 - Social Empowerment;
 - Town Planning;
 - Cultural Upliftment; and
 - Poverty Alleviation.
- Making recommendations, in line with the IDP, regarding strategic, administrative, technical, financial and procedural issues relating to matters referred to in number 4;
- Ensuring stakeholder participation in matters referred to in number 4;
- Formulating Policy for recommendation to Council and monitoring implementation in regard to the following matters: -
 - ✓ Abattoirs serving a major proportion of the municipalities in the District;
 - ✓ Fresh produce markets serving a major proportion of the municipalities in the District;
 - ✓ Integrated Development Planning for the District;

- ✓ Municipal airports serving the area of the District as a whole;
- ✓ Promotion of a safe and healthy environment, including: -
 - Conservation;
 - Environmental Planning;

(f) Delegation To The Local Public Administration and Labour Relations Portfolio Committee

- Investigating processes and procedures for the implementation of services relating to matters referred to in number 4;
- Making recommendations, in line with the IDP, regarding strategic, administrative, technical, financial and procedural issues relating to matters referred to in number 4;
- Ensuring stakeholder participation in matters referred to in number 4;
- Formulating Policy for recommendation to Council and monitoring implementation in regard to the following matters: -
 - Human Resource Development;
 - Labour Relations; and
 - Local Public Administration.

2.1.2 ADMINISTRATIVE GOVERNANCE STRUCTURE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

According to the MFMA 60(b): The Municipal Manager of iLembe District Municipality is the accounting officer of the municipality for the purposes of this Act and provides guidance on compliance with this Act to political structures; political office bearers, and officials of the municipality and any entity under the sole or shared control of the municipality, namely Enterprise iLembe.

iLembe District Municipality has well-established organizational structure and systems in place. The structure that was in place as at 30 June 2017 was appropriate for the developmental local government mandate assigned to the District Municipality in terms of the Municipal Structures Act, 1998. The Municipality's organisational structure provides for four Directorates that are managed by the Municipal Manager. The District Municipality has four Directorates with senior management per directorate, which are:

Name and Surname	Position
Mr N. G. Kumalo	Municipal Manager
Mr M Chandulal	Chief Financial Officer: Department of Finance
Mr T. Makhoba	Senior Manager: Department of Corporate Services
Ms Z.M Mdlazi	Senior Manager: Department of Community Services
Ms C Mbola	Acting Senior Manager: Department of Technical Services

2.2 COMPONENT B

2.2.1 ILEMBE DISTRICT INTERGOVERNMENTAL STRUCTURES

(a) DISTRICT DEVELOPMENT MODEL

There are various Provincial Intergovernmental fora in which the District Mayor sits and represents the District family of Municipalities. There is a Premier's Coordinating Forum which constitutes of MECs, the Mayors, Heads of Departments as well as the Municipal Managers that is chaired by the Provincial Premier. This Forum meets on a quarterly basis and has a sub-structure chaired by the MEC COGTA called the MUNIMEC which is constituted by the all the KZN Mayors, Municipal Managers, Heads of Departments as well as the SALGA representative. This sub-structure meets quarterly prior the meeting of the Premiers Coordinating Forum.

In view of the interdependence of all spheres of government, we continue to participate in various platforms to promote **Inter-Governmental relations** through the **District Development Model (DDM)**. DDM is an operational model for improved Cooperative Governance.

DDM structures have been formulated to align and integrate with the IGR structures at national, provincial and district levels. At a district level, there are DDM structures where

all municipalities and sector departments within the iLembe District are represented, and meet to ensure that all resolutions taken are implemented respectively.

(i) DDM Structures: (Quarterly)

- Political Hub chaired by the District Mayor
- Technical Hub chaired by the District MM
- Public Participation & Communications chaired by the District Speaker

(ii) Development ClusterHubs: (Bi-monthly)

- Social cluster chaired by the Mayor of Ndwedwe LM
- Economic cluster chaired by the Mayor of KwaDukuza LM
- Governance cluster chaired by the Mayor of Maphumulo LM
- Security cluster chaired by the Mayor of Mandeni LM

The District Municipality plays a coordinating role at the request of the Local Municipalities to source assistance and interventions to mitigate challenges experienced by Local Municipalities.

The District Political Hub constituted by the Mayors, National Champion, MEC Champion, Chairperson of the Local House, Speakers, Municipal Managers, Sector Departments and Civil Society in the district, plays a monitoring and oversight role over the iLembe Family of municipalities. The Political Hub also plays an oversight on the Technical Hub. It meets quarterly to discuss issues of mutual interests, ensures that all three spheres of government are operating in planning, budgeting and implementation unison thus enabling coherent, seamless and sustainable service delivery and development with integrated impact on the quality of life and quality of living spaces at municipal level.

Furthermore, oversees the development and approval of ONE PLAN & ONE BUDGET, promoting greater accountability. The Political Hub ensures inclusion of community needs and closer monitoring of government by community through active engagement with Operation Sukuma Sakhe (OSS) structures – facilitated by Mayor who is also the Chairperson Of The District Aids Council (DAC).

Municipal functioning, challenges and best practices are discussed at clusters and escalated to the Technical Hub which is made up of Municipal Managers. Once the Technical hub has discussed the reports from the clusters, a consolidated report with

recommendations and/or resolutions is then escalated to the District Political Hub for further consideration.

Since the launch of the District Development Model in 2020 by the Minister of COGTA, Dr Nkosazana Dlamini-Zuma, all district DDM structures are functional.

Other IGR District Sub-For a that remain functional, consisting of relevant stakeholders from all three spheres of government, government agencies, private entities and Amakhosi include the following :

NO.	NAME OF THE FORUM	MEETING FREQUENCY	CHAIRPERSON	FUNCTIONAL
1.	DAFF: DISTRICT AREA FINANCIAL FORUM (CFOs) A Sub-committee to deal with the issues of Asset Management in the District was established under DAFF in 2015/2016	Quarterly	Municipal Manager of Ndwedwe local Municipality – IDM CFO	Functional
3.	DISTRICT GOVERNMENT IT OFFICERS COMMITTEE (DGITOC)	Quarterly	Municipal Manager of iLembe District Municipality – IDM ICT Manager	Functional
4.	DISASTER MANAGEMENT ADVISORY FORUM (DMAF)	Quarterly	Municipal Manager of KwaDukuza Local Municipality –	Functional

			IDM Disaster Manager	
5.	PERFORMANCE MANAGEMENT SYSTEM FORUM (PMSF)	Quarterly	Municipal Manager of iLembe District Municipality – IDM PMS Manager	Functional
6.	LOCAL ECONOMIC DEVELOPMENT FORUM (LEDf)	Bi-Monthly	Municipal Manager of Mandeni Local Municipality – Enterprise iLembe CEO	Functional
7.	DISTRICT COMMUNICATORS FORUM (DCF)	Monthly	Municipal Manager of Ndwedwe Local Municipality – IDM Communications Manager	Functional
8.	PLANNING AND DEVELOPMENT FORUM (PDF)	Monthly	Municipal Manager of Mandeni Local Municipality – IDM Planning Manager	Functional
9.	INFRASTRUCTURE FORUM (IF)	Bi-Monthly	Municipal Manager of KwaDukuza Local Municipality – IDM Senior Manager:	Functional

			Technical Services	
10.	CORPORATE SERVICES FORUM	Quarterly	Municipal Manager of Maphumulo Local Municipality – IDM Senior Manager : Corporate Services	Functional
11.	SPEAKERS' FORUM	Quarterly	District Speaker	Functional
12.	INTERNAL AUDITORS FORUM	Quarterly	Municipal Manager of Maphumulo Local Municipality – IDM Manager: Internal Audit	Moderately Functional
13.	ENTERPRISE RISK MANAGEMENT FORUM	Quarterly	Municipal Manager of iLembe District Municipality – IDM Enterprise Risk Management Manager	Functional
14.	DISTRICT AIDS COUNCIL	Quarterly	District Mayor	Functional

2.3 PUBLIC ACCOUNTABILITY AND PARTICIPATION: COMPONENT C

Public participation is an integral part of local democracy and participatory local governance and that the involvement of communities and community organisations in the matters of local government is one of the objects of local government.

2.3.1 PUBLIC MEETINGS

The following are the public participation and communication structures and mechanism that exists within the iLembe District Municipality:

COMMUNICATION, PUBLIC PARTICIPATION AND RELATED FORUMS

The following are the public participation and communication structures and mechanism that exists within the iLembe District Municipality:

(A) SPEAKERS' FORUM

The Forum consists of:

- The Speaker of iLembe District Municipality; and
- The Speakers of all Local Municipalities

The Chairperson of the Forum is iLembe District Municipality Speaker. In his absence, the meeting elects a pro-term Chairperson of the same position. Officials responsible for public participation also attend the Speakers Forum.

Objectives Of The Forum

The main objective of the Forum is to promote and facilitate intergovernmental relations, cooperative government and share cultures of initiatives between the iLembe District Municipality and the Local Municipalities, including: -

- To seek unity of purpose and co-ordination of effort around the programmes championed in the office of the Speaker in the broader District;
- To serve as a main structure of the District Wide Ward Committee Forum; and
- To ensure effective and efficient coordinated Community / Public Participation within the District.

The Forum meets quarterly and additional or special meetings are called when and as the need may arise by the Chairperson or as per request by any member of the Forum through the Chairperson. The Speaker's forum is functioning and various

sector departments and stakeholders are invited at these meeting to provide detailed information on programme that will impact public participation in the district.

(B) DISTRICT COMMUNICATORS' FORUM (DCF)

Government communication is a strategic and planned process that is aimed at ensuring effective dialogue between government and the communities. The constitution of the Republic of South Africa, 1996, contains a number of sections which set the tone for local government communications. These include, Sections 152(1) e; Section 160(7); Section 126(3); Municipal Systems Act, 2000; Promotion of Access to Information, 2000 and the Intergovernmental Relations Framework Act, 2005.

Communications has a role of creating messages that harmonise the political and the administrative arms of government. Communication is a strategic function that ensures the public receives information about municipal policies, programmes and services.

The District Communicator's Forum provides a platform for communicators within the district municipality to plan and identify communication opportunities across spheres of government through substantive discussions and joint planning to fulfil the government's commitment to accelerate service delivery to ensure a better life for all.

(i) Composition And Membership

The membership of DCF is open to all government communicators operating within the district. This includes:

- District Communications Manager – Chairperson of the Forum
- Communicators from the local municipalities
- Communicators or representatives of the sector departments with the iLembe District Municipalities
- COGTA
- GCIS
- Office of the KZN Premier

(ii) Strategic Objectives Of The DCF

The objectives of the DCF are as follows:

- To foster a more positive communication environment among a family of municipalities, sector departments and relevant stakeholders within the district municipality;
- To foster integrated communication;
- To ensure a coherent and effective interaction between the District Municipality and its targeted audience;
- To ensure that citizens of the district participate in the decision-making processes;
- To ensure and promote the development of coordinated, integrated and sustainable programme of communications in the district;
- To ensure maximum administrative and operational effectiveness and efficiency of all communication programmes in the district; and
- To support the political leadership across the family of municipalities in its pursuit to deliver basic services and development.

In relation to the communications and imparting the municipal information to the public, the Communication Sub-directorate in the iLembe District Municipality manages the flow of communication from/ to the organization, media and broader communities. It is also responsible for attending to the information needs with respect to the Web site of the Municipality, checking and approving the insertion of news items, articles and photographs. Legislated information in terms of Section 75 of the MFMA is also placed in the municipal website and updated as stipulated in the MFMA. This includes the following information: -

- That have been disposed of in terms of section 14(2) or (4) during the previous quarter;
- Performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act;
- All supply chain management contracts above a prescribed value;
- Public-private partnership agreements referred to in section 120 of the MFMA;
- The annual and adjustments budgets and all budget-related documents and all budget-related policies;
- All service delivery agreements;
- All long-term borrowing contracts;

- An information statement containing a list of assets over a prescribed value
- Contracts to which subsection (1) of section 33 apply, subject to subsection (3) of that section;
- The Annual Report; and
- All quarterly reports tabled in the council in terms of section 52(d); and other documents that must be placed on the website in terms of this Act or any other applicable legislation, or as may be prescribed.

(C) COMMUNICATION AND PUBLIC PARTICIPATION CLUSTER

The Communication and Public Participation Cluster was formed to focus on communication and public participation cluster in relation to COVID-19. The cluster meets every Tuesday to deliberate on community engagement issues.

(i) Composition And Membership

The membership of Communication and Public Participation Cluster is formed as follows:

- the Speaker of iLembe District Municipality (Chairperson);
- the Speakers of all Local Municipalities;
- Communicators and public participation officials from the local municipalities;
- Communicators of the sector departments with the iLembe District Municipalities;
- COGTA;
- GCIS; and
- Office of the KZN Premier

(ii) Strategic Objectives Of The Communication And Public Participation Cluster

The objectives of the Communication and Public Participation Cluster are as follows:

- To develop and implement communication strategies of COVID- 19 (and other issues pertaining to service delivery interest;
- To support the District Command Council on planning and implementing communication activities;

- Provide communication support to all the COVID- 19 clusters;
- Provide ongoing communication to all iLembe communities of service delivery and COVID-19; and
- Implement the public participation recovery plan

(D) OTHER STRUCTURES THAT ARE UTILISED TO ENHANCE / IMPROVE COMMUNICATION AND PUBLIC PARTICIPATION

(i) Community Development Workers (CDW's)

iLembe District Municipality has total of **seventy seven (77)** wards and with only **forty three (43) CDWs** to service these wards. This is a challenge because a large number of wards are not benefiting from the services that are provided by the CDWs especially when it comes to household profiling and identification of urgent service delivery cases under the auspices of Operation Sukuma Sakhe as well as cascading of information to the people. Another challenge is that the CDWs are not available to provide support to the municipalities because of other commitments that they have from COGTA.

(ii) TRADITIONAL LEADERSHIP

iLembe District Municipality has a total of **thirty three (33)** Amakhosi with **three (3)** vacancies. The new District Traditional House was reinstituted in August 2017, and is currently led by Inkosi NA Bhengu who is also the member of the provincial house of traditional leadership in KwaZulu Natal. There is a healthy working relationship between the Local Traditional House and the iLembe District Municipality. Amakhosi are invited in community activities that are happening in their areas and district activities that will have impact in service delivery in their areas. These activities include IDP Public Participation meetings, conferences and seminars, to mention a few. Presentations on matters of Council are also periodically made at the seating of the iLembe District Traditional Council and tribal Councils on request. In November 2017, a meeting between Amakhosi and councillors was held with an aim to strengthen relations and this proved to be very fruitful because communication has been enhanced.

The implementation of Section 81 of the Municipal Structures Act is fully implemented and Amakhosi serving in the various Councils are fully integrated in terms of portfolio committee allocation. However, there are challenges in term of attendance by Amakhosi to these meetings. Ongoing engagements are held in order to address issues that affect their attendance.

(iii) WARD COMMITTEES

All the wards within iLembe District Municipalities have elected Ward Committees. They have all been inducted and have been provided with training to capacitate them to be able to facilitate service delivery issues in their areas. The ward Committees in the district are largely functional with the support they receive from local municipalities and the district municipality. However, there are challenges that are being experienced by the local municipalities as they engage with the Ward Committees:

- Some Ward Committee Members drop out because they receive better jobs elsewhere which leave a vacuum in the committees. The process of replacing them sometimes delay;
- Some members are demotivated because they feel that the remuneration that they receive from the municipalities is too little as compared to the amount of work that they are engaged with. iLembe District Municipality provides travel costs if they are invited to district meetings.

iLembe District Municipality is not responsible for the Ward Committees but gets to access the Ward Committees through the local municipalities. The Ward Committees form part of the IDP Representative Forum and they are engaged during the planning and facilitation meetings.

(E) MUNICIPAL RAPID RESPONSE TEAM (MRRT)

In the recent past KZN has seen a sharp increase of service delivery protests. The communities continue to believe that their needs will be better addressed only when they take it to the streets. Addressing the triple challenges of poverty, unemployment and inequality can assist in alleviating the spate of service delivery protests. The KZN's government approach, in dealing with service delivery protests, is more proactive rather than reactive. It includes three pillars detailed as follows:

- A well informed community is less likely to protest. This includes countering deliberate misinformation of communities;
- Early alert systems; and
- Stakeholder engagement.

In this regard, all municipalities were requested by the KZN provincial government to establish Municipal Rapid Response Teams not exceeding seven members, of which the Speaker shall be the convener.

The responsibilities for the MRRT are as follows:

- To deal with service delivery dissatisfaction.
- To collect the Memorandum of complainants.
- To consult with the complainants to establish the facts in the contents of the Memorandum.

In May 2018, and in line with this request, iLembe District Municipality established the MRRT (MRRT), and it is formed by the following members:

- Speaker (Convener and Chairperson of IDM MMRT);
- Chairperson: Infrastructure and Technical Portfolio Committee;
- Chairperson: Finance Portfolio Committee;
- Chief Whip;
- Municipal Manager;
- Senior Manager: Technical Services;
- Senior Manager: Community Services;
- Chief Financial Officer;
- Manager: Disaster Risk Management;
- Manager: Communications;
- Manager: Revenue; and
- SAPS representative

The IDM MRRT has not been functional during the reporting period, however, support is being received from COGTA to revitalize the MRRT and also align it with the Integrated Complaints Management System which is being managed by Enterprise Risk Management.

(iv) IDP PUBLIC MEETINGS

iLembe District Municipality as a Water Services Authority will at any given point engage with local communities on water and sanitation issues. The purpose of these meetings, for an example, is to introduce new projects, engage the community on revenue matter and any other matters related to the services that are provided by the iLembe District Municipality. The iLembe also gets invited to meetings that are planned by the local municipalities to address challenges related to sanitation and water provision.

Again in relation to IDP meetings, the IDP Representative Forum meetings are convened where public representatives and sector departments are invited, and this platform is crucial to ensure stakeholder participation and alignment as the IDP process takes place. In addition, broader public engagements were held with the communities of the respective local municipalities to engage them on their needs and the approval of the budget. To ensure that the community is consulted for their input in the IDP, the public engagements and consultation happened through internet, mayoral media interviews and social media.

In this regard, the public consultations were held as follows:

NUMBER OF IDP AND BUDGET PUBLIC ENGAGEMENTS HELD DURING 2021/22 FINANCIAL YEAR		
MONTHS	QUARTER	NUMBER OF MEETINGS
July- September 2021	Q 1	
October - December 2021	Q 2	2
January – March 2022	Q 3	
April – June 2022	Q 4	
Total No of Meetings		2
NUMBER OF EVENTS AND COUNCIL MEETINGS HELD DURING 2021/22 FINANCIAL YEAR		
MONTHS	QUARTER	NUMBER OF MEETINGS
July – September 2021	Q 1	
October – December 2021	Q 2	
January - March 2022	Q 3	
April - June 2022	Q 4	
Total No of Council Meetings		
PUBLIC PARTICIPATION MEETINGS REQUESTED DURING 2021/22 FINANCIAL YEAR		
MONTHS	QUARTER	NUMBER OF MEETINGS
July – September 2021	Q 1	
October – December 2021	Q 2	2

January - March 2022	Q 3	
April – June 2022	Q 4	1
Total No of Requested Meetings		3

2.3.2 IDP PARTICIPATION AND ALIGNMENT

IDP PARTICIPATION AND ALIGNMENT CRITERIA*	YES/NO
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes

2.4 CORPORATE GOVERNANCE

2.4.1 ENTERPRISE RISK MANAGEMENT (ERM)

(a) Introduction

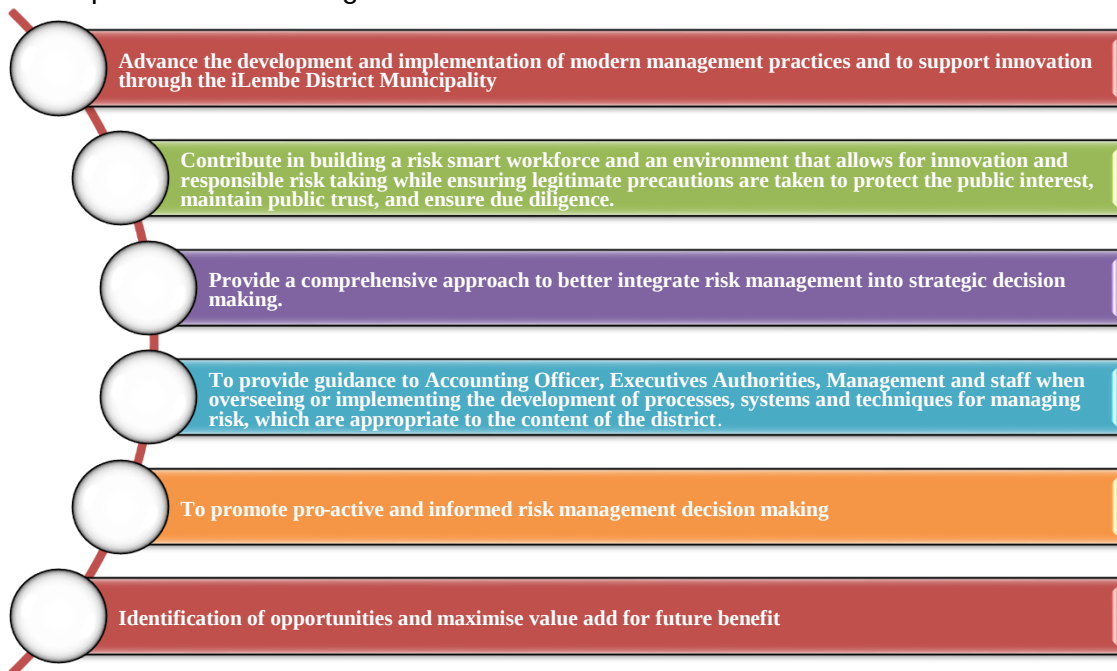
Enterprise Risk Management (ERM) forms a critical part of iLembe District Municipality strategic management. It is the process whereby the iLembe District Municipality both methodically and intuitively addresses the risks attached to the strategic objectives and activities of the Municipality. The goal is to ensure the achievement of strategic objectives as well as the sustained benefit within each activity and across the portfolio of activities. ERM is therefore recognised as an integral part of sound organisational management and is being promoted

internationally and in South Africa as good practice applicable to the public and private sectors.



Objectives of Enterprise Risk Management

The purpose of Enterprise Risk Management at iLembe District Municipality is to, among others provide the following:



(b) Risk Governance

(i) Risk Management Committee

The District Municipality has a Risk Management Committee which is made up of Senior Management and the Independent Chairperson. The RMC operates within a Risk Management Charter approved by the Executive Committee.

The Risk Management Committee is responsible for independent oversight and appropriate advice on the risk management process, mitigation of key risk exposure and the emerging risks that may have an impact on the District Municipality. The Committee's role is to guide the development and implementation of Risk Management programme as well as to review and monitor Enterprise Risk management (ERM) process and outputs regularly.

(ii) Reporting and Communication

- Five (5) RMC meetings were held in the year 2021/22 with the Special meeting convening on the 20th of June 2022;
- The Risk Management Committee Chairperson reports to EXCO bi-annually on the progress in the implementation of Risk Management in the municipality;
- Four (4) quarterly reports were submitted to Audit Committee. Top Strategic risks as well as top Fraud, MSCOA, and ICT risks were reported quarterly to EXCO. Meanwhile the top Strategic, Operational, ICT, Fraud and MSCOA risks were reported to appropriate Portfolio Committees;
- Covid-19 risks identified and reported to Manco, Risk Management Committee, Audit Committee, EXCO, Council and the District Command Council;
- Issues pertaining to Business Continuity Management were reported to all Council structures and communicated to all relevant stakeholders including IGR structures.
- EXCO approved the Risk Management Implementation Plan for **2021/22**. This plan was implemented and monitored on a quarterly basis; and
- 85.71% of the activities on Risk Management Implementation plan was achieved.

(iii) Key Performance Highlights For 2021/22

- Council reviewed and approved the following ERM documents:
 - Risk Management Strategy, Policy and Framework,
 - Anti-Fraud and Corruption Strategy & Policy;
 - Loss Prevention and Management Policy; and
 - Covid-19 Risk Based Recovery Strategy.
- Risk Management awareness workshops with Councillors, Management, Risk Champions, and Clerks were done;
- Gift, Donations and Sponsorship registers were completed and signed by staff and report submitted to MANCO, Risk Management Committee, Audit Committee and EXCO;
- Declarations of interest signed by Councillors, Senior Managers and Middle Managers and all SCM Officials as well as all officials;

- Risk Assessment for 2022/23 was done and Risk Registers were produced Compiled with **96** risks (Strategic=**21** and Operational=**33**, ICT=**6**, Fraud Risks =**22**, COVID-19=**8** and MSCOA=**6**; MSCOA and COVID-19 risk register was included in the operational register;
- Compliance monitoring and reporting in terms of the Laws and Regulation applicable to local government was done throughout the financial year;
- Quarterly Insurance Claims and Loss Control reports monitoring and reporting done throughout the financial year;
- Functional District Enterprise Risk Management Forum that was reporting to the Governance Cluster;
- Business Continuity testing was done through implementing the BCP during the disasters that were experienced during Covid-19, Public Protest Unrest and Floods and the institution continued to provide services to our communities. A decision was also taken to buy laptops for everyone in the institution to ensure that when employees are requested to work from home were considered;
- **85.71%** of the activities on Risk Management Implementation plan was achieved.
- Overall achievement of implementation of action plans for 2021/22 was **76.16%**;
- Monitoring operational plans to enhance revenue within the district were done;
- Reported progress on implementation of action plans to Manco, Risk Management Committee, Portfolio Committees, EXCO and Audit Committee;

(iv) RISK MATURITY

In terms of the National Treasury risk maturity level that consists of 6 levels, iLembe District Municipality has achieved Level 4 – **INFORMATION** which means;

Risk management is firmly embedded in the institution. Metrics to measure the value-added of risk management are in place. Aggregated risk management information is circulated to relevant officials and oversight structures as a matter of routine. Metrics are in place to measure and monitor the value of add of risk management. Risks provide intelligence with regard to decision making.

The ERM Unit in compliance with National Treasury isolate the relevant risk management components of the FMCMM and provide a simplified and consistent assessment methodology for institutions to determine their risk management maturity.

Therefore, the assessment has been performed as per above cited deliberation. A system generated assessment report could not be attained due to ICT related technical anomalies with the National Treasury website hence the below narrated manual summary.

iLembe District Municipality for the financial year 2021/22 achieved maturity level of 4.8% for 2021/2022 financial period and it is made up of the following:

PERCENTAGE ACHIEVED	ASSESSMENT LEVELS
100%	Level 2
98%	Level 3
100%	Level 4
100%	Level 5

(c) TOP 5 RISKS FACING THE MUNICIPALITY IN 2021/22

(i) Strategic Risks:

- Sustainability of the Municipality is compromised due to low liquidity ratio.
- Delays in reviewing and monitoring the Siza water concession timeously.
- Violent Public Protests.
- Inadequate Compliance and implementation of Occupational Health & Safety (OHS) measures.
- Inappropriate corporate culture.

(ii) Operational Risks:

- Misuse of Municipal Fleet due inadequate assumption of responsibility for Fleet Management within the User Departments
- Inadequate security over Municipal infrastructure, assets and staff
- Delayed and/or compromised responsiveness in defending and/or resolving legal disputes against the municipality cases resulting in default judgments against the municipality.
- Inadequate consumer data which leads to incorrect classification of consumers/debtors.
- Turnaround time to attend consumer queries.

(iii) Fraud Risks:

- Theft of Municipal assets by both the municipal officials and external persons.
- Deliberate leak of information

- Fleet vehicles used by municipal officials for personal use
- Unjustified emergency requests
- Acceptance of bribes and kick-backs

(iv) ICT RISKS

- Limited capacity to manage an effective and efficient co-ordination of IT continuity in the event of ICT service disruption.
- Inadequate implementation of Information Technology Governance Strategy/Framework.
- Inadequate controls over IT environment (logical and physical).

(d) KEY AREAS OF FOCUS FOR 2022/23:

Below is the highlight of some of the key focus areas for 2022/23:

- Monitoring operational plans to enhance revenue within the district;
- Monitor implementation of the Corporate Culture programme;
- Report progress on implementation of action plans to Risk Management Committee, Portfolio Committees, EXCO and Audit Committee;
- Finalising the review and approval of Business Continuity Management.
- Managing and monitoring risks exposures that will be associated with the handover of Siza Water Concession contract to iLembe District Municipality.

(e) CHALLENGES AND MITIGATIONS TO IMPROVE.

(i) COVID-19 Pandemic , Floods and Violent Public Protests

- The COVID-19 scourge, Public Violence Protest and Floods has negatively affected the institutions' service delivery initiatives and financial viability leading to inconsistent cash flow concerns and understatement of revenue as well as damages to infrastructure.
- The COVID-19 Pandemic has created both negative (cyber-crime, theft of municipal assets) and positive opportunities (4IR, improved ICT Infrastructure) opportunities which requires extensive strengthening of the control environment.
- Persistent financial loss incurred by the municipality as a result of employees not taking Annual Leave due to implementation of the COVID-

19 Risk Based Strategy e.g. Return to-Work Plan (rotation of employees and impact of employees with Comorbidities).

Mitigation:

Integration of ERM and Business Continuity Management into business processes of the Municipality.

(ii) Inadequate Risk awareness

While awareness campaigns takes place in the form of workshops risk management is still perceived as bureaucratic exercise hence unable to yield visible results at operations.

Mitigation:

Embedding risk management in the existing business processes to make risk management self-sustaining overtime.

(iii) Instilling Accountability and Encouraging Action

Mitigation:

Mapping the risk to Portfolio Committees and encouraging portfolio hearings against the treatment plans.

Allocating resources to the highest priority risks.

(iv) Complex risk management approach to treatment, monitoring and reporting.

Mitigation:

External risks: Contingency planning and Business Continuity Plan.

Strategic: focus on key risk indicators and trends.

Operational: focus on internal controls and establishing procedures and alignment to internal audit through combined assurance.

(d) OUTSTANDING MATTERS

- Launch of the Ethics Committee for Councillors.
- Rollout for the Corporate Culture.
- Risk assessment for Projects is planned for 2022/23.
- Full declaration of Financial Interest by all staff members.

- Finalisation of District Wide Business Continuity plan is in progress (Vuthela is assisting through SNG).

(e) ANTI- FRAUD & CORRUPTION

iLembe District Municipality has in place an Anti-Fraud and Corruption Strategy and Policy that was reviewed and approved by Council.

The risk of fraud and corruption is one of the Municipality's top strategic risk areas.

As part of Fraud and Corruption prevention the following was done;

- Declarations of interest signed by Councillors, Senior Managers, Managers, SCM employees, and other personnel (KZ employees).
- Conducting Fraud Risk assessments.
- Review of the Fraud risk register was done and monitoring on a monthly basis.
- Fraud and Corruption awareness workshops were done annually.
- Designing and development of Fraud Risk Management Plan.
- Appointment of service provider for district wide hotline services.

Risk Management Committee functions as an oversight body; this includes the review of the effectiveness of prevention initiatives, detection techniques as well as progress made in any forensic investigation.

The Municipality acts swiftly to investigate allegations of fraud & corruption whenever these allegations are reported to Management, Executive, and Council & Audit Committee.

2.4.2 SUPPLY CHAIN MANAGEMENT

The Municipality has a Supply Chain Management Unit that is fully functional and established within the Finance Department. All SCM processes are conducted in line with Section 217 of the Constitution of the Republic of South Africa, Chapter 11 of the MFMA (No. 56 of 2003), PPPFA (No. 5 of 2000) and the 2017 Preferential Procurement Regulations and the SCM Policy of the Municipality.

In order to ensure the segregation of duties, the SCM unit has four elements which operate independently but in a coherent manner as part of the supply chain, namely, demand, acquisition, logistics and disposal management. Furthermore, there is a contract management section which in conjunction with the relevant Project Managers, is responsible for the monitoring of all service providers and contractors' performance. This seeks to ensure the successful implementation of projects which will eventually yield to the realization of goals and targets as outlined in the Municipality's SDBIP.

(a) RANGE OF PROCUREMENT PROCESSES

All procurement activities are conducted in a manner that is fair, transparent, efficient, competitive and cost effective in line with the provisions of the Municipal Finance Management Act, (Act 56 of 2003), Supply Chain Management Policy and the 2017 Preferential Procurement Regulations pertaining to the Preferential Procurement Policy Framework Act (No. 5 of 2000).

As a prerequisite, all entities doing business with the Municipality must be registered on the National Treasury's Central Suppliers Database (CSD). Over and above other mandatory requirements for eligibility to do business with the Municipality, the entities must submit SARS pin or tax clearance certificates to enable the verification of their tax status with SARS. This verification is done in all procurement process and bidders are given seven working days to sort out their tax matters with SARS.

(b) COMPETITIVE BIDDING PROCESSES

Section 19(1) of the SCM Policy stipulates that; goods or services above a transaction value of R200 000 (VAT included) and long-term contracts may only be procured through a competitive bidding process, subject to paragraph 11(2) of the SCM Policy. The Municipality has established all three bid committees duly appointed by the Accounting Officer, namely, Bid Specifications, Evaluation and Adjudication Committees. All projects that are processed by these committees must be fully funded and be registered on the annual procurement plan.

The following bids were awarded by the Municipality:

BID No.	PROJECT DESCRIPTION	BIDDER NAME	AMOUNT
FD/11/2020	Request for Proposal for Establishment of Panel of	Panel of Service Providers	RATES BASED

	Service Providers for the Vat Review/Recovery over a 3 year period		
ERM 03/2021	Provision of Short Term Insurance Services	Lateral Unison Insurance	R4 599 875.80
CS/30/2021	Request for proposals: Establishment of the Corporate Services Panel of Service Providers for a 3 year period	Panel of Service Providers	RATES BASED
TS/216/2021	Provision of Clearing of Vegetation on IDM Premises /Grass Cutting Services for a period of 3 years	Panel of Service Providers	RATES BASED
TS/217/2021	Macambini Water Supply Scheme-Phase5A Construction of Approximately 9.0km of 250MM-50MM Diameter Bulk Gravity Mains and Ancillary work	Mdima Civils	R42 905 308.45
TS/218/2021	Macambini Water Supply Scheme-Phase5B Construction of 2.5 ML Reinforced Concrete Reservoir and Ancillary work	Mbako Mlombomvu JV	R16 131 253.22
TS/220/2021	AC Replacement in Glen Hills -KwaDukuza	Sizabanke Civils T/A Pilcon Projects	R 29 827 877.15
ERM/05/2021	ANTI FRAUD CORRUPTION HOTLINE	DELOITTE	R 443,428.22
TS/223/2021	PANEL OF SERVICE PROVIDERS FOR MECHANICAL AND ELECTRICAL MAINTENANCE	VARIOUS SERVICE PROVIDERS	RATES BASED
TS/222/2021	CONSTRUCTION OF A 1 ML RESERVOIR AND 3.5ML RESERVOIR FOR THE NDULINDE ARE	ZAMISANANI PROJECTS	R 29,962,040.20

(c) IMPLEMENTATION OF THE 2017 PREFERENTIAL PROCUREMENT REGULATIONS

The 2017 Preferential Procurement Regulations pertaining to the Preferential Procurement Policy Framework Act Regulations (PPPFA), Act No.5 of 2000 were incorporated in the SCM Policy. The Regulations are used to advance designated groups through the procurement activities, by applying the following pre-qualification criteria;-

- Bidders with a specific minimum B-BBEE status level of contribution (only level 1 and 2 B-BBEE status level);

- EME or QSE (*EME = Entity with an annual turnover of up to R 10 Million and *QSE = Entity with an annual turnover above R 10 Million but not exceeding R 50 Million);
- Bidders subcontracting a portion of the project (30%) to the local emerging entities as per the predetermined list.

The Constitutional Court ruled on the 16th of February 2022 against the implementation of the 2017 Preferential Procurement Regulations, thus setting these aside. This was in response to an appeal lodged by the Minister of Finance against the ruling of the Supreme Court of Appeal. The judgement presented some confusion to the National Treasury and other organs of state resulting in the former issuing advisory notes halting the procurement processes and coming up with a mechanism of asking for an exemption should an institution wish to proceed with the procurement processes.

The matter has been clarified by the Constitutional Court, the Preferential Procurement Regulations, 2017 will remain in place until 15 February 2023 unless the new Preferential Procurement Regulations are promulgated at an earlier date. National Treasury has indicated that they are currently processing the public comments received in relation to the draft Preferential Procurement Regulations.

(d) LOGISTICS MANAGEMENT

The Municipality has four site offices that keep stock items, namely, KwaDukuza, Mandeni, Maphumulo and Ndwedwe. The main stores/warehouse is located in KwaDukuza and operates on Munsoft financial system, the satellite stores are operating on a manual system. The inventory is maintained through the weighted average method and the following reflects the inventory balances and results of the stock count conducted at the end of the month as required by the Inventory Management Policy.

2.4.3 MUNICIPAL BY LAWS

The Municipality has developed Water By Laws that have been recently reviewed. iLembe District remains committed towards ensuring that the developed By Laws are reviewed on a regular basis, in line with all relevant prescripts and to ensure that they remain relevant, compliant and enforceable at all times.

2.4.4 MUNICIPAL WEBSITE

In relation to the communications and imparting the municipal information to the public, the Communication Sub-directorate in the iLembe District Municipality manages the flow of communication from/ to the organization, media and broader communities. It is also responsible for attending to the information needs with respect to the Web site of the Municipality, checking and approving the insertion of news items, articles and photographs. Legislated information in terms of Section 75 of the MFMA is also placed in the municipal website and updated as stipulated in the MFMA. This includes the following information:-

- that have been disposed of in terms of Section 14(2) or (4) during the previous quarter;
- performance agreements required in terms of Section 57(1)(b) of the Municipal Systems Act;
- all supply chain management contracts above a prescribed value;
- public-private partnership agreements referred to in Section 120 of the MFMA;
- The annual and adjustments budgets and all budget-related documents and all budget-related policies;
- all service delivery agreements;
- all long-term borrowing contracts;
- an information statement containing a list of assets over a prescribed value
- contracts to which subsection (1) of Section 33 apply, subject to subsection (3) of that section;
- the Annual Report;
- All quarterly reports tabled in the council in terms of section 52(d); and other documents that must be placed on the website in terms of this Act or any other applicable legislation, or as may be prescribed.

2.4.5 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

One of the communication objectives for iLembe District Municipality is to improve communication between the Municipality and its communities. This objective contributes towards the national outcome of creating a responsive, accountable, effective and efficient local government system. A healthy relationship between the municipality and external customers (citizens) is essential as customer satisfaction is a yardstick for municipal performance. Customer satisfaction is the output of customer service. Poor service leads to unhappy customers whilst good customer service leads to happy customers. However, because of financial constraints, iLembe District Municipality did not embark on a format

citizen satisfaction survey during 2020/21 financial year. The satisfaction levels of the community are assessed through community meetings and media engagement activities.

CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART 1)

3.1. PERFORMANCE MANAGEMENT PROCESSES

(a) INTRODUCTION

The Organisational Performance framework must be reviewed annually and adopted where necessary as per the Municipal Systems Act, 32 of 2000, chapter 6 guidelines. Council adopted the reviewed Framework on 10th May 2022. Organisational Performance within iLembe District Municipality is an integral part of the implementation of the Integrated Development Plan – operational plans that are monitored and progress is reported annually against the targets set out as well as challenges experienced during the 2021/2022 financial year.

The District has committed itself in trying its best to obtain a Clean audit opinion for both financial and performance information. This is done by meeting all legislative requirements and full compliance is adhered to, as well as strict internal controls are maintained.

Management plays a major role in improving the system by adhering to the set deadlines and timeframes and ensuring all portfolios of evidence and backup documents are submitted and provided when actual progress is reported. A PMS automative system which is module of our financial system Munsoft together with the service provider Action IT has been fully implemented. Management are reporting actuals and all portfolios of evidence are uploaded on the system. The Internal audit and the Auditor General have been trained and auditing has commenced on the system during this financial year quarterly and the Auditor General will also be commencing audit on system. All reports are submitted to MANCO for discussion and input to ensure challenges are noted and if there are any recommendations or solutions before submission to relevant committees. This also helps in improving the reports as well as there are discussions and early alerts to challenges experienced by departments, and to be proactive before quarterly and annual reports are due.

(b) PERFORMANCE MANAGEMENT PROCESSES

The Municipal Systems Act (MSA) of 2000, Section 38(a) mandates municipalities to establish performance management systems, and the Planning and Performance Management Regulations of 2001, describes the municipality's Performance Management System (PMS) as consisting of a framework that articulates and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed as well as to determine the roles of different stakeholders

Performance management is a process that measures the implementation of an organisation's strategy. It provides a mechanism to measure whether targets to meet its strategic objectives set by municipalities and its employees are met. The PMS implementation and management process are carried out at iLembe in different phases namely:

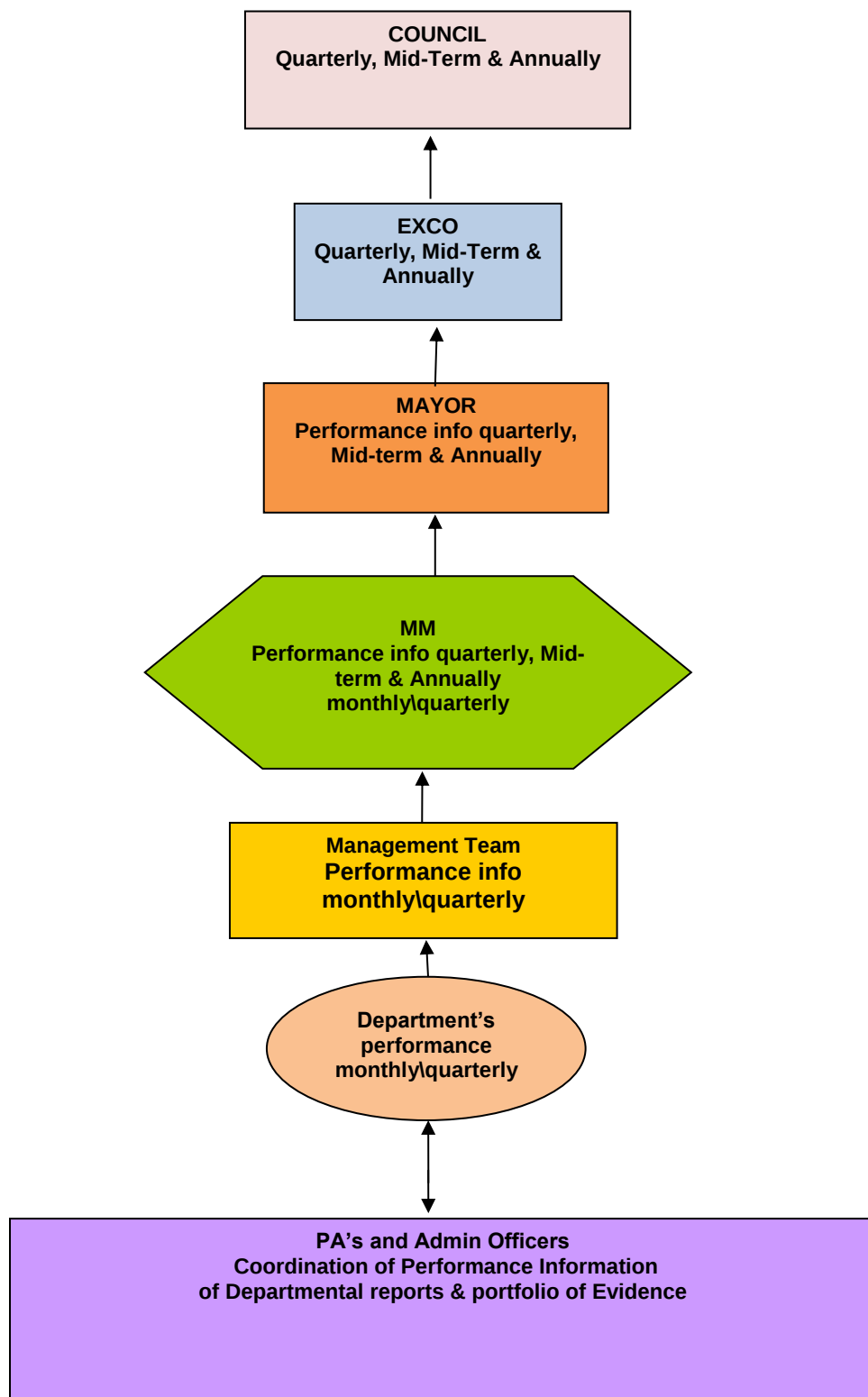
- Phase 1: Planning
- Phase 2: Monitoring and managing performance information
- Phase 3: Performance measurement and analysis
- Phase 4: Performance review and improvement
- Phase 5: Performance report

Co-ordination involves the overall responsibility of being the custodian of the district's performance management system and managing the system on behalf of the Municipal Manager. This is a strategic function which resides in the Office of the Municipal Manager. The co-ordination of the implementation phases of performance management is the function of the PMS department who are responsible for the following core activities:

- Co-ordination of the development and implementation activities of the organisational PMS, through interaction with all relevant stakeholders;
- Ensuring and overseeing the implementation of the Performance Management Framework and compliance to all performance legislative requirements in respect of the implementation of the PMS;
- Providing regular support and capacity to the different departments in developing departmental scorecards;
- Continuously providing technical support to the Municipal Manager and the senior management team with implementation, assessment, review, monitoring and information management;

- Providing capacity for analysing organisational performance information submitted by Senior Managers on a quarterly, mid-term and annual basis in preparation for reporting;
- Responsible for co-ordination and compiling the annual Section 46 performance report;
- Ensuring that all quarterly, mid-term and annual organizational performance reports are submitted to relevant stakeholders timeously, for example, quarterly, mid-term and annual performance reports to EXCO, Council, the Auditor-General, MEC of Cooperative Governance and Traditional Affairs (COGTA) and the public (through website; print media notification and copies are made available for viewing at municipal offices).

The performance monitoring flow chart is as follows:



The Municipal Systems Act of 2000, section 46 (2), requires the municipality to compile an Annual Performance Report that forms part of the Annual Report prepared in terms of the Municipal Finance Management Act. This Report therefore focuses on the Top layer which is the Organisational Objectives, and the achievements thereof made by the iLembe District Municipality in the 2021/2022 financial year. It also provides feedback on the targets as set out in the approved Top Layer scorecard as well as the Service Delivery and Budget Implementation Plan used to monitor performance at an operational level.

3.2 PERFORMANCE AND SUPPORTING INFORMATION

The monitoring system places responsibility on each department and individual employees to collect relevant data and information to support the monitoring process. Evidence of performance is gathered and presented to substantiate claims of meeting (or not meeting) performance standards. All portfolios are verified against the reported actual, as it confirms the status of targets met and not met.

3.2.1 TOP LAYER SDBIP

The top layer scorecard is a layered plan, with the top layer dealing with consolidated service delivery targets and linking these targets to departmental Service Delivery and Budget Implementation Plans.

The following table indicates the National Key Performance Areas (NKPA's) which includes the number of Key Performance Indicators (KPI's) on the Top Layer scorecard and departmental Service Delivery and Budget Implementation Plans (SDBPI's).

NATIONAL KPA'S	TOP LAYER SCORECARD	DEPARTMENTAL SDBIP'S	GRAND TOTAL OF TOP LAYER & DEPARTMENTAL
Basic Service Delivery	15	64	79
Municipal Financial Viability & Management	12	24	36

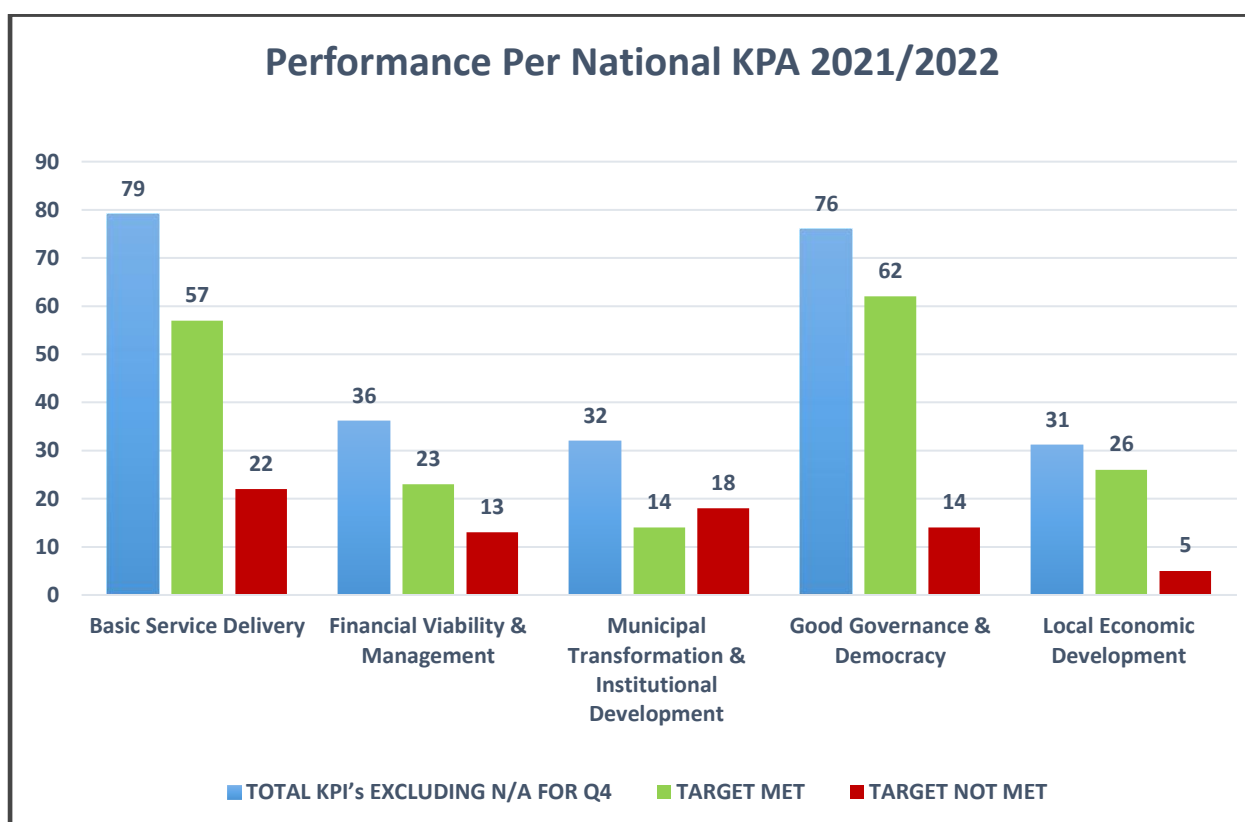
Municipal Institutional Development & Transformation	15	17	32
Good Governance & Public Participation	44	32	76
Local Economic Development	20	11	31

The following diagram depicts the performance per national KPA:

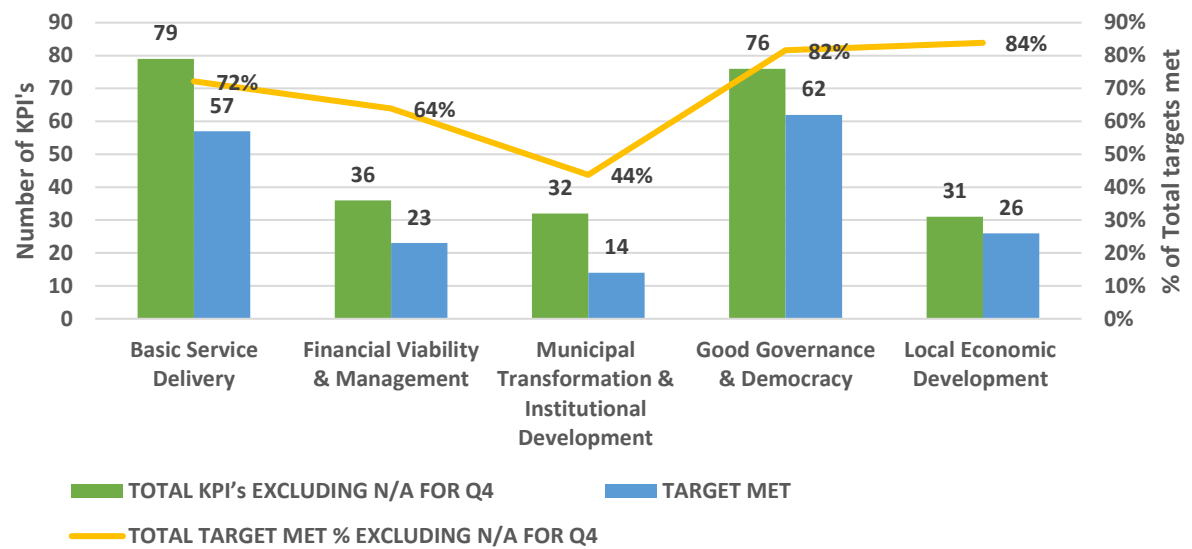
NATIONAL KPA's	TOTAL KPI's EXCLUDING N/A	TARGET MET	TOTAL TARGET MET %
Basic Service Delivery	79	57	72%
Municipal Financial Viability & Management	36	23	64%
Municipal Transformation & Institutional Development	32	14	44%
Good Governance & Public Participation	76	62	82%
Local Economic Development	31	26	84%
Overall Organisational Performance	254	179	72%

COMPARISON OF PERFORMANCE OF THE NATIONAL KPA'S FROM THE PAST THREE YEARS

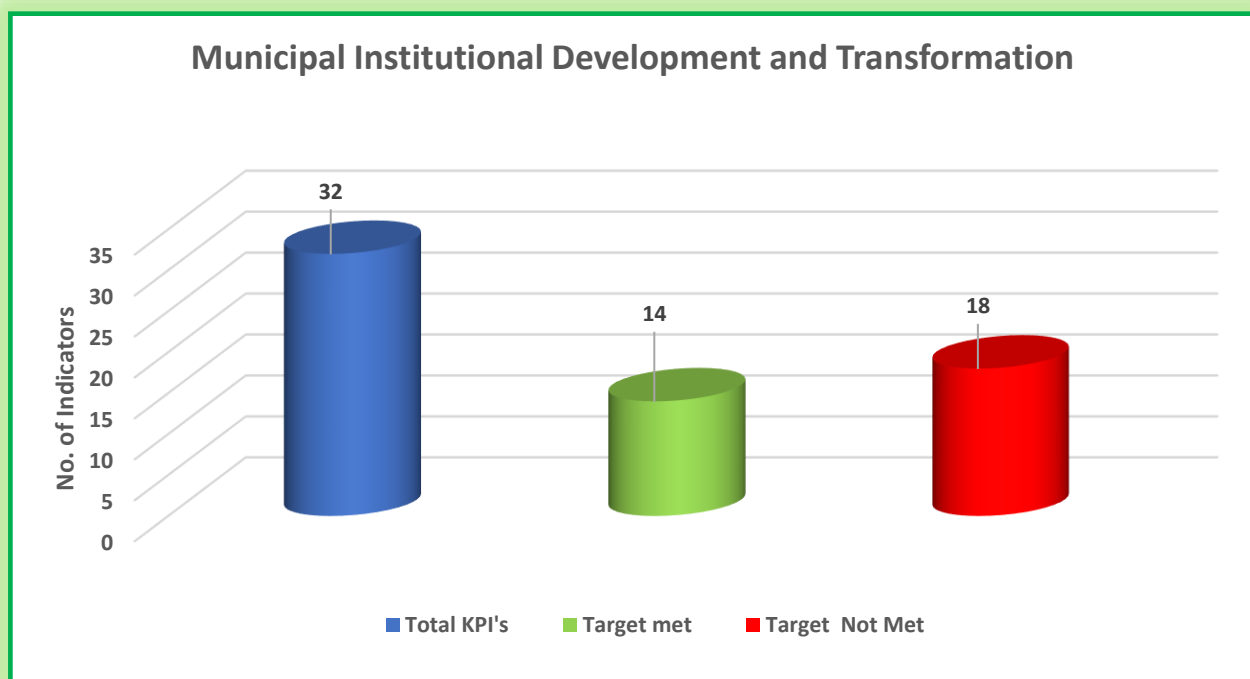
NATIONAL KPA'S	2019/2020	2020/2021	2021/2022
Basic Service Delivery	62%	64%	72%
Municipal Financial Viability & Management	78%	73%	64%
Municipal Institutional Development & Transformation	72%	73%	44%
Good Governance & Public Participation	83%	79%	82%
Local Economic Development	97%	86%	84%



National KPA's Performance on targets met in percentage 2021/2022



3.3 MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT



The Human Resources Unit predominant function is to establish an efficient and productive administration, which is accomplished by ensuring all policies are aligned with the legislation. Managing the staff component of the municipality, implementing the employment equity plan, improve the capacity of staff to deliver services, ensure the municipality has well skilled and qualified employees, ensure the municipality provides a safe and working environment, promote a safe and healthy work environment in terms of the Occupational Health and Safety Act and other relevant legislation.

To ensure the well-being of employees. The Support Services Unit ensures effective and efficient document management systems are in place, governance through regular Council meetings, by supplying resources and support services to all EXCO, Council and portfolio committee meetings.

The Legal Unit provides legal advice and ensure resolution of legal matters against and/or on behalf of the municipality, by limiting losses to the municipality – legal risk mitigation, ensure the municipality is legally protected in its agreements with service providers.

The ICT department provides an innovative, effective and efficient information and communication technology service. The department does this by updating and reviewing policies annually, enabling the achievement of the municipal objectives as per the IDP, reduces costs of electricity consumption and greenhouse emissions. To align ICT objectives with best practices, manages the provision of the telephone communications and to ensure effective and efficient functioning of ICT.

3.3.1 PERFORMANCE HIGHLIGHTS AS PER THE TOP LAYER SDBIP AND NATIONAL KPA

The human resource department is on track with some targets, in terms of workplace skills plan implementation, a report on the Employment Equity Plan that was submitted to Department of Labour. A total of 47% of employees were trained in accordance with the WSP, and of 43%, of programmes were implemented that were in line with WSP, at all programmes sent to SCM were implemented, therefore target was exceeded. All relevant employees & Councillors were informed of invitations for relevant training & development programmes through COGTA, SALGA, SALGBC, & SETA approved programmes. Quarterly reports on implementation of District Human Resource Development Strategy/Plan were prepared. A workplace Skills Plan (WSP) & Annual Training Report (ATR) were completed and submitted by the required deadline. Monthly reports on the implementation of occupational Health & Safety Plan and Policy were prepared. Number

NATIONAL KPA's	TOTAL KPI's EXCLUDING N/A	TARGET MET	TOTAL TARGET MET %
MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT	32	14	44%

of reports on implementation of District Human Resource Development Strategy/Plan - actual is 2 as per target. To date 6 employee wellness plans were target was exceeded as the target set in the 5th programme was done in response of the request by NJMPF to the municipality to coordinate the awareness on the new developments of the Fund.

The support services unit completed monthly fleet management reports that were submitted to relevant committees. The co-ordination of Council and Exco were done and minutes of all meetings were prepared actual was 11 Council meetings and 21 Exco meetings.

The ICT unit completed with activities in terms of implementation of the telephone management system, and draft terms of reference was done and the advert and appointment of service provided was done. Quarterly reports were prepared on the maintenance of ICT infrastructure.

The entity's progress in line with the national KPI are on track, employee training budget spent is at 95%, the organogram was reviewed and approved by May 2021 and 84,38% of posts have been filled to date.

3.3.2 CHALLENGES AND MEASURES TO IMPROVE PERFORMANCE AS PER THE TOP LAYER SDBIP AND NATIONAL KPA

CHALLENGES	MEASURES TO IMPROVE PERFORMANCE/ CORRECTIVE MEASURES
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	
TL395/D1119 – the vacancy rate is at 13% against a target, of under 12%. The vacancy rate remained at 13% as they had been 2 terminations while we promoted from within.	Further posts to be filled in the new financial year
TL398/D1122 - Percentage municipality's budget actually spent on implementing the approved WSP – Actual is 0,61% against a target 1%. One of the learnership was funded by LGSETA.	Will ensure target is met in the new financial year
TL401 Target is not met.	Presentation to be done to management on the importance of cascading IPMS to lower

Number of progress reports on Cascading of IPMS submitted to Manco, PA & Exco – actual is 0 against a target of 1. D1129 - Number of activities completed on Cascading of IPMS -- Activity 1 - all draft IPP's were developed and emailed to all middle managers. Activity 2 - All signed IPP's were emailed to the MM with a progress report attached Activity 3 - Requested progress reports from all middle managers. Memo sent out to all management for the mid-term reviews to take place. Only 4 managers provided POE for their mid-term Performance Reviews Activity 4 - Progress report on IPMS done and submitted to LPA/LLF. Report will be sent to the next MANCO, EXCO and Council thereafter - actual is 3 against a target 4	levels and the urgency of developing and signing IPP's for the new FY. IPMS to be implemented on the munsoft system to ensure effectiveness of the system and to ensure that middle managers are reporting accordingly.
TL406/D1140 - Number of days taken to resolve legal matters by deadline (formal objection/service level agreements) – Actual is 0 days against a target of 30 days - No documentation available	The department will ensure actual and evidence will be provided in the new financial year.
TL407/D1142 - Number of ICT strategy project plans developed by deadline (LAN Upgrade, Network Infrastructure, Upgrade of data centre, Automated PMS) - Actual is 3 against a target of 4 - The upgrade of data centre could not be achieved due to budget reprioritization to perform emergency repairs to the ICT infrastructure damaged by the floods.	The project will be implemented in the 2022/23 financial year
TL408/D1143 - Number of reviewed ICT Governance framework submitted to Exco for adoption - The review of the ICT Governance	The review of the ICT Governance Framework will be implemented in the 2022/23 financial year.

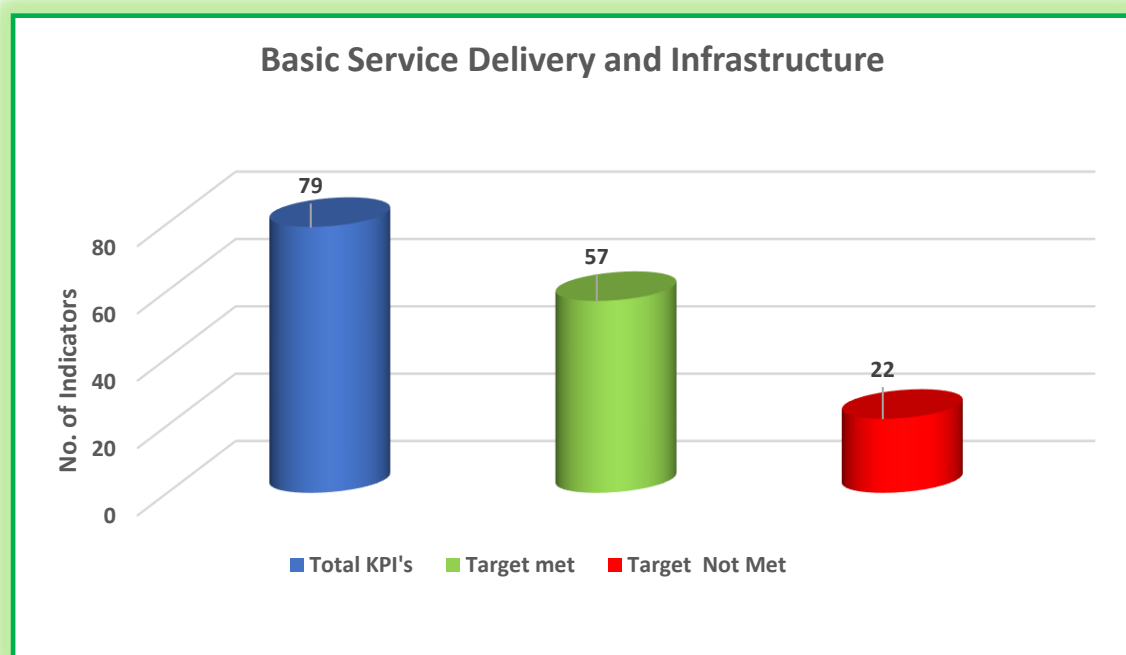
Framework is dependent on the approval of the Integrated Development Plan of the municipality. The IDP was only approved on 27 May 2022, resulting in the delay with the project.	
TL 410/D1144 - Percentage Implementation of Telephone management system at remote offices - actual is 74% against a target of a 100% - The project was delayed due to the damage caused by the April floods on the ICT WAN infrastructure connecting the remote sites.	The project is in progress and will be completed by 30 November 2022. The number of completed tasks in the project is 31 out of 42, which equals to a 74% completion.
D1116 - Number of developed policies submitted to Exco and Council – Actual is 0 against a target of 2 - New Cogta regulations came into effect in September 2021, which required that policies be reviewed in terms of the new regulations.	Policies are currently under review in terms of the new Cogta regulations
D1117 Number of activities conducted to ensure that developed policies are submitted to Exco and Council - actual is 0 against a target of 3 - New Cogta regulations came into effect in September 2021, which required that policies be reviewed in terms of the new regulations	Policies are currently under review in terms of the new Cogta regulations
D1118 - Number of reviewed policies submitted to Exco and Council actual is 1 against a target of 2- Subsidized Vehicle Policy was reviewed and submitted to Exco and no other policies reviewed	Policies will be reviewed in the new financial year
D1120 - Number of people from employment equity target groups employed in the three highest levels of management in compliance with the municipality's approved employment equity plan – actual is 0 against 1 - Target met early 2020/2021 FY with the appointment of Senior Manager Technical Services. All five senior	A new target will be set in the new financial year

managers appointed are as follow: 2 females, 1 Indian male and two African males.	
D1135 - Number of Portfolio Committees held (Finance, EDP, LPA & LR, Infrastructure & Technical) - actual is 29 against a target of 48, FPC Meeting for June 2022 did not meet the quorum. LPAHRPC of February 2022 could not sit due to non-submission of reports	Meetings to take place in the next financial year."
D1136 - Number of MPAC meetings held - actual is 2 against a target of 4 -The meeting of December 2021 did not sit since it was after inauguration. This then meeting sat in March 2022. The meeting of 31 May 2022 did not sit due to lack of quorum.	The meetings will take place in the first quarter of the next financial year.
D1137 - Number of Audit Committees meetings held – actual is 3 against a target of 4 - Meeting for the 1st of December 2021 did not sit due to the lack of the quorum. December agenda was dealt with on 06 May 2022. Meeting scheduled for the 08th of March 2022 did not sit also due to the quorum. 8Th March meeting sat on 29 Mach 2022. Meeting scheduled for June did not take place.	Meeting will sit in the 1st quarter of the next financial year.
D1138 - Percentage of legal cases resolved by deadline (excluding cases which become the case is depended on the outcome of the appeal subject of contested litigation) – actual is 75% against a target of 100% - 4 x legal matters were dealt with and 3 x resolved SD Moloi, Zuma & Partners, Matthew Francis Inc 1 x Case is not yet finalised, at appeal stage, the municipality is not in control as to when the case will be finalised. TL Mbili	Only extended contracts were provided, there were no renewed SLA's.

D1139 - Number of days for drawing up and vetting legal documents – actual is 0 against a target of 10 - No documentation provided	Will ensure actual and evidence provided in the new financial year.
D1141 - Percentage of service level agreements that are finalised within one month of request – actual is 8,33% against a target of 100% - No documentation available	Will ensure actual and evidence will be provided in the new financial year
D1227 – At Enterprise iLembe - Employee training budget spent is at 67%, against 100% target. All trainings were conducted as planned.	Additional training programmes will be undertaken in the 2022/23 financial year as part of the organizational review

3.4 BASIC SERVICE DELIVERY

NATIONAL KPA's	TOTAL KPI's EXCLUDING N/A	TARGET MET	TOTAL TARGET MET %
BASIC SERVICE DELIVERY	79	57	72%



The core function of the municipality is to ensure sustainable provision of water and sanitation services and improve access to these basic services thereby reducing backlogs. The provision of water must be of excellent quality that will meet or exceed the National Standards. Response time to water and sanitation interruptions is crucial for services reinstated therefore specific timeframes have been set that must be adhered to and monitored for continuous customer service.

The table below shows the number of households having water connections target and VIP toilets constructed in the 2021/2022 financial year:

TOP LEVEL SUMMARY OF 2021/2022 HOUSEHOLD (HH) BENEFICIARIES					
	TOTAL NUMBER TARGET- ORIGINAL	TOTAL NUMBER TARGET – 1 st ADJUSTMENT	TOTAL NUMBER TARGET – 2 nd ADJUSTMENT	ACTUAL NUMBER CONNECTED/ CONSTRUCTED	PERCENTAGE ACHIEVEMENT AGAINST TARGET
WATER	571	1 438	1 551	1 412	91%
SANITATION	1 727	1 593	1 304	1 386	106%

- Point to note: Ref TL463: Water connections original target was 571 households. First adjustment households target changed to 1438. During second adjustment, households target changed to 1 551 and annual actual is 1 412 households connected.

- D1268 - Ndulinde Water Supply Scheme (Mandeni Ward 6 and 11) - Phase 1, 2C and 4C TS 178/2017, Repairs and remedial works, target was 571 household connections and actual as at 30 June 2022 is 434 households. There were 124 communal standpipes installed for the beneficiaries to share.
- D1320 - Macambini Water Supply - Phase 4C – As at 30 June 2022, there were 478 households connected, when compared to target of 482 households, which was added during first adjustment.
- D1334 – Ngcebo/KwaDukuza Zone G, was added during first adjustment with a target of 385 households. Target changed during second adjustment to 498, actual is 500 households.

To ensure sustainable provision of sanitation services and improve access to basic services, the total number of VIP toilets constructed are 1 386

TL470 - Sanitation, original target was 1 727, first adjustment changed to 1593 and second adjustment was 1 304 and the breakdown is as follows;

- VIP toilets;
- D1274 – Ndwedwe (MIG) target changed during second adjustment from 479 to 528, annual actual is 530
- D1335 - Ndwedwe (WSIG) VIP toilets target was added during the first adjustment with a target of 156, annual actual is 190
- D1275 - Mandeni (MIG) – VIP toilets target changed during second adjustment from 479 to 310, annual actual is 230. Construction delayed by the storms that happened in April washing away roads and making it difficult to access areas. The local Municipality through requests from ward Councillors have promised to fix the gravel roads so that supply of materials can be possible.
- D1276 - Maphumulo (MIG) VIP toilets target changed during second adjustment from 479 to 310, annual actual is 436.
- D1276 - Groutville D Waterborne Sanitation- original target was 290 households which was removed during first adjustment. The project was delayed due to non-performance of contractor and there were issues with the waste water works, there were a lot of rocks, and the excavation took longer.

3.4.1 PERFORMANCE HIGHLIGHTS AS PER THE TOP LAYER SDBIP AND NATIONAL KPA

- Households with access to basic level of water are at 83.94% when compared to target of 84.01%;

- The household connections have an impact on the water backlog eradication that decreased by 0.74%, when compared to target of 0.81%;
- Water conservation/Water Demand Management, the water losses baseline or actual as at the end of June 2021 was 48.87% as per audited annual financial statements. The water losses as at the end of June 2022 are at 46.11% as a result, there is decrease in water losses by 2.76%;
- There are 88.18% households having access to basic level of sanitation, against target of 88.13%;
- These VIP toilets constructed have an impact on the sanitation backlog eradication that decreased by 0.73%, when compared to target of 0.68%. The overall achievement against annual target is 106% for sanitation services, obtained for 2021/2022 financial year;
- The backlog eradication calculation is based on the total number of households in the District of 191 369 by Statistics SA, Community Survey 2016. This is the official and latest information available for use;
- To provide excellent water quality that meet or exceed national standards and to monitor wastewater quality, four quarterly reports were prepared as of end June 2022 for blue drop and green drop assessment status;
- To date 30 EPWP employees were trained, as per target;
- Turnaround time for reinstating water services within 48 hours and for sanitation services within 24 hours is at 100%;
- D1254 - Operations and maintenance plan was submitted to Council for adoption in March 2022.

In terms of progress on all capital projects details are as follows:

(a) WATER PROJECTS

(1) Macambini Water Supply

The construction was 100% complete in September 2021 as per targets, certificates of completion of the works were provided for the below projects:

- D1263/4/5 - Macambini Water Supply Phase 4A, 4B and 4C

The following projects are progressing well. The projects had some challenges during the commencement and we have lost some time due to community protest and local business who stopped the projects and demanded to be sub-contracted on the project. After those

incidents the contractor had double the resources and redouble the effort to catch up with the lost time and progress, that is why we ended up exceeded the adjusted target of which it worked in-favour of the Municipality and the details are as follows:

- D1266 - Macambini Water Supply Phase 5A - The construction progress on site is currently 55% complete, when compared to target of 25%.
- D1267 - Macambini Water Supply Phase 5B - The construction progress on site is currently 40% complete, when compared to target of 25%.
- D1269 - Ndulinde Water Supply Scheme - Phase 1, 2C and 4C - TS 178/2017 Repairs and remedial works -The construction was 100% complete in September 2021 as per target, certificate of completion of the works was provided.
- D1270/1 - Ndulinde Phase B - 1Ml and 3.5Ml Reservoir Construction TS/222/2021 - The construction progress is 5% as per target. Design report, Tender documents finalised and Service Provider/contractor has been appointed.
- D1333 - Ngcebo/KwaDukuza Zone G construction of water supply scheme in Maphumulo ward 9 bulk pipeline (TS 201/2019) – 98% was reported in March 2022 against a target of 100%.

(b) SANITATION PROJECTS

In terms of the sanitation projects, Ref TL: 008, the below projects are at construction stage:

- D1278 - Groutville Waterborne Sanitation:
- Construction of bulk sewer in 1No. 600m³/Day Package Wastewater Treatment Plant and Mnyundwini, Njekane and Etsheni Pumping Station - TS/210/2020; The progress on site is currently 75% complete, when compared to target of 70%. Project is progressing well. It must be noted that the contractor managed to do more than anticipated due to them mobilizing extra resources at their own volition to finish the project quicker than the anticipated due completion date.
- D1280 - Darnall Waste Water Treatment Works Upgrade - The construction progress is at 90%, when compared to target of 100% completion by 30 June 2022. Extension of time was granted to finish the contract till Mid-September 2022. Contractor's performance is according to adjusted schedules, the work was delayed due to community delays.
- D1281/2 - Driefontein Water Borne Sewer - Preliminary design was 100% complete in March 2022 and 2 reports prepared on WULA status. The WULA process is stalled by farmer Black's refusal to sign consent forms due to an

outstanding payment. The payment will be made in July 2022 and farmer Black has promised to sign the forms as soon as he receives payment then the WULA process will continue.

- D1283/4 - Maphumulo Town Waterborne Sewer - detailed design is 50% complete as per target and 2 reports prepared on WULA status.
- D1287 - KwaDukuza Regional WWTW - detailed design is at 25%. The finalization of the designs is dependent on the outcome of the Assimilation Studies.
- D1288 - Southern Regional Bulk sanitation scheme - TS/182/2017 – As at 30 June 2022, the construction progress was at 98%, when compared to target of 100% completion by 31 March 2022.
- The contractor has achieved practical completion on 14th September 2021 with a list of snags. Based on the as-built information received on 25th October 2021, non-conformance reports were issued to the contractor as the pipes were laid at a lower grade resulting in it being outside the acceptable standard. This impacts negatively on the performance of the sewer gravity system.
- Furthermore, the floods in April 2022 affected the project greatly whereby 1.5km of pipeline laid was washed away including manholes and portions of the pipeline have been silted up. The Contractor will not receive a completion certificate until the remedial works are completed in full. The contractor has been instructed to remedy the works due the floods via claiming from their insurances. If insurances are not in place the contractor will have to remedy the works at their own costs.
- D1291 - Upgrade of Frasers WWTW - Activities were completed.
- TL011/D1292 - MIG expenditure on sanitation projects is R 87,526,024.03 when compared to budget of R81,183,545.
- TL010/D1299 - WSIG expenditure on ageing Infrastructure is R 31,388,858.39 when compared to budget of R28,788,291.
- D1302 - MIG expenditure on Covid 19 projects is R 13,461,676.93 when compared to budget of R12,946,780.
- D1336 - MIG and WSIG expenditure on sanitation projects – VIP toilets is R 28,803,346.84 when compared to budget of R28,623,671

(c) REFURBISHMENT/REPLACEMENTS PROJECTS

Majority of refurbishment and replacements of ageing infrastructure projects are on track:

- D1294 - Shakaville and Industrial Area Reticulation – Project was practically complete in September 2021 as per target.
- D1295 - Warrenton Reticulation- Construction is 100% complete.
- D1296 - Glenhills Old Mains Replacement - TS/219/2021, Construction progress is on track at 10%. Project has just started with main contractor busy with contractual requirements and site establishments.
- D1297 - Padianager Pumpstation and Pipeline - TS/220/2021 - Construction progress is at 66%, when compared to target of 45%. Project is way ahead on progress, as the contractor was requested to accelerate certain sections on the project due to requests from communities.
- D1300/01 - Covid 19: Installation of springs protection and boreholes is 100% complete.
- D1304/06 – Replacement of filter media was 100% complete as per target.
- D1309 - Water Pipe Replacement is 100% complete - Refurbishment and upgrades of Water supply schemes, within IDM in responding to combating the spread of Covid19 at Ndwedwe area, Khenani ward 2 and Esibhengwini ward 9.
- D1310 - Sewer Pipe Replacement was 100% complete in December 2021 as per target.
- Budget to undertake extensive pipe replacement was not possible due to limited budgets, therefore internal resources were utilized to replacing portions of collapsed Sewer pipes in KwaDukuza Industrial areas.
- D1311 - Wosiyane Water Scheme Rehabilitation was 100% complete in December 2021 as per target.
- D1312 - Ndwedwe Water Scheme Rehabilitation was reported 100% complete in December 2021, although target was 30 June 2022.
- D1313 - Pump Replacement for the district is 90% complete. The original budget was spent fully (100%). Budget was then adjusted due to floods damages and was spent up to 90%. The remaining amount was inadequate to complete the outstanding activities and therefore left unspent. The remaining damages will be done in the new financial year
- D1314 – Quarterly reports were prepared on maintenance and replacement of ageing Infrastructure.
- D1321 – Detailed design is complete for uMvoti electrical line upgrade.

- D1322 – The service provider has been appointed for Rehabilitation of Nsuze dam and Sidumbini Dam;
- D1323 – Target is met for the appointment of service provider and detailed design complete for the Augmentation of Sokesimbone Water Supply Scheme and Contruction of Portion of Driefontein WSS;
- D1324 - Lushaba Installation of Reservoir C standby pump is 100% complete;
- D1327 - Installation of Madungela abstraction pump is complete;
- D1328 - Pressure Reducing Valve maintenance is completed;
- D1329 - Ndulinde reservoir 2 Pump Station repairs are complete;
- D1330 - Lot 16 pipeline replacement was 100% complete by 30 June 2022;
- D1332 - Southern Regional Bulk Mains - Preliminary design report and Environmental studies are complete;
- D1337 - Mandeni Reticulation refurbishment and upgrade - Business plan has been submitted to DWS and approved. Project is in progress;

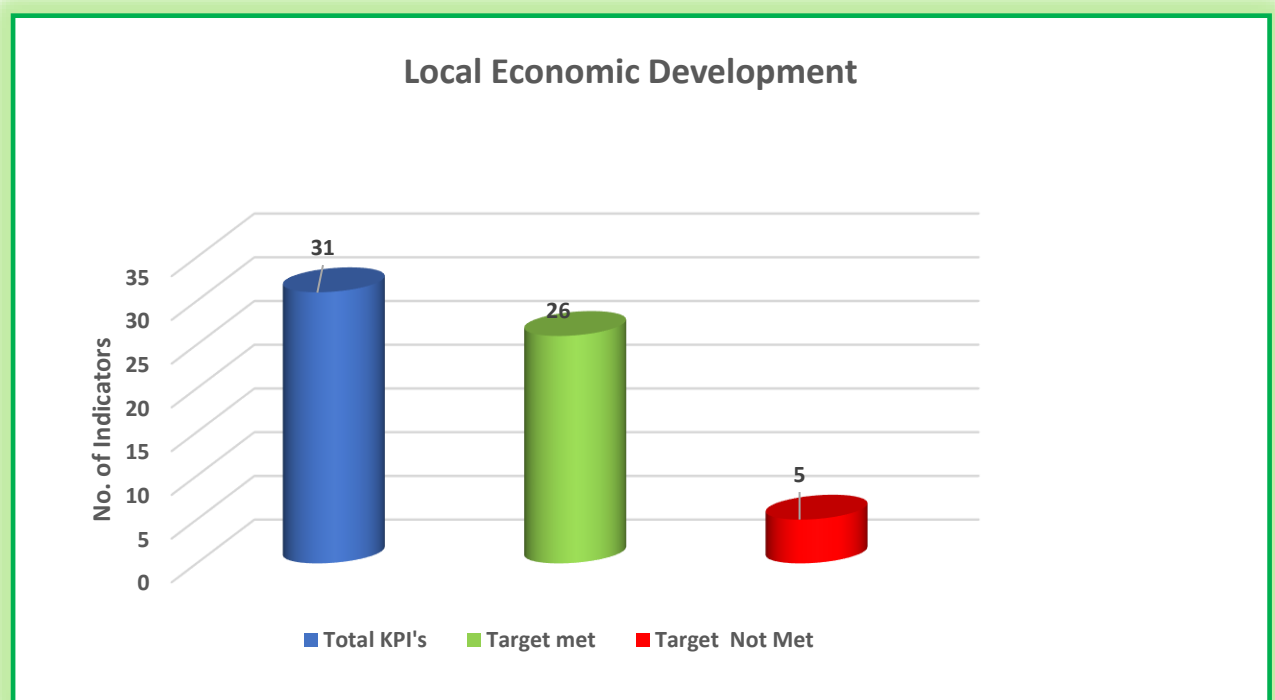
3.4.2 CHALLENGES AND MEASURES TO IMPROVE PERFORMANCE AS PER THE TOP LAYER SDBIP AND NATIONAL KPA

CHALLENGES	MEASURES TO IMPROVE PERFORMANCE / CORRECTIVE MEASURES
REF TL 001 - WATER PROJECTS	
TL464/D1243 - Households with access to basic level of water are at 83.94% when compared to target of 84.01%	Balance to be covered in the next phase. Outstanding households to be covered in the next phase during 2022/2023 financial year.
TL466/D1241/68 – The households connections have an impact on the water backlog eradication that decreased by 0.74% when compared to target of 0.81%. Macambini Water Supply (Phase 4C) target was 482 households and actual connected is 478 households. Four Farm workers refused to take ownership of the yard connections. Ndulinde Water Supply Scheme target was 571 households and actual connected is 434 households. There were 124 communal	

standpipes installed for the beneficiaries to share.	
TL 465/D1273 - MIG expenditure on water projects is R 98,561,131.01 when compared to budget of R68,657,300	No reason for variance and corrective measure provided.
REF TL 009 -SANITATION PROJECTS	
D1279 – Manda Farm Waterborne Sewer at Mandeni – target is not met as the project is currently on standby because of Mandeni Local Municipality is behind with their housing project.	Meeting was held between iLembe District Municipality and Mandeni LM to get progress on their planning and it was confirmed that their processes has been on hold but they will be restarted and the district will be updated with progress.
D1290 – Upgrade of Frasers WWTW - Detailed design target of 100% was not met, as actual is 60%. Performance by Service Provider is good but was delayed by budget constraints	Service Provider ongoing with the detailed designs and have been given an extension of time to complete the designs
D1292 - MIG expenditure on sanitation projects is R 87,526,024.03 when compared to budget of R81,183,545.00	No reason for variance and corrective measure provided.
D1308 – Refurbishment of Sundumbili Water Works Security Fence not done. Project is still at planning stage corrected with activities KPI.	Target reviewed as it was captured incorrectly.
REFURBISHMENT/REPLACEMENTS PROJECTS	
D1290 - Upgrade of Frasers WWTW detailed design is 60% complete, when compared to target of 100%. Performance by Service Provider is good but was delayed by budget constraints.	Service Provider is ongoing with the detailed designs and have been given an extension of time to complete the designs
D1298 - Sonkombo Water Reticulation - Design report has been done. But due to budget constraints for next financial year project tender documentation has been push back to align with available cash flow.	project is going well but needs to fit in the whole WSIG programme in terms of when it can start due to limited funds on the WSIG programme.
D1307 - The Sewerage Waste Water removal of sludge could not be done as the sludge did not meet the standards of the Waste Management landfill sites and therefore the sludge removal part of the project was cancelled and only classification was done. The budget was removed and target adjustment was omitted. The assessment/classification of sludge has been done and completed.	Further investigation will have to be done within the Municipality to find options of handling waste sludge.

D1308 – Sundumbili water works security fence – target is not met. Actual is 0%, against target of 35%.	Project has been moved to the next financial year.
D1325/26 - Reservoir C pipe replacement and Installation of Reservoir C standby pump are at 80%, against target of 100%. The projects were delayed by load shedding which resulted in the planned shut down for tie in being postponed.	The planned shut down for the tie in is now scheduled for the 11th of July 2022 and has been confirmed by the Mandeni Operations and Maintenance.
D1331 - Repairs and replacement of IDM sales meters are 76% complete, when compared to target of 100% by 30 June 2022. Two water meters were cancelled due to vandalism.	The remaining meters will be installed in July 2022.
D1338 - Construction of Chemical storage room and Ablution facilities at Waste Water Works - Project could not go through for Bid process due to budget adjustment to nil following the floods.	Project had been budgeted for in the 2022/23 financial year.
D1339 - Sundumbili Water Works Security Fence - Project moved to the next financial year due to quotations being above the budgeted amount.	Project budgeted for in 2022/23 financial year.
TL475/D1249 – Three Quarterly reports were prepared on monitoring of the Siza water concession contract, when compared to target of four. Fourth Quarter Concession Meeting is scheduled for August 2022.	Fourth quarter Concession report will be included in the first quarter 2022/2023 PMS Report.
As part of the Extended Public Works Programme through water, sanitation infrastructure and service delivery efforts 1 202 people were employed from all local municipalities within the District, against the target of 1 107. As per the Auditor - General recommendation in 2018/2019 financial year, contracts, attendance registers and timesheets are kept by Technical Services as evidence to support the reported jobs created. It should be noted that, although actual has exceeded target, but there is a challenge with evidence, it is insufficient. PMS unit has been informed verbally by Technical Services that, some of the employee contracts were washed away by floods, as a result they are not available.	

3.5 LOCAL ECONOMIC DEVELOPMENT



Enterprise iLembe continues to improve co-ordination of Local Economic Development in the District. Implements and ensures sustainability of projects to upscale agriculture development in the District. Capitalises on tourism potential to increase visitor numbers in

NATIONAL KPA's	TOTAL KPI's EXCLUDING N/A	TARGET MET	TOTAL TARGET MET %
LOCAL ECONOMIC DEVLEOPMENT	31	26	84%

the District. Increases manufacturing output in the District to attract interest in investment. And ensures job creation by identifying and packaging new projects in existing sectors.

The planning unit ensures that they facilitate co-ordinated planning and development within the District.

3.5.1 PERFORMANCE HIGHLIGHTS AS PER THE TOP LAYER SDBIP AND NATIONAL KPA

In terms of open fields 20 new and existing farmers are being supported by the Entity. A total of 2 new markets were secured for capacitated farmers. Mandeni vineyards site has been repurposed and converted into open fields. It should be noted that, only workers from

Mandeni were willing to formalise themselves into a cooperative and pursue the open field initiative and the agricultural team is monitoring the project

There was an increase in wine sales by 71% when compared to target of 68.70%.

Increased visitors to the wine cellar after COVID-19 lockdown restrictions and lifting of alcohol bans. Also increased marketing and promotions of the wine cellar.

Tourism marketing and development, 5 exhibitions were attended - Tourism KwaZulu sponsored the cost of the exhibition space of 2 shows which enabled Enterprise iLembe to participate in an additional 2 exhibitions and exceeded the target of 3, 8 adverts/advertorials were in relevant publications, 1 official tourism travel guide for 2022/2023 was developed and 2 tourism industry research performance reports were prepared. Two progress reports were prepared on the investment promotion strategy.

There was an annual increase of tourists to iLembe by 60%, when compared to target of 2%. Implementation of the tourism economic recovery plan as well as the easing of COVID-19 lockdown restrictions and lifting of travel bans saw an increase in the number of tourists to the region.

Three tourism training for SMMEs were held. The iLembe District Tourism Forum held 4 meetings. Two Business Confidence Indexes developed. Rand value of investment is R 1, 800,000,000 against a target of R 100,000,000 for the Club med resort planned for Tinley Manor North.

To increase investment within the District, 5 marketing platforms for investment promotion were held. Two progress reports on the implementation of investment promotion were prepared.

Eight stakeholder engagements were hosted/attended. Due to the lifting of COVID-19 restrictions on events/gatherings we were able to participate in more stakeholder engagements than originally planned for, which was 3.

Two Impact assessment reports prepared on iLembe incubator, 117 of co-operatives/SMMEs trained on basic business management skills. Six programmes implemented for capacity building and mentorship support for small enterprises within the current financial year that is;

1. The IDC Business Recovery;
2. The iLembe ITC Project;
3. Digital Centre Programme;
4. The FoodBev Programme;
5. The iLembe Chamber Entrepreneurship Competition; and
6. The Spar Group Agri SMME Food Safety Programme.

14 engagement sessions with local businesses to identify and package new projects in existing sectors, when compared to target of 11. This is due to the recent Provincial incidents of the unrest and the floods, where there has been more focus on engaging SMME's on these crises to assist businesses to access opportunities. Ten SMME's assisted to participate in the iLembe Entrepreneur competition in 2021/2022 financial year. Six progress reports prepared on the Enterprise iLembe incubator SMME's participating in iLembe Entrepreneur Competition.

In terms of the adoption the Integrated development plan, all activities were done to ensure adoption, the deadline date for the draft 2022/2027 IDP was March 2022. Accordingly, the Final Framework and Process Plans which set out the process to be followed in preparation for the 2022/2027 was adopted by Council on 24 August 2021. The final 2022/2023 IDP was adopted on 27 May 2022. A total of 6 planning and infrastructure alignment meetings were held. Quarterly reports were prepared on the on implementation of District Growth and Development Plan (DPSS) and the spatial development programme.

3.5.2 CHALLENGES AND MEASURES TO IMPROVE PERFORMANCE AS PER THE TOP LAYER SDBIP AND NATIONAL KPA

CHALLENGES	MEASURES TO IMPROVE PERFORMANCE/ CORRECTIVE MEASURES
LOCAL ECONOMIC DEVELOPMENT	

TL413/D1208– Number of projects handed over to co-operatives – actual is 1 (Bulwer Tunnels in KwaDukuza) against a target of 4 - Implementation of Ownership Model has started and its ongoing. Entity has advertised for repairs for both Mandeni and Maphumulo in May 2022 however there were no responsive bids. Entity has advertised again in July 2022 for both sites. Potential technical partners were interviewed however they all indicated that they do not have the capital to repair.	Entity is anticipating to appoint a service provider to repair the tunnels in August 2022. -The repairs will take a period of three months. - This will be done concurrently with the implementation of the ownership model process. - Mlamula tunnel is fully operational and the workshop for Ownership Model will commence in August.
TL419/D1219 - District Wide Incentive Scheme developed and adopted. The request for proposals was issued in February however there were no responsive bids received. The re-advertisement was issued on July 2022.	The incentive scheme will be developed in the 2022/23 financial year, subject to the finalization of the procurement process
TL441 - Number of District Development Model/One plan adopted by Exco/Council – not done. The draft District Development - One Plan is in place, however, it has not been adopted by the Political Hub. Inputs and/or comments from Sector Departments and State-Owned Entities were requested in writing through correspondence dated 10 June 2022. In addition, the last core team meeting was held on 07 July 2022 where the Draft DDM was presented and endorsed for submission to the respective clusters for inputs,	The approval from the Technical and Political Hub is awaited.
D1340 – One out of two activities were conducted for implementation of KwaShuShu Hotspring Project, that is Terms of Reference finalised, Tender advert placed in newspaper	SCM processes underway, Service Provider will be appointed within the first quarter of the next financial year.

publication and website. Service Provider not appointed due to delays in advertising the tender (treasury regulations)	
D1342 – 41% of Industrial Development Corporation Business Relief Funding disbursed by 30 June 2022, when compared to target of 50%. Out of R5 000 000, we have received R2 500 000 to date. Expenditure is at R1 020 959 over a total funding of R2 500 000.	The balance of R2 500 000 to make the total funding of R5 000 000 will be received in the next financial year.

3.6 MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

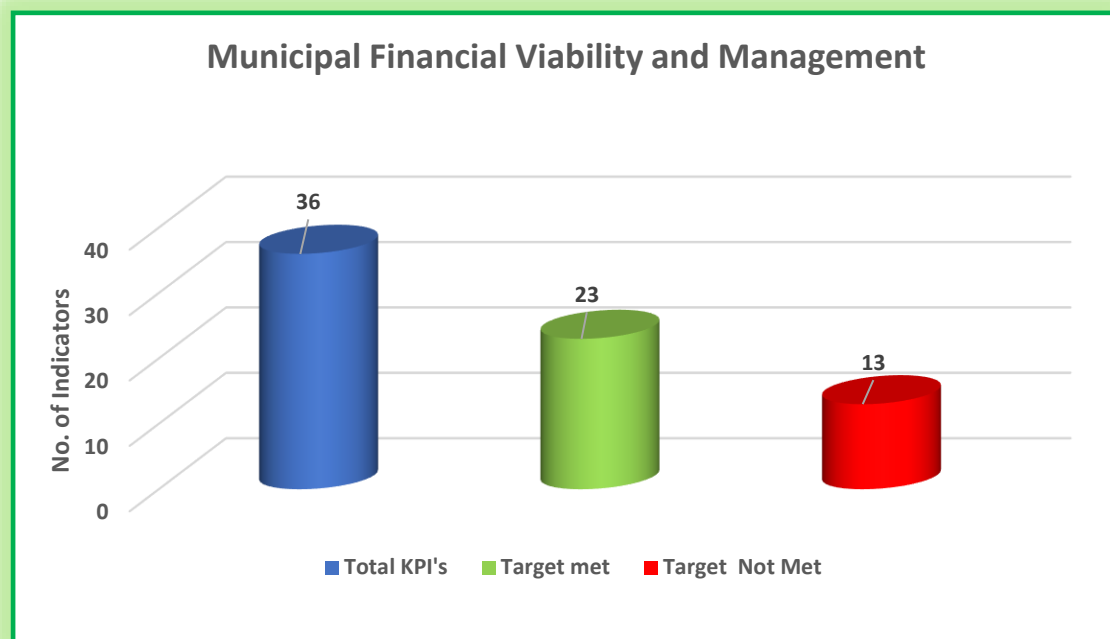
Compliance monitoring is crucial to ensure all legislative deadlines are adhered to. The finance department therefore continuously ensures that effective and adequate financial management is always a priority. The budget and compliance unit meets all required legislated standards to ensure credible budgeting. The focus of the budget and compliance department is on monitoring and ensuring compliance with the MFMA and relevant regulations. The expenditure management unit maintains sound expenditure management

NATIONAL KPA's	TOTAL KPI's EXCLUDING N/A	TARGET MET	TOTAL TARGET MET %
MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT	36	23	64%

principles.

The Assets and logistics management department implements sound and effective asset principles. Revenue management continues to monitor revenue collection and debtors' management. The Supply chain management unit continues to implement the framework policy, inventory principles and adherence to the approved policy.

3.6.1 PERFORMANCE HIGHLIGHTS AS PER THE TOP LAYER SDBIP AND NATIONAL KPA



The revenue section ensures sound revenue management and its main function is billing and collection. The revenue section progress is on track, as 1 328 meters were installed against a target of 1000 households in terms of the reduction of unmetered households within the district. We will further enhance the revenue action plan that is reported to Exco monthly. Continue to liaise with PMU office at Technical services on new projects taking place. To maintain clean data, accuracy in billing is at 99.98% against a target of 95%. This has resulted from assistance of contractors and EPWP staff.

The percentage of households on the indigent register earning less than R4 000 with access to free basic services is at 100%, as per approved applications.

The budget and compliance unit ensure sound and credible general financial management principles, forty-eight statutory monthly and twenty-eight quarterly reports were submitted to National & Provincial Treasury as per the section 71 regulation. Monitoring progress on 2020/2021 audit queries resolving plan is at 81% against a target of 80%. Financial statements are being prepared on a monthly basis. Annual Financial Statements and Consolidated AFS were submitted to Auditor - General by 31 August 2021 and 30 September 2021 respectively.

The expenditure unit ensures sound expenditure management. The expenditure unit reported cash on hand of 60 days against a target of 30 days as of the end of June 2022. Current Ratio is at 1.63:1 against a target of 1.50:1. The norm ranges between 1.5 to 2 :1. The higher the current ratio, the more capable the Municipality will be to pay its current or short-term obligations. The remuneration cost monitoring is at 27%, which is within the norm of 25% to 40%.

Average number of days taken for trade creditors to be paid is at 13 days when compared to the target of 30 days.

Contract Management – quarterly reports are prepared on performance of service providers.

The Assets and logistics management conducted the asset verification for quality and a reliable fixed asset register on movable and immovable assets that is being done quarterly and annually respectively.

Corporate Services - Monitoring progress on 2020/2021 audit queries resolving plan is at 80% as per target

D1256 – Repairs and maintenance expenditure is 100%. There are invoices that have not been captured onto the draft expenditure report. Expenditure Team to revise and rectify accordingly. Once corrected, the actual percentage will increase.

There were no repeat findings in the Auditor General's management report for Technical Services and Community Services department.

There were no audit queries for Community Services department.

D1258 - Technical Service's department - Percentage progress on audit queries resolving plan is at 84%, when compared to target of 80%.

In terms of financial viability within the Entity, all MFMA Section 87 (11) monthly financial information reports are submitted to the District by deadline. Annual Financial Statements submitted to AG by 31 August 2021. Cost coverage is at 3.87:1 and Cash flow management is at 67 days. There were delays in procurement and spending due to the suspension of regulations. Some projects have been moved to the next financial year.

3.6.2 CHALLENGES AND MEASURES TO IMPROVE PERFORMANCE AS PER THE TOP LAYER SDBIP AND NATIONAL KPA

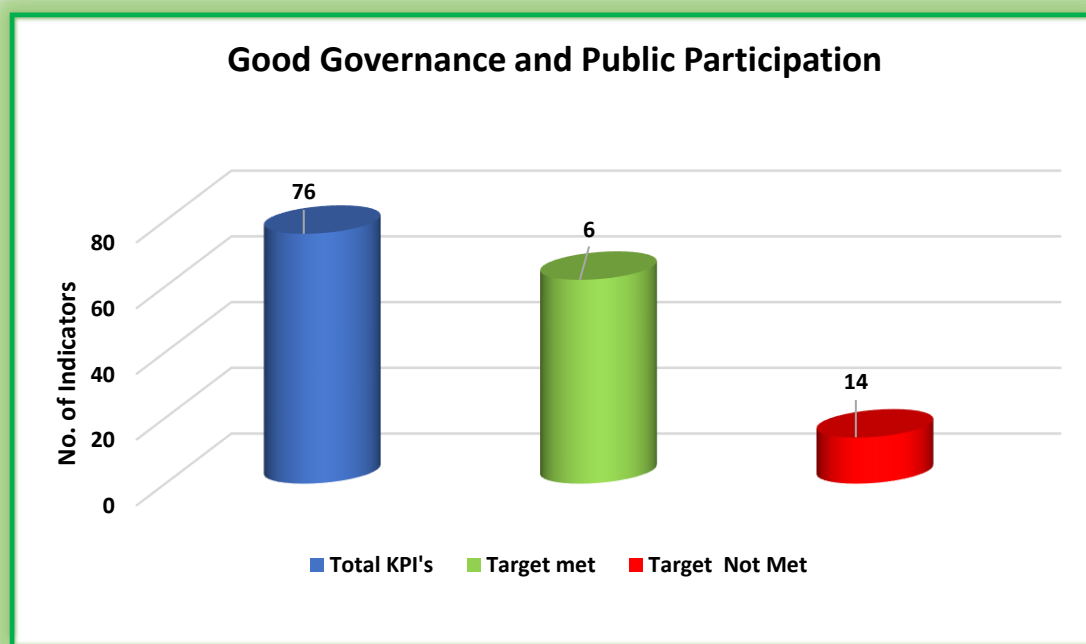
CHALLENGES	MEASURES TAKEN TO IMPROVE PERFORMANCE
TL426/D1153 – the monitoring of revenue collection is at 58% against a target of 65%. Consumers cannot afford to pay for services and also not applying for indigent support. Socio economic factors are a huge factor.	Further implementation of the Credit control and debt collection policy.
TL431/D1164 - The implementation of procurement plan is at 57.14%% against a target of 80%. Some project finalisation timelines were affected by floods. Most projects were planned to start in the third quarter however there had been an appeal and Government itself had to put all projects on hold. Processes had to be restarted which caused a major backlog.	The delays were due to circumstances that were out of control of the user department.
TL432/D1165 - The supply chain unit - the turnaround time for awarding all the tenders (bids) is at 128 calendar days, against a target of 90 calendar days. Most projects are delayed due to the sitting of the Committees.	SCM will provide user departments with a procurement timetable and guidelines on timeframes to finalize projects.
TL433/D1167 – Number of Clean audit opinion report received from AG for 2020/2021 financial year – obtained unqualified. The municipality has received the audit outcome of unqualified with audit findings.	The management will ensure that all audit findings raised in prior years are addressed through audit action plan and avoid as much as possible.

D1155 - Outstanding service debtors to revenue is 367:1 against 3. Target not met. Socio-economic factors are a huge contributor as some consumers cannot afford to pay for services.	Further implementation of the credit control and debt collection policy.
D1170 – There were two repeat findings for Finance department on 2020/2021 Auditor – General's report. These repeat findings result from the disclosure of water inventory which was not disclosed according to GRAP 12 in the notes of AFS.	The adjustments were made on the disclosure of inventory.
D1147 – There are twelve repeat findings for Corporate Services department in the Auditor – General's management report for 2020/2021 financial year. Some of the repeat findings were as a result of budgetary constraints and will be addressed in the new financial year.	Budget has been made available to attend to the repeat findings.
D1255 - Capital expenditure monitoring is at 87% when compared to the target of 100% by 30 June 2022. The draft expenditure report reflects 87% expenditure, however there seems to be invoices that have not been captured. Expenditure team to revise and rectify accordingly. Actual percentage is subjected to change once the final report is received from finance.	The draft Expenditure Report reflects 87% expenditure, however there seems to be invoices that have not been captured. Expenditure team to revise & rectify accordingly.
D1231 – Operational budget expenditure is at 70% against a target of 100%. There were delays in procurement and	Some projects have been moved to the next financial year.

spending due to the suspension of regulations.	
D1232 – AG opinion for 2020/2021 financial year was unqualified, whereas target was clean audit.	Entity will embark on operation clean audit for the 2021/2022 financial year. Internal Audit will do a full audit on interim AFS as at mid-term
D1234 – There are two (2) repeat findings in the 2020/2021 Auditor – General’s management report, for the Entity. This related to penalties and interest imposed by SARS due to the re-submission of prior period vat returns. The returns were re-submitted during the 2019/2020 financial year. The fruitless and wasteful expenditure identified related to resubmissions that were made to SARS pertaining to previous financial years and the Entity was not aware that these will be imposed.	The Entity will engage SARS to request a remission of this cost as these were not late submissions but rather a correction of prior periods.
D1235 – Monitoring progress on 2020/2021 audit action plan – actual is 92% against a target of 100%. Some of the actions are beyond the control of the Entity, e.g. SARS and DOE. Still awaiting responses from them.	This will still be updated before AG commences with audit should there be any movement

3.7 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

NATIONAL KPA's	TOTAL KPI's EXCLUDING N/A	TARGET MET	TOTAL TARGET MET %
GOOD GOVERNANCE & PUBLIC PARTICIPATION	76	62	82%



Effective public awareness of municipal business is important in order to strengthen partnerships with various stakeholders through communication. This is done through information dissemination in the form of radio slots, external and internal newsletters and on-going advertorials and public participation. Implementation of the various strategies also plays a role.

The Disaster Management Unit ensures rapid and effective response in assisting vulnerable communities during incidents and disasters, that disaster stricken communities exercise the risk avoidance behaviour during all incidents and disasters. Capacity building programmes are held to create a resilient and pro – active community.

The special projects units' main intention is to improve the quality of life within the district, by mobilising the communities against social impacts of HIV/Aids and to conscientize society about the impact of patriarchal policies. Implementation of Operation Sukuma Sakhe is also done within this unit.

To preserve our history and heritage many celebrations are held to promote arts and culture, tourism and social cohesion within the District. Implementation of youth programmes is done to harness the potential of young people to enable them to play a meaningful role in society.

The health and safety unit ensures a sustainable and health environment by providing effective vector control, monitoring water quality, ensuring that the statutory requirements controlling occupational health and environmental health services are enforced minimising risks in the work place and community. Monitor food handling premises/processes according to Regulation 364 of the Foodstuffs, Cosmetic and Disinfectant Act.

Budget and monitoring of performance against predetermined objectives is being done to ensure effective organisational performance. Effective risk management is done to implement and maintain compliant effective and enterprise risk management. The internal audit unit provides independent objective assurance and consulting services designed to add value and improve the municipality's operations.

3.7.1 PERFORMANCE HIGHLIGHTS AS PER THE TOP LAYER SDBIP AND NATIONAL KPA

The Communication Unit conducted 32 mayoral radio slots as of end June 2022, target was exceeded, because of the national events that occurred in the financial year which warranted upscaled communication with the community, this includes, July 2021 unrest and floods. A total of 2 external newsletters and 4 internal newsletters were prepared. The communication strategy and media engagement strategy has been reviewed by deadline. 100% of public participation meetings requested were held. A total of 3 meetings were request in the reporting period. The request was made verbally by the Office of the Mayor, through the Municipal Manager. A total of 7 IDP/Budget meetings/events were held it must be noted that due to the floods that occurred in April 2022, the more public meetings were not held, however, EXCO took a resolution that the communities will be engaged

through radio and social media. A total of 5 media engagements and 2 physical meetings were held. One community outreach programme was held, it was done in partnership with the Disaster Management Unit. The Disaster Management Unit communicated all the risks that are associated with the winter season to local communities. The event was also utilised by communication department as an outreach programme in terms of our legislative mandate.

The Disaster management unit is on track with targets, in terms of emergency relief aid, 12 monthly consolidated incidents reports were prepared and submitted to the Provincial Disaster Management Centre, based on the incidents that were responded to. A total of 24 awareness campaigns and 15 capacity building programmes were held, target was exceeded due to the increase in the number of stakeholders that had to be trained, in light of the climate change impacts within the District. This required that the number of planned capacity building programmes be increased from 12 to 15. Quarterly disaster management advisory forum meetings were held. Review of the district disaster management plan was completed by deadline and all inputs from various stakeholders have been incorporated into to the final plan, including consolidation thereof. Five workshops were conducted to rollout the disaster management volunteer strategy/framework target exceeded due to a follow up Workshop which was held to complete training of stakeholders, during the first quarter of 2021/2022 financial year.

The world Aids day event was held on the 1st December 2021, the concept document was developed and finalised in November 2021 prior to the event to ensure it was carried out successfully. Quarterly District Aids Council meetings were held and quarterly reports were prepared & submitted to the office of the Premier by deadline. The gender plan was reviewed and adopted, twelve programmes were implemented as per the approved plan. With regards to operation Sukuma Sakhe, 18 interventions hosted in all LMS, target was exceeded due to floods that took place in April 2022, because of additional work caused by floods. A total of twelve district task meetings were held, quarterly Technical District Command Council meeting and District Command Council meetings were held.

Preparation of the IDM annual report targets were achieved, consolidation of information from departments & Submission of draft report to AG by 31 August 2021. Final draft Annual

report was tabled during the Council meeting held on the 27 January 2022. The oversight report was adopted 31 March 2022.

As of end June 2022, 3 heritage events held, thirteen youth programmes were implemented when compared to target of twelve, Child Protection Handover of school uniform, stationery and food parcels to learners affected by recent floods. The target was over achieved due to extra interventions that were needed recent floods in the District. Twelve sporting events were held as per target.

The health and safety unit has exceeded most targets, number of sites serviced within budget in terms of vector control is at 361 against a target of 350. Target was exceeded due to more rains that were experienced during the floods that created conditions which were favouring the breeding of vectors. This then called for our vector control to conduct unexpected extra inspection and institution of remedial measures.

Water quality monitoring and analysis, 247 samples were taken and analysed against a target of 240, target was exceeded due to polluted water sources as a result of the recent floods that lead to more request for sampling and resampling on non-compliant samples. Municipal health services is on track, 100% of all food handling license applications received and processed within 14 working days. A total of 1 015 food premises were inspected to reduce food borne illness against a target of 890. Target was exceeded due to the Covid 19 compliance requirement which had to be enforce in all food premises and as result Environmental health practitioners had to do extra work to monitor and ensure compliance. One hundred percent of reported notifiable diseases were investigated by deadline. To date one hundred and twenty health education awareness campaigns held.

The internal audit unit conducted 16 assignments as of the end June 2022.

To ensure effective risk management, monthly risk registers were updated and four ethics/risk committee meetings were held. The risk assessment process for the 2022/2023 was finalised by end June 2022. The 2021/2022 Enterprise Risk Management Register was submitted to Exco for approval. The Risk Management Framework and Strategy and the Anti-Fraud and Corruption Strategy & Policy was reviewed and approved by Council. Two Enterprise Risk Management workshops were held by deadline. Quarterly reports

were prepared on the implementation of the Business Continuity plan. The workshops and testing of the business continuity plan was done, the Municipality has a Business Continuity plan that is under review by SNG through the Vuthela programme. The document is implemented and it has been tested through the public protest that happened during July 2021 that did not negatively affected service delivery in the Municipality. It was also tested through Floods that hit KZN and iLembe was also affected and services were provided although there were challenges as highlighted in the report as attached. the Municipality was able to continue to business as usual and also addressing the challenges and gaps.

The Organisational Performance Management Framework was reviewed and approved by Council on 10th May 2022. The 2020 /2021 Annual Performance Report was completed and submitted to the Auditor - General on the 31st August 2021. The PMS automative system is fully implemented and management are reporting and uploading evidence on the system. One hundred percent of senior manager's performance agreements with OSS indicators and targets were integrated.

Chief Financial Officer's and Corporate Services Forum meetings were held quarterly as planned.

D1261 – Risk monitoring tools were updated on a monthly basis by Finance, Technical Services, Community Services and Corporate Services department.

Quarterly performance reviews were conducted between the Senior Manager: Technical Services, Corporate Services, Community Services, Finance and Manager's under her/his office.

In terms of the entity under governance matters, Strategic plan for the Entity with clear measurable targets was reviewed on 16 and 17 March 2022, which was earlier than due date, 30 June 2022, Board and sub-committee meetings were held to ensure effectiveness of the Board. Four Audit committee meetings were held and two Audit committee reports were submitted to the Board. Coaching sessions of employees' performance were conducted quarterly. Quarterly reports on the status of Enterprise iLembe to the Municipal Manager were submitted.

3.7.2 CHALLENGES AND MEASURES TAKEN TO IMPROVE PERFORMANCE AS PER THE TOP LAYER SDBIP AND NATIONAL KPA

CHALLENGES	MEASURES TO IMPROVE PERFORMANCE/ CORRECTIVE MEASURES
TL372/D1080 - Percentage Implementation of the initial stage of Language Policy by deadline (All adverts in IsiZulu) – actual is 93.75% against a target of 100% - There was an oversight error to the advert -Public Notice Adoption of 2021/2022 Top Layer and Service Delivery Budget Implementation Plan. A total of 19 adverts were done, including 1 pictorial and 2 numerical. in this regard, only 1 advert was not translated. a total of 15 out of 16 were translate	In the next financial year, we will not accept an untranslated advert from the municipal units.
TL388/D1317 - Number of Developed Youth strategy submitted to Exco & Council for adoption by deadline - Not Achieved, District Youth Strategy is delayed by Local Municipalities since they are not finished with their own Youth Summits. Mandeni and Ndwedwe LM's have already done their summits, still waiting for Maphumulo and KwaDukuza to perform their own and there after we can managed to our as iLembe.	Our Youth Strategy will be achieved in our next Financial Year once all the Local Municipalities have performed their Youth Summits.
Ref TL445 - Number of reports submitted to Audit committee – actual is 3 against a target of 4 - Audit committee did not sit for quarter 4 due to quorum not met.	Appointed new dedicated 5 members of the audit committee
TL447 - Number of internal audit plans developed and submitted to the Audit committee for approval - Audit Committee did not sit for quarter 4 due to quorum not met. Term of office of the previous	Appointed new audit committee. audit committee meeting is scheduled to take place towards end of July 2022.

audit committee expired on the 31st May 2022. New audit committee members were inducted on the 06 July 2022	
TL448 - Number of reviewed internal audit charter submitted to Audit Committee for approval – not done - previous audit committee did not sit for quarter 4 due to quorum not met. Term of office of the previous audit committee expired on the 31st May 2022. New audit committee members were inducted on the 6th July 2022	Appointed new dedicated audit committee on the 01 June 2022 and their first meeting is scheduled to take place towards end of July 2022.
TL449 - Percentage implementation of IT Audit system – actual is 0% against a target of 100% - [Internal Audit Software/system was not budgeted for during 2021/22 financial year.	ICT to allocate budget for the implementation of IT audit system.
TL459 - Number of Reviewed Business Continuity plan - The BCP is in Draft stage and not yet reviewed by the RMC and other structures of Council.	The BCP Plan is in the process for review and SNG through Vuthela are assisting the district. the plan is anticipated to be finalised on the first quarter of 2022.
TL462 - Number of performance reviews of Senior Managers & MM conducted – actual is 3 when compared to target of 4. It has been done for most Senior Managers quarterly except quarter 4 and evidence was submitted. With some Senior Managers it did not take place.	Going forward, we will ensure it is conducted every quarter.
Ref D1084 - Number of Public Participation Cluster meetings held by deadline – actual is 2 out of 4 - The meeting scheduled for 16 March 2022 did not sit due to lack of quorum. The Meeting was planned for 19 May 2022 did not sit as a result Q4 target was not met.	Going forward, the written reminders will be sent to the office of the speakers a month before the meeting.
D1105 - Number of activities conducted to ensure that Developed Youth strategy is submitted to Exco & Council for adoption by	This target will be met in the next financial year after all Local Municipalities have done their Youth Summits.

deadline - The item to have a session of formulating Youth Strategy was approved by Exco, but due the Local Municipalities having not finalizing their own Youth Summits iLembe has failed to meet this target. This process requires all municipalities to have their own Youth Summit and there after iLembe will be able to do its own Youth Summit for Youth Strategy	
D1173 - Number of district task team meetings attended – actual is 9 against a target of 12. There was no Finance representative at DTT meeting held on 08 December 2021 on Ms Teams, as it clashed with another Council meeting. For some meetings the representative attended but forgot to sign the attendance register.	In future, we will make sure there is a representative from our Department. Also, ensure that, the representative signs the register.
D1259 - Number of district task team meetings attended – actual is 9 against a target of 12. Technical Services Management were unavailable to attend all DTT Meetings, due to being engaged in other meetings	We will ensure that Technical Services Management attend all future meetings.
D1260 - Number of infrastructure forum meetings attended – actual is 3 against a target of 4. Inter-Governmental Relations meetings were scheduled, however there was no quorum.	Reminder emails will be sent to all participants prior to the future meetings
D1149 – Corporate Services - Number of district task team meetings attended – actual is 5 against a target of 12. Some notices were not received for the meeting.	A request sent to Community Services Dept to continue forwarding the notice of meetings to the PA for the department. The department will ensure meetings are attended in the new financial year.

3.8 KEY AREAS TO NOTE

3.8.1 IMPROVING PERFORMANCE

In order to improve performance, the iLembe District Municipality, throughout the performance management phases, will analyse the causal and contributory reasons for poor performance, through coaching sessions from top to lower levels of the administration and appropriate response strategies will be developed. These will include, inter alia:

- Restructuring as a possible solution for an inappropriate structure;
- Process and systems improvement strategies to remedy poor systems and processes;
- Training and sourcing additional capacity where skills and capacity shortages are identified;
- Change management and diversity management education programmes to address organisational culture;
- Review of the IDP where Councillors will address shortcomings in the strategy;
- Development of appropriate departmental business plans and operational plans to guide performance in each department; and
- Where results show no chance of improvement through internal measures, alternative service delivery mechanisms are considered.

3.8.2 DETERIORATING PERFORMANCE

Poor performance in municipalities is often characterised by disclaimers and adverse opinions from the Auditor - General and community protests for inadequate service delivery. The worst measure that is taken for worst performing municipalities is the Section 139 intervention by the MEC for Local Government in the province.

The effective implementation of the performance framework and the different roles and responsibilities that will be played by different stakeholders will serve as an early warning mechanism for the iLembe District Municipality to keep ahead of performance and to effect corrective measures timeously in any of the weak functional areas identified by the performance management system.

3.9 PERFORMANCE OF SERVICE PROVIDERS

All service providers performance is monitored and reviewed on a monthly and quarterly basis, however as defined in the Systems Act Section 76 the service providers performing the core functions of the Municipality are rated below in table.

Performance Analysis and rating criteria

For Contractor rating purposes, the following rating criteria is used :

PERFORMANCE WEIGHTING		
1	POOR	Performance did not meet most contractual requirements and contains serious problem(s) for which correction actions were ineffective.
2	SATISFACTORY	Performance did not meet some contractual requirements, contractors actions appear only marginally effective or were not fully implemented.
3	GOOD	Contractual performance of contractor contains some minor problems for which corrective action taken by the contractor appear or were satisfactory
4	VERY GOOD	Performs meets contractual requirements some minor problems for which corrective action taken by the contractor were effective
5	EXCELLENT	Performance meets contractual requirements with few minor problems for which corrective actions by contractor were highly effective.

The performance ratings of service providers performing the core function of the municipality are as follows:

SERVICE PROVIDER PERFORMANCE REPORT															
2020/2021 ANNUAL PERFORMANCE RATINGS									2021/2022 ANNUAL PERFORMANCE RATINGS						
COMPANY NAME	EXCELLENT (5)	VERY GOOD (4)	GOOD (3)	SATISFACTORY (2)	POOR (1)	NOT ENGAGED	NO REPORT SUBMITTED		EXCE LLENT (5)	VERY GOOD (4)	GOOD (3)	SATISFACTORY (2)	POOR (1)	NOT ENGAGE D	NO REPOR T SUBMIT TED
TECHNICAL SERVICES															
UMGENI WATER			√								√				
GLEDHOW SUGAR			√								√				
SEMBCORP SIZA WATER			√									√			

**3.10 PROVISION OF BASIC SERVICES IN THE 2021/22 FINANCIAL
YEAR**

THE OBJECTIVE OF THE TECHNICAL SERVICES DEPARTMENT IS:

- To provide sustainable infrastructure that will render water and sanitation services to cover the entire area of iLembe District Municipality;
- To eradicate the backlogs and cater for future demands within iLembe District Municipality;
- To ensure the quality of drinking water in the region is improved to meet the standards for safe drinking water as per SANS.

(a) MAJOR CAPITAL PROJECTS UNDERTAKEN

This section is an account on the major Capital Projects that were undertaken by the District in all the four (4) Local Municipalities that fall within its jurisdiction. The account is presented per Local Municipality and schemes with that Municipality.

**(b) DISTRICT WIDE WATER CONSERVATION AND DEMAND
MANAGEMENT**

iLembe District Municipality embarked on a serious drive to deal with the reduction of unaccounted for water through the implementation of a water conservation and demand management programme. This programme is aimed at replacing all the old infrastructure that is leaking and often breaks thus causing service interruptions. And also upgrade and improve old water schemes which are not operating at capacity due to increases in demand and vandalism. The project will also ensure installing pressure reducing valves to minimize the pressures in the system in order to reduce leaks. Bulk meters and control valves are also installed at all reservoirs and water supply points to minimise water losses through reservoir over flows and non-bulk metering.

This programme is implemented throughout the municipal area where challenges of old infrastructure as well as high water losses are experienced. The KwaDukuza CBD has been completed and the programme is now focusing on areas that are lying out of the CBD and

is being rolled out to other LMs, such as, Mandeni, Ndwedwe and Maphumulo areas. The programme is being rolled out throughout the district municipality and is funded through the Water Services Infrastructure Grant (WSIG) from the Department of Water and Sanitation. The projects below are some of the projects that have been implemented:

i. Ndwedwe South Water Scheme Refurbishment

The project was for upgrading and refurbishing of pipelines and water pump stations. The scheme serves a total of 1 500 households in wards 9, 10, 11. The scheme costed **R 38,601,768,20** and was implemented in the 2020/21 financial year. And this project is operational.

ii. Shakaville Old Mains Replacement

The project was intended to replace the ageing water infrastructure in ward 18 of KwaDukuza Local Municipality. The scheme serves a total of 2 292 households. The project costs were **R19, 131, 045.00** and was completed in September 2021.

iii. Warrenton and Industrial Area Old Mains Replacement

The project is intended to replace the ageing water infrastructure in ward 16 of KwaDukuza Local Municipality. The scheme will serve a total of **2 700** households. The project costs were **R20, 596,995.60** and was completed in September 2021.

iv. Old mains Replacement in Mandeni LM

The project is intended to upgrade ageing water infrastructure in wards 3,4,16,17 & 18 of Mandeni Local Municipality. The scheme will serve a total of **13 230** households. The project costs were **R34, 338,813.39** and is to be completed in June 2023.

v. Glenhills Old Mains Replacement

The project is intended to replace ageing water infrastructure in ward 13 in KwaDukuza Local Municipality. The scheme will serve a total of **3 200**

households. The project estimated costs are **R37,500,063.33** and will be completed in June 2023.

vi. Non-revenue water reduction program

The project is intended to attend to a number of non-revenue water activities such as the following in all the Local Municipalities that falls under iLembe District Municipality;

- WCWDM awareness campaign
- Operational and maintenance plan
- IWA monthly water balance
- Leak detection and repairs
- PRV and control valves maintenance
- Reservoir C electrical and pump repairs
- Lot 16 pipe replacement
- IDM sales meters installation
- Madungela electrical and pump repairs

The scheme served quite a number of households in the entire district. The project estimated costs are **R 85,296,561,48** and will be completed in September 2022.

3.10.1 WATER

(a) MANDENI LOCAL MUNICIPALITY

(i) Ndulinde Sub-Regional Water Supply Scheme

The Ndulinde Sub-Regional Water Supply Scheme fall within Wards 5, 6, 11 and 12 as well as areas in Wards 17 and 18 within the Mandeni Local Municipality, approximately 36km north of KwaDukuza. The scheme is intended to provide portable water supply to the community.

The source of water is from reservoir C that is fed from the Sundumbili Water Works, which is situated on the northern banks of the Thukela River. The scheme will serve a total of **42,752** people residing in some **10,691** households. The scheme is estimated to cost **R 270,197,305** in total and is implemented in phases until 2023/24 financial year when it will be fully commissioned.

The current dispensing method is the communal standpipe system, however the scheme has been redesigned to be upgraded from communal standpipes to yard connections. This is done so as to provide the communities residing in Ndulinde with a higher level of service other than the communal standpipes. The area of Vutha in ward 6 already receives water in yard taps and all the other areas will be gradually upgraded over the years to yard taps with the availability of budget.

Following the ceding of the contract, the project is at commission stage. Some of the areas are receiving water while the contractor is busy with the contractor is working in other areas. The following projects were implemented in the 2020/2021 financial year;

ii. Ndulinde Water Supply Scheme – Remedial Works to Phase 1, 2C and 4C.

The project was intended to undertake remedial works for water infrastructure in ward 5, 6, 11 and 12 as well as areas in Wards 17 and 18 in Mandeni Local Municipality. The scheme serves a total of **10,691** households. The project estimated costs are **R22 657 057.32** and was completed in 2023. Contract TS/178/2017 – Ndulinde Water Supply Scheme – Remedial Works to Phase 1, 2C and 4C which was completed in November 2021.

iii. Ndulinde Water Supply Scheme – Remedial Works to Phase 1, 2C and 4C.

The project was intended to undertake remedial works for water infrastructure in ward 5, 6, 11 and 12 as well as areas in Wards 17 and 18 in Mandeni Local Municipality. The scheme serves a total of **10,691** households. The project estimated costs are **R22 657 057.32** and was completed in November 2021.

iv. Ndulinde Water Supply Scheme – Construction Of 1ml and 3.5ml Reservoirs and Ancillary Works.

The project is intended to upgrade the storage at Ndulinde from 2.75MI to 7.25MI in total for water infrastructure in ward 5, 6, 11 and 12 as well as areas in Wards

17 and 18 in Mandeni Local Municipality. The scheme serves a total of **10,691** households. The project estimated costs are **R29 962 040.20** and was completed in 2023. Contract TS/178/2017 – Ndulinde Water Supply Scheme – Remedial Works to Phase 1, 2C and 4C which will be completed in June 2023.

v. Macambini Sub-Regional Water Supply Scheme

The Macambini Sub-Regional Water Supply Scheme fall within Ward 1, 2, 3, 8 and 9 of Mandeni Local Municipality. The scheme is intended to provide portable water supply at a basic level of service to the community that is currently being served through boreholes that are equipped with hand pumps and some springs that are within the area. The scheme will also augment the current supply from the uMlalazi Water Scheme that is under King Cetshwayo District Municipality who act as a bulk water provider to iLembe DM.

During dry seasons, King Cetshwayo DM is unable to meet iLembe DM's demand and this often results in shortage of water to the community of Macambini. The source of water is the Sundumbili Water Works, which is situated on the northern banks of uThukela River that is upgraded from 27Ml/d to 40Ml/d in order to have enough capacity to serve the community of Macambini.

The scheme will serve a total of 58,480 people residing in some 7,310 households. The scheme was estimated to cost R 101,726,581.00 and was intended to be implemented in phases until 2024/2025 financial year when it would be fully commissioned.

The Macambini project was scheduled to start in 2007 but was put on hold due to the RUWAAD / Dubai Development that was proposed by the Provincial government. This led to a delay in the start of the project from 2007 to 2013 and has resulted in the increase in the estimated cost of construction due to escalation of prices over the 5 years. The revised construction cost is now R 616,572,540.31 and it incorporates a revised scope that involves upgrading of bulk water mains and pump station from the Sundumbili Water Works, reticulation network and individual connections.

Three phases that include the first reticulation project commenced in March 2020 and further reticulation projects will be implemented until 2024/25 when the scheme will be

fully implemented. It must be noted already 478 households of Macambini are already connected through yard taps from the scheme and as things stands right now the project is under construction to connect more households.

(a) NDWEDWE LOCAL MUNICIPALITY

(i) Umshwathi (Wartburg) Water Pipeline.

iLembe District Municipality has since partnered with Umgeni Water to construct a bulk pipeline from the Midmar Dam that will bring water through Umgungundlovu DM and Umshwathi Local Municipality areas to iLembe District Municipality. The scheme will cover Ward 2,4, 5,6,7 and 8 in Ozwathini - Phambela, Mlamula and Nodwengu areas under Ndwedwe Local Municipality.

The pipeline implementation started 2016/17 and consist of three phases with the last phase being implemented during 2018/2019 and are currently being commissioned. The bulk command reservoir has been built at Nondabula linking to the existing reticulation networks that exist in the area.

Nondabula water reticulation scheme has been commissioned with five hundred (500) households connected.

The last phases for Ward 4,5 and 6 first phase of the pipeline planning is underway and will provide bulk water to the Wosiyane area while the design to iLembe District Municipality is at an advanced stage.

Umshwathi Phase 5, Contract 1 will be implemented in 3 contracts. The first Contract is at Bid Evaluation Stage and the contractor is expected to be on site in September 2022.

(c) MAPHUMULO LOCAL MUNICIPALITY

(i) Mvotshane Regional Water Scheme

The Mvotshane Dam phase 1 is commissioned and Umgeni is currently investigating Hlimbithwa as an alternative solution for future augmentation as part of the Maphumulo/KwaDukuza Sub Regional Water Scheme. The scheme is co-funded by iLembe District Municipality and Umgeni Water wherein Umgeni Water will focus on

the implementation of the bulk system (including the dam) and iLembe District Municipality is focusing on the reticulation networks up to the standpipes / yard connections.

The scheme will cover Ward 4, 7, 8, 9, 10 and 11 of Maphumulo Local Municipality and Ward 1, 2, 3, 4 and 7 of Ndwedwe Local Municipality. The full extent of the scheme stretches from Maphumulo, Ndwedwe to KwaDukuza ward 27.

The scheme will serve a total of 77,900 people residing in some 17,084 households. The scheme is estimated to cost R 339,870,403.00 of which R 131,982,216.00 is iLembe District Municipality funds and R 207,888,187.00 will be funded by Umgeni Water. The first phase of the scheme of (6ML) was commissioned during the 2012/2013 financial year and the second phase of (3ML) has been commissioned by 2018/2019 financial year to make (9ML). The last phase of (3ML) is currently at procurement stage and it is anticipated to commence with construction from January 2023.

ii. Maphumulo/ Kwa Dukuza Sub-Regional Water Scheme

The Maphumulo/ KwaDukuza Sub-Regional Water Supply Scheme falls within Maphumulo Local Municipality, this is an extension of the Ngcebo/KwaDukuza Water Supply system and will provide wards 4, 8, 9 and 11 with portable water supply to a basic level of service.

Zone G reticulation project, which falls under Ward 9 of Maphumulo commenced in March 2020 and was implemented over a 12 month period. The project has been completed and commissioned with some 514 households connected with yard connections.

3.10.2 SANITATION

(a) KWADUKUZA WATER BORNE SEWER PROJECT

(i) GROUTVILLE D

The primary objective of this project is to provide a bulk sanitation system to service the growing needs of Groutville development areas which, besides Groutville D Water Borne Sanitation, serves the areas of Thembeni, Njekane, Ethafeni, Chief Albert Luthuli Land Reform, Mnyundwini and proposed Lloyds / Chris Hani Ntshawini Region

and all located within KwaDukuza local Municipality. On completion, this scheme will serve a total of 129 000 citizens.

This project is jointly being implemented by KwaDukuza Local Municipality, iLembe District Municipality, COGTA KZN, KZN Department of Human Settlements and the KZN Department of Water and Sanitation. The total cost of this staged project is R 254 million.

This project is being implemented in phases. First phase was done in 2017/18 Financial Year. Second phase of the project is ongoing at Etsheni Area where about 420 households will be connected on completion of the project. Third phase will be implemented this financial year in Ward 10 of KwaDukuza

(ii) SOUTHERN REGIONAL BULK WATER AND SANITATION

The municipality undertook to implement the Southern Regional Bulk Water and Sanitation Scheme (SRBWSS) in July of 2017. The purpose of the project is to provide bulk water and sanitation to the areas of Etete, Palm Lakes, Shayamoya, Nkobongo, Shakaskraal and Shakashead.

In 2014, iLembe District Municipality submitted a business plan to the Department of Water and Sanitation requesting funding for the project. Only a partial sum of R89.7m of the requested budget was approved by DWS to implement the first phase of Southern Bulk Water and Sanitation Scheme. The total cost for phase 1 was R85 841 458.48.

The estimated cost for Phase 2 is R281 365 289. Implementation of the project will only commence once the Water Use License Authorizaton (WULA) has been approved.

Listed below, are projects that are under planning for the 2022-2023 financial year:

- Manda Farm Water Borne Sewer
- Maphumulo Town Bulk Sewer
- Kwadukuza Regional Waste Water Treatment Works
- Masibambisane Water Supply Scheme
- Maqumbi Water Supply Scheme

- Driefontein Water Borne Sewer
- Frasers Waste Water Works Upgrade
- Lindelani Sewer Upgrade
- Lindelani Water Upgrade
- Ntunjambili Water Supply
- Upgrade of Sundumbili Waste Water Treatment Works
- Upgrade of Sheffield Waster Water Treatment Work

**(i) A REFLECTION ON THE PERFORMANCE OF THE MUNICIPALITY
IN THE DELIVERY OF WATER AND SANITATION**

TOP LEVEL SUMMARY OF 2021/22 HOUSEHOLD (hh) BENEFICIARIES			
	TOTAL NUMBER TARGETED	ACTUAL NUMBER CONNECTED	PERCENTAGE ACHIEVEMENT AGAINST TARGET
WATER	1565	1565	100%
SANITATION	1308	1386	105%

(ii) FINANCIALS ON CAPITAL PROJECTS

Grant Name	2021/2022 Allocation	Amount received to date	Expenditure to Date (R) VAT incl	Percentage Expenditure against allocation
Municipal Infrastructure Grant (MIG)	R 217 109 000.00	R 217 109 000.00	R 217 109 000.00	100%
Water Services Infrastructure Grant (WSIG)	R 55,000,000.00	R 55 000 000.00	R 55 000 000.00	100%
Accelerated Water Grant	R 25 000 000.00	R 25 000 000.00	R 8 841 033.36	35.36%
Rural Roads Assets Management System	R 2 321 000.00	R 2 321 000.00	R 2 321 000.00	100%

The Accelerated Water Grant of R 25 000 000.00 was received from COGTA in February, it is intended to assist the municipality with reviving two water schemes, Sokesimbone and Driefontein, that are dysfunctional and also optimize dams, Nsuze. The implementation plan and the Memorandum of Understanding that was entered into between iLembe DM, the Implementing Agent and CoGta, the funder, for this funding clearly indicated that funding will be spent over two financial years, 2021/2022 and 2022/2023 because it was received late.

(b) WATER QUALITY

Water and wastewater (blue and green drop systems respectively) audits have been reinstated in 2021 and will be conducted by the Department of Water and Sanitation (DWS) every year with a full audit of either the blue or green drop, each and every

year. The last audits were conducted in 2021 with Ilembe District Municipality (IDM) receiving two green drop awards for the Frasers and Shakaskraal treatment works, operated by Siza Water.

Wastewater quality continues to pose a challenge for the District. The performance of wastewater treatment works over the period (July 2021 to June 2022) is shown in the table and graphs below.

Table 1: Wastewater Effluent Percentage Compliance (July 2021 - June 2022)

Item No.	Wastewater Treatment Works Name	Compliance Standard	Microbiological	Chemical	Physical
1	Darnall	90	75.00%	45.20%	72.20%
2	Frasers	90	88.50%	97.60%	98.50%
3	Gledhow WWTW	90	56.70%	65.40%	85.90%
4	Mandeni	90	61.50%	87.20%	86.50%
5	Melville STW	90	34.10%	17.00%	81.80%
6	Montebello Hospital	90	35.00%	0.00%	70.00%
7	Mphumulo Hospital	90	58.30%	54.20%	80.60%
8	Ntunjambili Hospital	90	77.30%	59.10%	87.90%
9	Shakaskraal	90	77.80%	83.30%	90.00%
10	Stanger	90	75.80%	82.80%	84.80%
11	Sundumbili	90	31.10%	42.20%	52.20%
12	Tugela	90	54.50%	40.90%	75.80%
13	Vukile	90	40.00%	0.00%	66.70%
	Average compliance		58.89%	51.92%	79.45%

The required compliance by the Department of Water and Sanitation (DWS) for micro, chemical and physical is 90%. As shown in table 1 above, none of microbiological (58.89%), Chemical (51.92%) or Physical (79.45%) compliance is above the required compliance limit.

There are a number of factors that contributed to the lower percentages namely:

- Faulty mechanical and electrical equipment
- unavailability of lab equipment onsite
- Non-compliant process controllers.
- Power failures (load shedding)

Mandeni WWTW, Tugela WWTW, Melville WWTW, Vukile WWTW and Montebello WWTW are old systems and also requires refurbishment in order to improve the effluent quality.

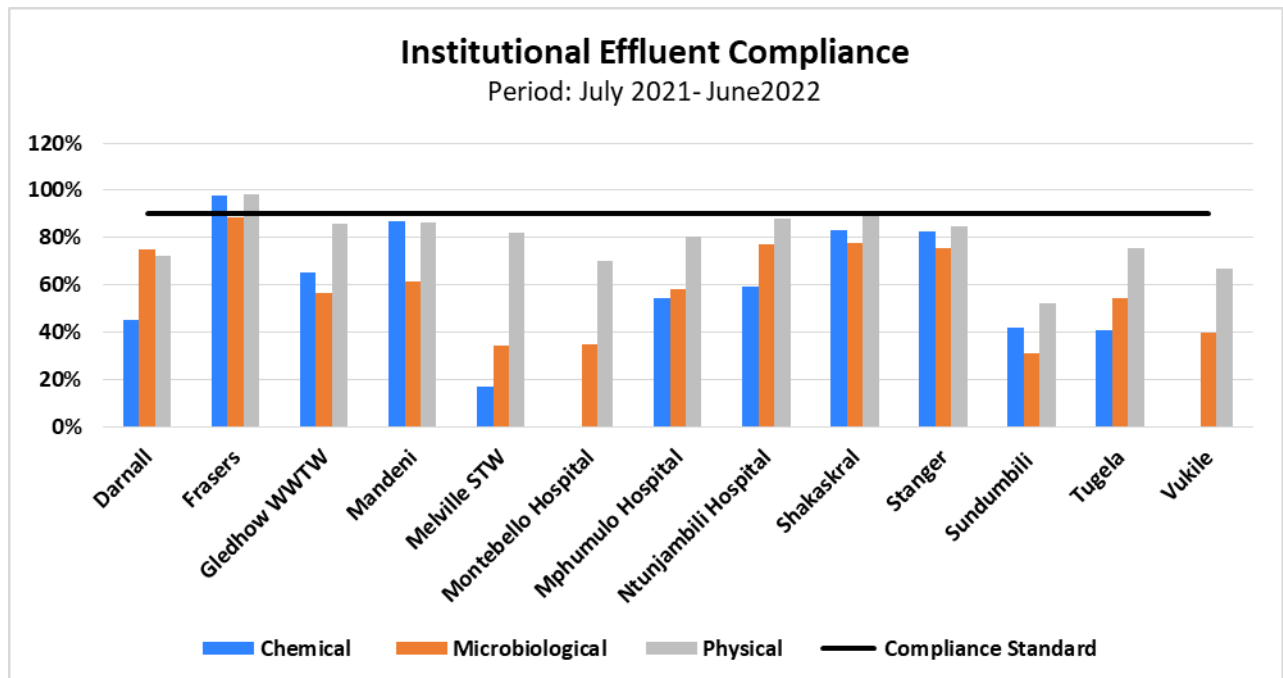


Figure 1: Effluent compliance for the period July 2021-June 2022

There are thirteen (13) wastewater works within iLembe District Municipality (IDM). Two (2) are monitored by Siza Water (namely, Fraser's and Shakaskraal WWTWs) on behalf of IDM. The remaining eleven (11) are monitored by IDM and many of them require repairs and/or refurbishment. These range from operational to mechanical and electrical refurbishment.

However, IDM is in the planning stages of relocating the Stanger wastewater works as well as upgrading the Sundumbili Waste Water Works. These 2 works are the largest within IDM and the changes indicated will improve the wastewater landscape within the district. Plans are also underway to upgrade the Darnall waste water works and converting Gledhow wastewater works (upgraded 2021) into a pump station which will relieve pressure to the receiving streams and rivers. It must be pointed out that Vukile WWTW is a pond system and the effluent is contained within the premises.

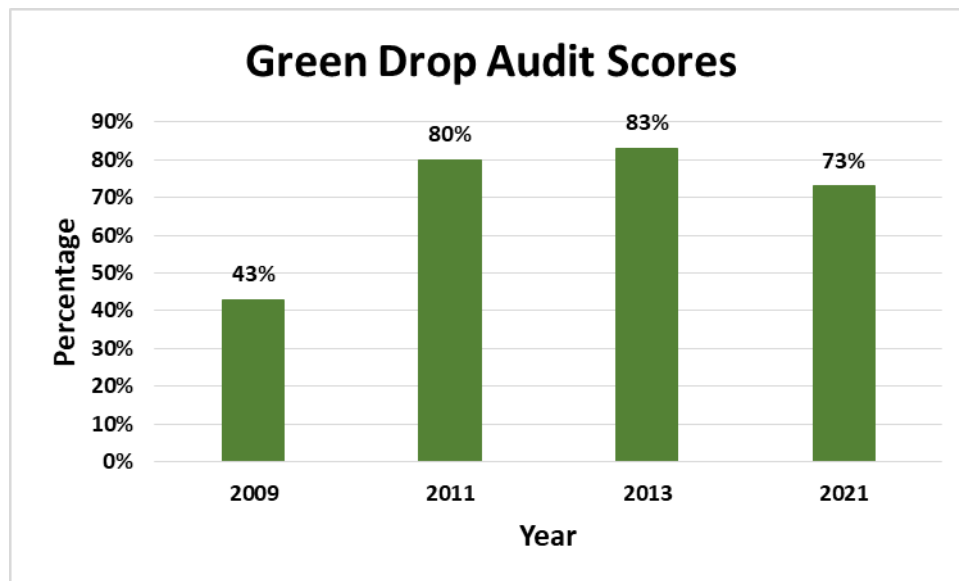


Figure 2: Green Drop Audit Scores

The figure above shows the green drop percentage scores for the previous audit years. There was a drop in audit percentage score from the 2013 to the 2021 green drop audits. This can be attributed to the challenges highlighted previously.

(i) Water Quality

Table 2 - Potable Water Quality Percentage Compliance (July 2021 – June 2022)

No.	Water Supply Systems	Chemical	Microbiological	Physical
1	uMvoti WTW	100.00	89.82	95.82
2	Sundumbili WTW	100.00	90.92	91.50
3	Ngcebo WTW	98.87	95.94	95.85
4	Isithundu WTW	97.62	79.98	78.45
5	Thafamasi BH	100.00	77.33	96.73
6	Ntunjambili BH	100.00	96.56	98.23
7	Maqumbi T BH	100.00	65.10	95.83
8	Vukile WTW	100.00	94.17	84.98
9	Isiminya WTW	Plant Offline – Due to vandalism		
10	Glendale Sugar mill BH	100.00	78.98	96.37
11	Ntabaskop WTW	99.00	67.70	82.86
12	Montebello WTW	100.00	89.13	83.99
13	Esidumbini WTW	96.03	77.63	83.45
14	Nsuze WTW	100.00	86.28	84.04
Average Compliance		99.35	83.81	89.85

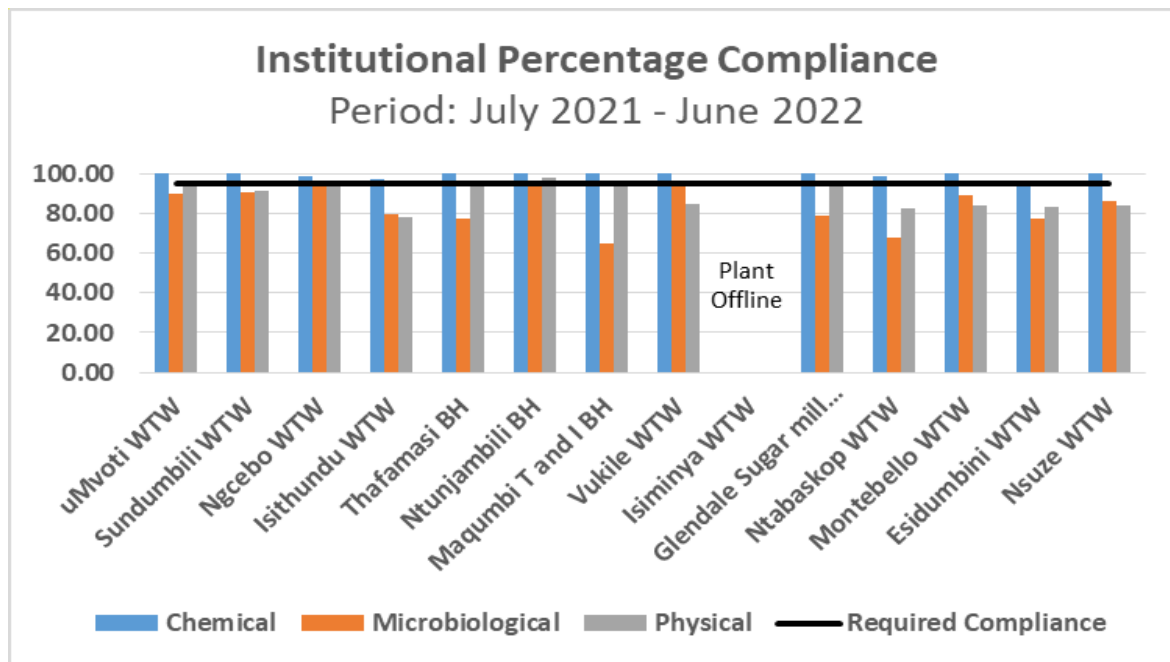


Figure 3 - Institutional Percentage Compliance (Potable Water Quality)

iLembe District Municipality (IDM) has fourteen (14) potable water supply systems made up of conventional and package water treatment plants and boreholes. There are challenges faced by the municipality with regards to water quality at some of the water treatment plants and boreholes in terms of Chemical, Microbiological and Physical compliance as indicated in the figure 2 above. The average percentage compliance are Chemical (99.35%); Microbiological (83.81%) and Physical (89.85%) with an overall percentage compliance of 91.00% for the period July 2021 to June 2022.

In the last three years or so, IDM has seen the commissioning of the Lower Tugela Water supply scheme (serving mainly KwaDukuza Local municipality) as well as the Mvotshane water supply scheme (serving mainly Maphumulo Local municipality) and this has seen an improvement in the water supply both in terms of water quantity and quality.

There are still challenges in terms of water quantity supply to the Maphumulo area and a package plant was recently added by Umgeni Water (UW) to increase the water supply to Maphumulo. The challenge of quantity still remains though. Water tankers

as well as rejuvenating of some boreholes has also assisted in improving the water supply.

(c) Backlog Sheet For 2021/2022

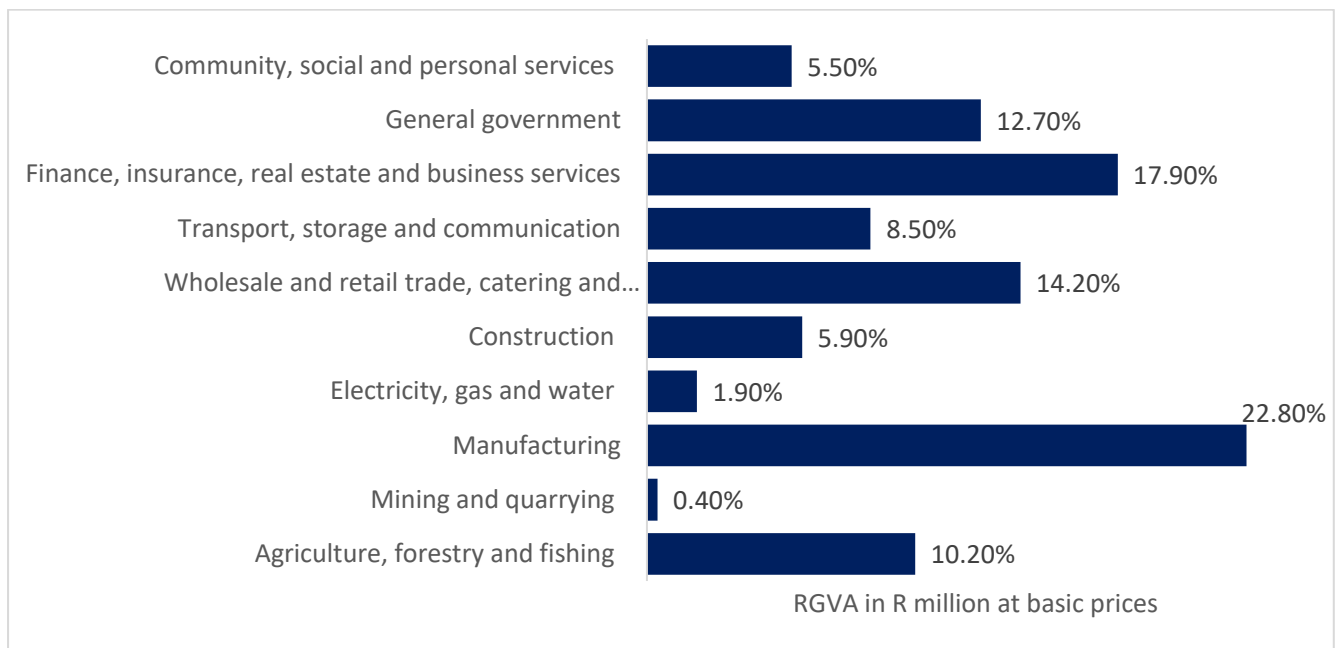
WATER					
Local Municipality	Population	Households	2020/21	2021/22	Percentage of hh served to date
Mandeni	147 808	45 678	19 613	18 560	
KwaDukuza	276 719	91 284	6 253	6 253	
Ndwedwe	143 117	33 883	3 919	3 919	
Maphumulo	89 969	20 524	1 063	551	
	657 613	191 369			
HH without access to Water			29 785	28 220	14,75%
Achievements per year			-	1 565	
HH served			161 625	163 190	85,28%
Calculation for water backlog:					
Backlog for 2017/2018	16,38%	(31 348/191 369)			
Backlog for 2018/2019	15,56%	(29 785/191 369)			
% decrease in backlog as at end of June 2019	0,82%	(1 604/191 369)			
SANITATION					
Local Municipality	Population	Households	2020/21	2021/22	Percentage of hh served to date
Mandeni	147 808	45 678	(412)	(642)	
KwaDukuza	276 719	91 284	12 311	12 311	
Ndwedwe	143 117	33 883	1 630	910	
Maphumulo	89 969	20 524	10 500	10 064	
	657 613	191 369			
HH without access to sanitation			24 029	22 643	12,56%
Achievements per year			1 470	1 386	
HH served			167 340	168 726	87,44%
Calculation for sanitation backlog:					
Backlog for 2017/2018	15,26%	(29 207/191 369)			
Backlog for 2018/2019	14,55%	(27 846/191 369)			
Backlog for 2019/2020	13,32%	(25 499/191 369)			
Backlog for 2020/2021	12,56%	(24 029/191 369)			
% decrease in backlog as at end of June 2019	0,77%	(1 470/191 369)			

3.11 LOCAL ECONOMIC DEVELOPMENT

iLembe Management Development Enterprise (Pty) Ltd, trading as “Enterprise iLembe”, is a Municipal Entity wholly owned by the iLembe District Municipality (IDM). It was incorporated on 27 October 2008 and replaced the iLembe Development Foundation which was incorporated on 8 November 2002 and commenced business operations on 1 July 2006. Enterprise iLembe has been formed as a local economic development agency of the iLembe District Municipality with a primary mandate to promote economic growth within the iLembe District and constituted in terms of the Municipal Systems Act No. 32 of 2000 and the Municipal Finance Management Act No. 56 of 2003 (MFMA) and is obligated to comply with the prescripts of the Companies Act 71 of 2008. The Entity is responsible for driving economic development and promoting trade and investment.

The economy of iLembe is mainly based on four economic sectors: agriculture, tourism, manufacturing, and construction and property development. This by no means underplays the importance of the other economic sectors (transport and logistics, trade and retail and the services sectors) as a local economy can only be successful when all the sectors operate optimally.

The figure below shows that manufacturing and finance (insurance, real estate and business services) are the major sectors that contribute to the GDP of the District Municipality with 22.8% and 17.9% respectively. However, wholesale trade, the general government services and agriculture (forestry and fishing contribute also significantly to the District GVA with 14.2%, 12.7% and 10.2% respectively. It should however be noted that this data is pre-Covid-19 and the real extent of the pandemic’s impact on the District economy is yet to be accurately extrapolated.



Source: Quantec: Regional Standardised, 2019

3.12 COMMUNITY SERVICES

3.12.1 YOUTH, SPORTS, ARTS & RECREATION AND CULTURE

(a) Sports And Recreation

- During the month of August 2021 iLembe District Municipality in partnership with Department of Sports and Recreation attended Dundee July Festival which was hosted by uMzinyathi District Municipality under eNdumeni Local Municipality and the event was a success.
- iLembe District Municipality together with DSR participated at Provincial Indigenous Games which were held in Durban during the month of August 2021, and team iLembe performed well.
- During the month of September 2022 Team iLembe participated at South African National Indoor Rowing which was held at Limpopo Province and our participation was a success.
- During the month of November 2021 in partnership with DSR hosted a Club District Development District Championship which was a very big success.
- During the month of December 2021, iLembe District Municipality, DSR Chief Albert Luthuli Museum, hosted a successful Soccer Tournament in remembrance of Chief Albert Luthuli as he was involved in sports particularly soccer.

- Every month of the current financial year DSR and iLembe District Municipality are hosting iLembe District Social League which promotes healthy living life to our athletes.

(b) Heritage And Cultural Programmes

- During the month of February 2022, IDM in partnership with DAC hosted a International Mother Language Day celebration to promote our languages and the event was a huge success.
- During the month of May 2022 IDM hosted Indoni Cultural event in promoting our culture and the event was success.
- During the month of June 2022 iLembe was presented at Ingoma kaZwelonke at a Provincial level and the event was a success.

(c) Other Youth Empowerment and Development Programmes

- During the month of August 2021 iLembe District Municipality, District Civil Society, KwaDukuza Local Municipality, Business Community hosted a Motorcade and Peace Walk against July unrest to spread a word of Peace and Reconciliation with our society and the event was a success.
- During the month of September 2021 iLembe District Municipality hosted an event with Love Life and Department of Health to tackle the issue of HIV/AIDS at Mandeni and the event was a success.
- During the month of September 2021 IDM and Department of Education hosted a Career Expo at Somshoko High School.
- During the month of October 2021, IDM and NYDA launched a National Youth Development Agency District Service Office and the launch was a big success.
- During the month of February 2022 in partnership with the KZN Office of the Premier hosted a successful Job Preparedness programme dealing with young graduates in exposing them to other job opportunities.
- IDM and DoE hosted a successful District Matric Awards to honour our matriculates who have performed well, the event was held during the month of April.
- During the month of June 2022 IDM in partnership with DoE hosted an event distributing school uniforms, stationery, and food parcels to school children who were affected by recent floods.

3.12.2 DISASTER MANAGEMENT

(a) STATUS OF THE DISTRICT DISASTER MANAGEMENT CENTRE

iLembe District has a functional District Disaster Management Centre (DDMC) which is established in terms of Disaster Management Act No. 57 of 2002. The various institutional measures have been established to ensure compliance with disaster management legislation and policies with the Head of the Centre appointed. The District Disaster Management Centre has been constituted with the objective to promote an integrated and coordinated system of Disaster Management, with a special emphasis on prevention and mitigation. The establishment of the District Disaster Management Centre also aims to respond rapidly and effectively to all disasters including implementation of post-disaster recovery and rehabilitation within the District and its family of municipalities. The District Disaster Management Centre building for iLembe was completed in 2015 and is situated at No 12 Haysom Road, KwaDukuza.

(b) STATUS OF DISASTER MANAGEMENT INTERGOVERNMENTAL RELATIONS STRUCTURES

(i) MUNICIPAL DISASTER MANAGEMENT INTER-DEPARTMENTAL COMMITTEE AND POLITICAL COMMITTEES

The District has the responsibility of establishing effective institutional arrangements for the development and approval of integrated disaster risk management matters. To achieve this, the District has established an Economic Development and Planning, Health and Safety Portfolio Committee, which is an internal portfolio committee that deals with matters relating to Disasters and Disaster Management in the District. The committee is fully functional and meets regularly on a monthly basis or as and when it is necessary. The District has also established the Management Committee (MANCO), which is a management committee which meets every week where issues pertaining to disaster management are being discussed on an ongoing basis.

(ii) DISTRICT DISASTER MANAGEMENT PRACTITIONERS FORUM

iLembe District Disaster Management Practitioners forum has been established and comprises of all four (04) Local Municipalities. The main objective of having practitioners meetings (that are held on monthly basis) is to share some of the common

challenges, whilst learning from each other's best disaster management practices. During the period under review, the District conducted a total number of twelve (12) Disaster Management Practitioners meetings.

(iii) MUNICIPAL DISASTER MANAGEMENT ADVISORY FORUM (DMAF)

The District Disaster Management Advisory Forum (DDMAF) is a fundamental disaster management IGR structure that gives platform for interaction between all relevant role-players and stakeholders responsible for disaster risk management. The DDMAF is functional, with a reasonable attendance by relevant stakeholders. The District Disaster Management Advisory Forum is a body in which all role players consult one another and coordinate their actions on matters relating to disaster management within iLembe District and meets on quarterly basis or as and when necessary. A total of four (4) District Disaster Management Advisory Forum Meetings were held during 2021/2022 financial year.

(c) STATUS OF DISASTER MANAGEMENT CAPACITY AT ILEMBE DISTRICT

iLembe District has established a fully functional District Disaster Management Centre (DDMC), with the Head of the Centre appointed, including disaster management personnel to support the Centre. Currently, at a district level there is one (1) Disaster Risk Reduction Officer and two (2) Senior Clerk (Disaster Management). All vacant positions have been prioritized accordingly, with plans underway to fill other positions in line with strict austerity measures of the municipality. To ensure effective implementation of the Disaster Management Act, the District has also allocated physical and financial resources to make sure that there is an effective smooth running of the Disaster Management Centre.

(d) STATUS OF ILEMBE DISTRICT PLANS

i. DISTRICT DISASTER MANAGEMENT FRAMEWORK

In compliance with the Section 42 of the Disaster Management Act, which compels each District Municipality to establish and implement a disaster management Framework that is aimed at ensuring an integrated and uniform approach to disaster management, iLembe District Disaster Management Policy Framework was

developed in 2008, and was consistent to both Provincial and National Disaster Management Frameworks. The District Disaster Management Policy Framework is based on the nationally accepted four key performance areas (KPA) each of which is underpinned by three “enablers” that facilitate a consistent approach to the function. The District completed a process of reviewing its Disaster Risk Management Policy Framework during the 2016/17 financial year.

ii. DISTRICT DISASTER MANAGEMENT PLAN

The Disaster Management Plan is crucial for the District 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 stipulated by Section 26 (g) of the Municipal Systems Act No. 32 of 2000. Furthermore, Section 53 (2) (a) of Disaster Management Act stipulates that a disaster management plan for a municipal area must form an integral part of the municipal IDP. To achieve this, iLembe District developed its Disaster Management Plan in 2009 which was approved by the Council. The District also reviewed its Disaster Management Plan over a period of three years (2014-2017), and this culminated in the adoption of the reviewed disaster management plan in June 2017. During 2021/22 financial year (as a good practice), the District also reviewed its Disaster Management Plan through incorporating the requirements of the Disaster Management Act No 16 of 2015. One of the key considerations during the review process included incorporation of the Climate Change Impacts, which was a process implemented in consultation with various disaster management stakeholders and role players. This process culminated in the development of Risk Maps which were internally generated by iLembe GIS Unit.

To date, all four Local Municipalities have since developed their Disaster Management Plans that have been adopted by their respective Councils. The District has taken an approach to assist all four local municipalities to review their disaster management plans in house, with the process already been completed during 2021/2022 financial year in Mandeni Local Municipality.

(e) STATE OF READINESS TO DEAL WITH DISASTERS

iLembe District is prone to a number of natural and men-made hazards such as heavy rain, lightning, strong winds, fires and hail resulting in devastating effects to both human life and property. The District Disaster Management Centre (DDMC) remains to act as a source and conduit for information on disasters and impending disasters within the District as required by Enabler 1 of the National Disaster Management Framework. To properly understand the spatial and geographical orientation of hazards, all disaster management practitioners continue to capture, monitor and analyze minor and major incidents on an ongoing basis. As and when incidents are reported, the District Disaster Management Practitioners are able to assist local municipalities to ensure that there is prompt response, with damage assessments undertaken to determine the extent of damages and assistance required by the affected municipalities.

The District Disaster Management Centre is one of the beneficiaries of the Early Warning System, with Weather Warnings received from the South African Weather Service (SAWS). All disaster management practitioners have a responsibility to disseminate early warnings to vulnerable communities, with some of the key recipients including Ward Councilors, Amakhosi, Izinduna etc. As required by the Disaster Management Act No 57 of 2002, the District prepares Summer and Winter Season Contingency Plans before the beginning of each season. The District Disaster Management Centre also ensures that all four local municipalities (Mandeni, KwaDukuza, Maphumulo and Ndwedwe) also prepare their Contingency Plans that are unique to their respective municipalities.

(f) FINANCIAL CAPABILITIES TO DEAL WITH DISASTERS

During 2021/22 financial year, the District Disaster Management Centre budgeted for the following Disaster Risk Reduction Programmes:

- Social Relief Aid (Blankets, Food Parcels and Plastic Sheeting);
- Community Awareness Campaigns;
- Capacity Building Programmes;
- Disaster Risk Reduction (Review Of The Disaster Management Plan);
- Installation Of Lightning Conductors;
- Support To Local Municipalities; and
- Protective Clothing.

It is important to mention that the District Disaster Management Centre achieved 100% of all the set targets as set out in the SDBIP (doing more with less), through implementing strict fiscal discipline by adhering to the austerity measures that are set out by iLembe District Municipality. The Provincial Disaster Management Centre also assisted the district by proving additional blankets, sponges, plastic sheeting and Box B relief (which includes gel stoves, pots and cutlery sets).

(g) STATUS AND RESULTS OF DISASTER RISK ASSESSMENTS UNDERTAKEN

i. LIST OF PRIORITY RISKS (HAZARDS)

iLembe District Municipality is prone to a number of natural and men-made hazards such as (veld fires and structural fires), heavy rain, lightning, strong wind, drought, road and railway accidents etc. In complying with the requirements of the Disaster Management Act No. 57 of 2002, it is important to conduct the Risk Analysis in order to identify and prioritize potential hazards and threats that are likely to occur within the District. The vulnerability of communities within the District varies, which mainly depends on socio-economic status as well as the exposure of particular households or communities to specific hazards. Below is a list of priority hazards in all four local municipalities, with spatio-temporal characteristics of these hazards well known since they have been observed and recorded over a period of time:

Table 2: Priority hazards identified at iLembe District Municipality.

HAZARDS	LOCATION
1. Severe weather:	
a. Lightning	In all Four Local Municipalities
b. Strong winds	In all Four Local Municipalities
c. Hail	In all Four Local Municipalities
d. Heavy rain	In all Four Local Municipalities

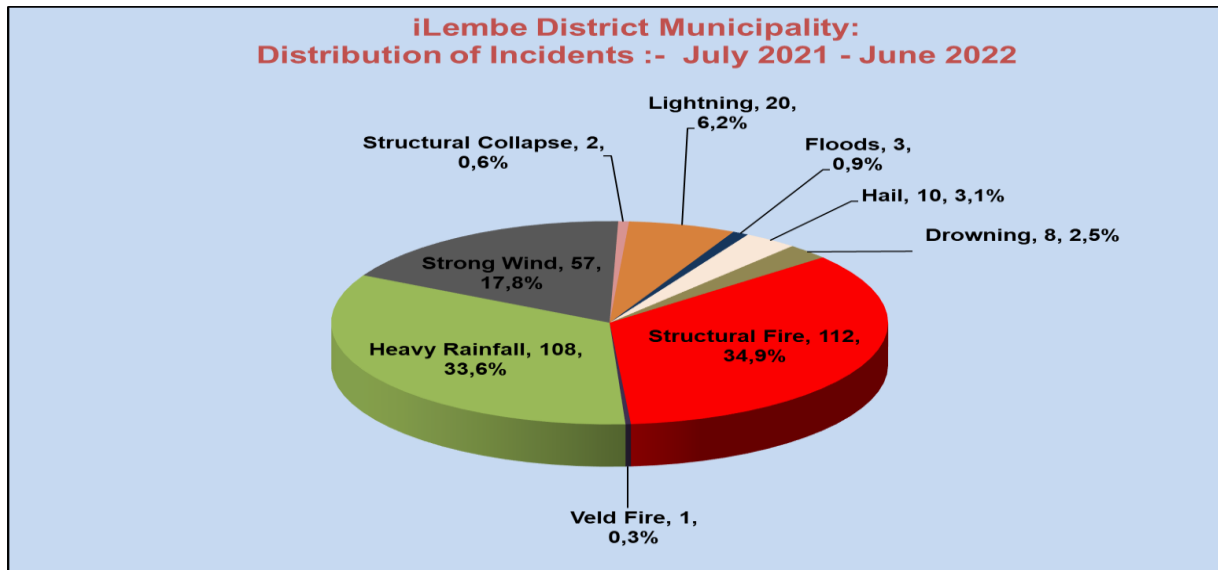
e. Extremely hot temperatures	In all Four Local Municipalities
f. Storm surges	Along the Coast
2. Fires (Structural and Veld Fires)	In all Four Local Municipalities
3. Accidents (Motor Vehicle Accidents)	Mostly on N2, R74, P711, R102 and P459
4. illegal Connection of Electricity	In all Four Local Municipalities

(h) INCIDENT STATISTICS

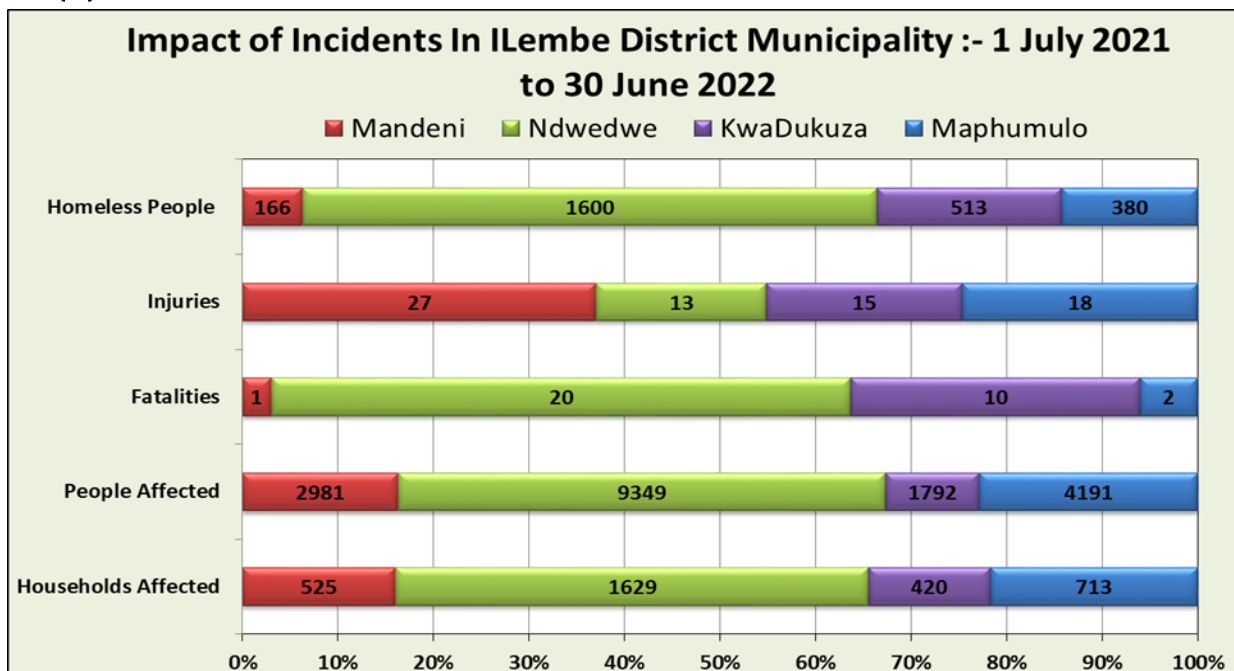
(i) INCIDENTS REPORTED DURING 2021/2022 FINANCIAL YEAR

MUNICIPALITY	CAUSE OF AN INCIDENT									TOTAL	
	Fire	Structural	Veld Fire	Heavy Rainfall	Strong Wind	Structural Collapse	Lightning	Floods	Hail		Drowning
KwaDukuza	23			28	7	1	2	-	3	2	66
Mandeni	36		-	14	9	1	7	2	3	3	75
Ndwedwe	33		1	34	24	-	10	1	2	2	107
Maphumulo	20		-	32	17	-	1	-	2	1	73
ILembe District	112		1	108	57	2	20	3	10	8	321

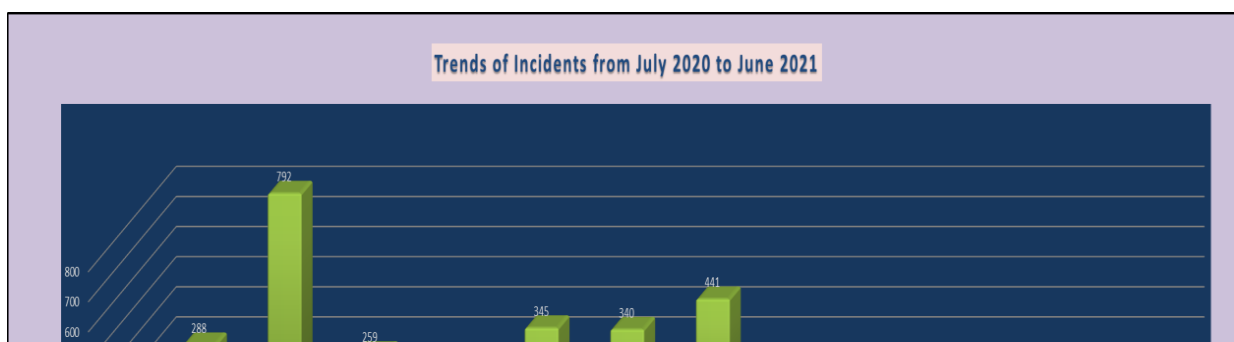
(ii) DISTRICT DISTRIBUTION OF INCIDENTS FOR 2021/2022 FINANCIAL YEAR



(iii) IMPACT OF INCIDENTS DURING 2021/2022 FINANCIAL YEAR



(iv) TREND OF INCIDENTS (01 JULY 2021 – 30 JUNE 2022)



(v) COMMUNITY AWARENESS CAMPAIGNS

iLembe District is prone to a number of natural and man-made hazards that have a huge impact on both human life and the environment, and often requires the intervention of the Disaster Management Centre's as they are always unpredictable. It is in this view that the District has adopted a strategy of increasing awareness about the risks that are prevalent within the District and its family of municipalities. The community awareness programme has been developed in line with the provisions of the Disaster Management Act No. 57 of 2002, the Provincial Disaster Management Framework of 2010 and the National Disaster Management Framework of 2005. It is important to mention that all awareness campaigns that are conducted are unique to specific audiences, and this is mainly dependent on the nature of their vulnerability to certain risks and hazards.

All awareness campaigns conducted are also in line with Enabler 2 of both the National and Provincial Disaster Management Frameworks, whilst they remain a critical component of disaster risk reduction. Other considerations that are key during ongoing community awareness campaigns also include some of the best world practices including Millennium Development Goals and the Sendai Framework for Disaster Risk Reduction. The District has also adopted a strategy to conduct ongoing community awareness campaigns in partnership and in collaboration with a number of disaster management stakeholders. Some of the critical stakeholders include local municipalities, sector departments, traditional leaders, media, Councilors, Ward Committees etc. It is also important to mention that ongoing community awareness campaigns are conducted to assist local communities to exercise risk avoidance behaviour, whilst taking necessary precautionary measures at all times. The District Disaster Management Centre has also adopted a strategy to conduct ongoing awareness campaigns in an integrated manner, through utilizing some of the existing municipal public participation programme. The District Disaster Management Centre achieved its targets as set out in the municipal SDBIP as it conducted twenty-four (24) community awareness campaigns during 2021/2022 financial year.

(vi) CAPACITY BUILDING PROGRAMMES

The capacity building programme is one of the approaches taken by iLembe District to comply with the provisions of the Disaster Management Act No. 57 of 2002,

including both the Provincial and National Disaster Management Frameworks. Such training programmes are crucial in increasing the numbers and competencies of disaster management practitioners, as well as increasing the overall humanitarian skills and knowledge of local disaster management stakeholders and communities. iLembe District has adopted the approach of working together with different stakeholders in order to assist disaster prone communities to develop the knowledge and necessary capacities towards the implementation of disaster risk reduction programmes.

The developed capacity building programme is also aimed at promoting the culture of risk avoidance among stakeholders through integrated disaster risk management education and training. All capacity building programmes are also critical towards achieving the requirements of Enabler 2 of the National Disaster Risk Management Framework. The District conducted a total number of thirteen (13) planned capacity building programmes during 2021/22 financial year.

(vii) BEST PRACTICES / ACHIEVEMENTS / SUCCESSES

There are various best practices that are implemented by the District Disaster Management Centre. Below are some of the disaster management best practices there were undertaken by the District:

- The District has partnered with the Provincial Disaster Management Centre (PDMC) in encouraging vulnerable communities to buy lightning conductors.
- The District has also encouraged all local municipalities to budget for disaster management, including budget for disaster risk reduction programmes such as the installation of lightning conductors.
- To date, Maphumulo Local Municipality in partnership with KwaDukuza NGO, PDMC and the District have installed a total number of two hundred and fifty-five (255) lightning conductors to vulnerable communities, with sixty (60) installed at Ndwedwe Local Municipality, sixty-eight (68) in KwaDukuza Local Municipality and sixty-five (65) at Mandeni Local Municipality.
- Through ongoing capacity building programmes by the District, the Local Municipalities have committed to budget for disaster management,

including alignment of the disaster management sector plans into their Integrated Development Plans (IDPs).

- The District has initiated the process of incorporating issues that are mentioned in the Disaster Management Amendment Act 16 of 2015 as part of reviewing the District Disaster Management Plan, and this includes Climate Change Impacts.
- In fulfilling the requirements of the Safety at Sports and Recreational Events Act, the District is actively involved in all stages leading to minor and major events, in an effort to ensure safety of communities during such events.
- The District Disaster Management Centre is one of the key stakeholders that are involved in all District Climate Change interventions, especially Climate Change Adaptation.
- In fulfilling the requirements of the Safety at Sports and Recreational Events Act, the District is actively involved in all stages leading to minor and major events, in an effort to ensure safety of communities during such events.

(viii) CHALLENGES AND CONCERNS

- Lack of adequate Firefighting capacity within the District and its family of municipalities, especially at Ndwedwe and Maphumulo Local Municipalities.
- Poor attendance by the sector departments/other spheres of government poses a risk of not addressing all consultative activities on issues concerning disasters and disaster management in the District.
- The state of readiness is questionable in local municipalities where there are no budget provisions for disaster management. In instances where such budgets exist, the extent to which they are being utilized for disaster risk reduction must be communicated to all relevant stakeholders.
- In responding to minor and major incidents, there is generally a poor Co-ordination (including response time) in the municipalities where there is a limited number of personnel who are employed to deal solely with disaster risk management.

(ix) STATUS OF FIRE SERVICES

In line with the Disaster Management Act, Section 54 (3): (a) the municipality have a responsibility for coordination and management of disasters and must deal with a local disaster in terms of existing legislation and contingency arrangements if a local state of disaster has not been declared, (b) in addition to the above section 55(2) deals with instances where a local disaster has been declared. Currently, at iLembe District, only KwaDukuza and Mandeni Local Municipalities have establish mechanisms for firefighting capacity. KwaDukuza is performing the firefighting function in house with two Fire Stations that are located in Ballito and Stanger. Mandeni have outsourced the service to a Service Provider for a period of three years, where there is an expectation of skills transfer once the contract has expired. One of the challenges is that there is no adequate firefighting capacity at Ndwedwe and Maphumulo Local Municipalities. However, the District received the R1 Million Grant Funding from KZN Cogta, which was utilised to procure the Fire and Rescue Vehicle(with such a vehicle already allocated to Ndwedwe Local Municipality to build fire ffigting capacity). Processes are also underway to ensure that there is adequate fire fightng capacity in other Local Municipalities, including Maphumulo.

Municipality	Responsibility	Firefighters	Area km ²	Capacity Equipment
Mandeni LM	Outsourced To The Service Provider	12 x Fire Fighters, 1 x Station Officer,	545 km ²	1 x Medium Fully Equipped Fire Engine 1 x Rapid Response LDV 4x4 Skid Unit

KwaDukuza LM	KwaDukuza LM	Chief Fire Officer (1), Divisional Officer (1), Station Officers (2), Leading Firemen (8), Fire Fighters (11), Fire Cadets (24)	735 km ²	4 Rescue Vehicles 1 Skid Unit 5 Utility Vehicles
Ndwedwe LM	IDM/KDM	2 Firefighters	1093 km ²	1 Fully Equipped Fire And Rescue Vehicle (For Rapid Response And Intervention)
Maphumulo LM	IDM/KDM	Nil	896 km ²	Nil
ILEMBE	NIL			

The District has developed a long term plan (aligned to the IDP) to ensure establishment of firefighting capacity, especially at Ndwedwe and Maphumulo Local Municipalities. The District continues to engage other external stakeholders to assist towards the full establishment of fire fighting services within the district, in complying with Section 84 (j) of the Municipal Structures Act.

(x) CLIMATE CHANGE INTERVENTIONS

Section 24 of the Constitution (Act of 1996) of the Country compels the environmental sector to manage environment such that it does not become harmful to the wellbeing of all South African Citizens. Furthermore, Chapter 3 of the Constitution provides for the cooperative governance by compelling the different spheres of government to cooperate and consult with one another to ensure cooperative governance. This constitutional perspective supports the principles of integration, participation and cooperation that are fundamental to working towards sustainable development. In responding to the resolutions of the previous Disaster Management and Climate Change workshop as well as the recent Back to Basics with Disaster Management Workshop, the District has established iLembe Environmental Management Forum

(IEMF) to basically, promote coordination and integration of plans and programmes for the benefit of the local people. The main purposes of the iLembe Environmental Management Forum (IEMF) is to facilitate the coordination of environmental management matters and to encourage compliance to the existing legal tools ranging from local, provincial, national and the international context. Such environmental matter will include:

- Biodiversity and conservation management;
- Coastal management;
- Waste management;
- Climate change;
- Air quality management;
- Green economy; and
- Water management.

3.12.3 SPECIAL PROJECTS

3.12.3.1 OPERATION SUKUMA SAKHE PROGRAMMES FOR VULNERABLE COMMUNITIES

(a) PROGRAMMES FOR CHILDREN

The programmes for children including programs for Early Childhood Development (ECDs) were conducted effectively especially because in the past two years when the programs for vulnerable groups were putted on hold because of Covid-19 restrictions very limited programs were implemented. The Child Protection Awareness campaigns remains the priority to the schools reported to be in high numbers of Social ills. Promotion of abstinence on younger girls were promoted during the heritage month encouraging them to part of Zulu Reed dance and supporting the care givers for those children.

(b) PROGRAMMES FOR WOMEN

Programs for Women were conducted as per the approved Gender Annual Plan and implemented jointly with SALGA Women's Caucus and more focus were on reported Gender Violence Cased (GBV) and were conducted in the areas where a high number of GBV cases. The GBV cases were further addressed during the 16 Days of Activism

campaigns that fights for the abuse of women and children from the 25th of November – 10 December. Part of those programs included programs and awareness campaigns of HIV/AIDS as World AIDS is commemorated during this period.

(c) PROGRAMMES FOR MEN

The good working relations between the Local House of Traditional leaders and the Political Leadership was maintained where a consultation meeting Amakhosi, Political Leadership and MEC. Behavioural change programs were conducted to address the on going reported cases of men who killed their loved ones when they don't see eye to eye. It was discovered that men felt their less attention is paid to them which results in them not knowing who to turn to, with programs for men they were able to share their experiences. The Moral Regeneration Movement (MRM) programs are led by men and in a way GBV cases reported against men are addressed.

(d) PROGRAMMES FOR SENIOR CITIZENS

The Senior Citizens forum is functional and programs for Senior Citizens were conducted. The promotion of healthy living lifestyle was promoted. Human Rights awareness was also conducted in addressing the challenges facing elders including challenges within their families.

(e) THE STATUS OF GENDER PROGRAMMES AND PEOPLE LIVING WITH DISABILITIES

There are limited challenges pertaining to programmes for people living with a disability because the Forum for people living with a disability work closely with the municipality. The gender annual plan included programmes for the sector and they are fully participating on the planned programmes. The district was involved in collaborative programmes (with all Sector Departments) targeting vulnerable groups and that resulted in the implementation of gender programmes effectively and efficiently. The Forums for the vulnerable groups continue to lead in the implementation of the sector's programs, so that their programmes respond to the needs of the sector, and are being implemented however and the suspension of Covid-19 resulted in more programs conducted compared to the past two years. restrictions not all programs were effectively implemented as planned. The municipality is now

implementing more programs for the sector as they are now organised through their Forum.

(f) OPERATION SUKUMA SAKHE (OSS) & HIV AND AIDS PROGRAMMES

OSS is functional with challenges and it differs from municipality to municipality, the Civil Society continue to lead in the OSS activities and programs. The District AIDS Council (DAC) is functional to address all HIV/AIDS challenges in the District. The Municipal OSS Bakkie is used mostly by Civil Society on HIV/AIDS programs in wards working with PLHIV sector to ensure the functionality of Local AIDS Council (LACs) and Wards AIDS Committees (WACs).

(g) OPERATION SUKUMA SAKHE (OSS) AND HIV/AIDS PROGRAMMES IMPLEMENTED DURING 2021/22 FINANCIAL YEAR

Monthly HIV/AIDS awareness programmes are conducted in all local municipalities, working closely with Department of Health and as per the requests from Wards and Civil Society. Operation Sukuma Sakhe (OSS) planned programmes like Schools Functionality were conducted at the beginning of each semester to monitor functionality under Covid 19 Restrictions and it was discovered that the functionality was at it level best Programs like 16 Days of Activism Launch against women and children and World AIDS Commemoration for the period under review were successfully held, with the celebration of the World Aids Day commemorated too. conducted at Ndwedwe Local Municipality. The OSS DDM MEC and HOD Champions continue to support the district programs

(h) FUNCTIONALITY OF THE DISTRICT AIDS COUNCIL (DAC's) AND LOCAL AIDS COUNCILS (LAC's)

The DAC remains functional, all quarterly reports were consolidated and submitted to the Office of the Premier and DAC Quarterly meetings were all conducted. The main challenge is where other LACs were not functional but after the Local Government elections recently held all structures were revived and there is progress in the functionality of the LACs.

The District Civil Society remains one of the critical structures within the District and its family of municipalities, as it also provides ongoing support to all LACs and ensures functionality and also assist in all HIV/AIDS programs at the wards level and this

includes mentoring various structures to ensure fully functional Ward Aids Council (WACs) structures.

(i) MORAL REGENERATION AND SOCIAL COHESION PROGRAMME (MRM)

The MRM structure is functional and also lead in programs addressing GBV cases where cases of men that killed their partners were addressed. The MRM work closely with the Civil Society in their programs e.g Men's month programs. There is also budget available to implement the MRM programs. The Office of the KZN Premier continue to support and partner with the district on programs for men led by MRM. Now that the Covid 19 restrictions came to an end more programs will be implemented as their the MRM Annual plan.

(j) OVERALL ACHIEVEMENTS

- Improvement of attendance of officials in OSS programmes has been noticed and that has led to the slight increase in the number of functional War Rooms in addition the Office of the Premier had deployed Senior Management to all the Local Task Teams (LTTs) support the war rooms;
- Local Task Teams are in the process of establishing War Rooms in all
- Induction on the functionality of OSS was conducted in the new leadership and the plan is to ensure that the workshop is done in all local municipalities for the purpose of championing all war rooms;
- Local Municipalities are implementing OSS programmes i.e. HIV/AIDS and poverty alleviation;
- The DTT is functional with annual programmes being implemented in all wards;
- The District HIV/AIDS Coordinator work closely with local municipalities in the implementation of HIV/AIDS Programs and the functionality of LAC s .
- Sector Departments are represented at the District Task Team of the OSS and programs are implemented including the Civil Society;
- Civil Society programmes have been aligned to OSS;
- OSS empowerment programmes have been rollout to the community with different life skills;

- Mandela week programs were implemented jointly by the district and local municipalities
- The District Municipality is striving to ensure that all the war rooms are functional and address the issues affecting the communities; and
- MuniMec Resolution that was recently taken towards ensuring that Operation Sukuma Sakhe forms part of the performance agreements of all Section 56/57 Managers and this is an ongoing process.
- The suspension of Covid 19 restrictions had resulted in more activities and interventions to the communities with no limitations.
- The KZN Legislature also work with the district on OSS interventions especially the monitoring of the functionality of the schools

(k) CHALLENGES

- Budget to implement OSS programmes remain a challenge; however, services that do not require funding are rendered.
- The War Rooms are dysfunctional due to poor attendance of Sector Departments which leads to the cancellation of scheduled meetings;
- Poor functionality of Local Aids Councils in most local municipalities however progress will be seen in the new financial year
- Late submission and non-submission of reports by various officials (including, but not necessarily limited to Sector Departments);
- Poor attendance by Sector Departments in most War Room Meetings;
- Financial constraints in Sector Departments which leads to interventions not being implemented;
- No physical structure for some of the War rooms;
- Due to the topography and vastness of the wards in some instances does not allow the ward committee members to visit War Rooms and in some wards there are more than one war rooms to address that ;
- Although local communities get profiled, they are generally dissatisfied with poor implementation of identified interventions by relevant Sector Departments

3.12.4 MUNICIPAL HEALTH SERVICES

(a) BACKGROUND

Municipal Health Unit is charged with the responsibility of providing Environmental Health Services to the community of the District as well as monitoring the health and safety of the District Municipal employees. Municipal Health Services (MHS) as defined under the National Health Act, 2003 (Act No. 61 of 2003) comprise of inter alia, food control, water quality monitoring, waste management, health surveillance of premises, environmental pollution control, communicable disease control, disposal of the dead and vector control. Environmental Health Practitioners are therefore responsible for carrying out measures for protecting public health, including administering and enforcing legislation related to health and providing support to minimize health and safety hazards. Some of activities involved includes inspecting food premises, investigating public health nuisances, and implementing disease control Measures, conducting work place safety assessments and accident investigation. Monitoring the quality of water supplied to the communities in the district, Environmental Health is at the heart of public health intervention for the health sector, which is why it is able lead the implementation of public awareness, health promotion and disease prevention, surveillance and inspection of both private and public premises.

During the beginning of the financial year 2020/2021, the unit documented up the annual targets on duties that were to be performed and achieved by the end of the year. The targets were made out of competencies ranging from food control activities, water quality monitoring, communicable disease control, vector control disposal of the dead and pollution control.

Hereunder are some of activities we acted upon which forms major parts of our targets that were the highlights during 2021/2022 financial the year.

(b) Water Quality Monitoring

Water was monitored to ensure quality that is fit for human consumption and ensure that the Water Services Authorities (WSA's) deliver on their mandate to provide water that is safe, for protection of public health (independent oversight role). A total number of two hundred and forty-t (247) water samples were taken and analysed by the

National Laboratory Services. Where there were minor non-compliances, such were immediately reported to WSA for ratification.

(c) Food Control

Monitor food for safety aspects, with regards to handling, storage, transportation, and serving and in respect to microbiological and chemical quality. Ensuring that food is handled in a hygienic manner from a point of origin (i.e. during production, storage, processing, distribution and sale). All food should be safe, wholesome and fit for human consumption and should conform to the legislative requirements as they relate to safety, nutrition, quality and labelling (expired, use by and sell by). A total of one thousand and fifteen (1015) food premises were inspected for compliance while reducing the risk of foodborne illnesses.

(d) Waste Management And Surveillance of Premises

Waste Management Services was monitored to ensure proper (collection, storage, and disposal) for public health purposes.

In terms of surveillance of premises, there is ongoing monitoring and assessment of conditions in premises that may pose human health hazards and risks, in respect of structure, sanitation, water, ventilation, and hygiene aspects. A number of inspection visits were conducted in response to community issues, with all complaints also responded to.

(e) Communicable Disease Control

The function is done to prevent the occurrence and/or manifestation of environment-related communicable diseases. This includes planning and execution of education and hygiene promotion programmes aimed at preventing environmentally induced diseases and related communicable diseases. Healthy lifestyles, personal hygiene as well as a safe and healthy environment are key to the prevention of diseases. The unit conducted a total of one hundred and twenty (120) awareness campaigns within the communities of the district.

(f) Vector Control

The unit also monitor conditions that may harbour the spread of vectors and prevention of vector borne diseases for public health. A total of three hundred and sixty one (361)

vector breeding sites were attended and exterminated in order to prevent the further breeding of identified vectors.

(g) Environmental Pollution Control

Routed monitoring, assessment and control of the quality of indoor and ambient air, land and water management was conducted to prevent pollution that might result to negative impacts on the health of our communities.

(h) Disposal Of The Dead

The function includes monitoring and ensuring the proper handling, transportation, storage, importation and exportation and disposal of human. A number of mortuaries were inspected and funerals monitored especially during the COVID-19 period to prevent the spread of the disease, while ensuring compliance with COVID-19 regulations.

(i) Achievements

(1) One Health Action Group

An OSHAG Forum is fully functional formed by members from district Municipal Health Services (MHS) together with the Department of Health and other stakeholders. The Forum , called One Health Action Group (OSHAG) meets on a monthly basis to discuss health issues affecting communities in our district.

(2) Air Quality Management Plan

In line with Section 15(2) of Municipal Systems Act, currently, MHS is working on an Air Quality Management Plan (AQMP) which is the document aimed at achieving the objectives of National Environmental Management Act (NEMA). The AQMP will also provide mechanisms, systems and procedures to promote holistic and integrated air quality management through pollution prevention and minimization at source, and through impact management with respect to the receiving environment from local scale and consider national issues. The development of a plan is currently at an advance stage and should be finalised and adopted before the end of this financial year.

(3) Office Park Homes For Municipal Health Unit

As a means of bringing service delivery closer to our people, the unit was able to procure two office park homes which are now placed at both Mandeni and Ndwedwe Municipal offices, these park home offices are being utilised by the Environmental Health Practitioners to ensure that all necessary Environmental Health Services are effectively and efficiently rendered to our communities.

(4) Global Hand Washing Event

The 15th of October is dedicated to Global Hand washing advocacy, and to mobilize individuals, households, colleagues, friends, schools, health establishments, and all communities to join hands, observe and commemorate hand washing and hygiene as a proven intervention to curb life threatening preventable diseases, such as diarrhoea. The aim of Global Hand Washing Day is to raise awareness on the importance of washing hands with soap as a key approach to disease prevention.

(5) Corona Virus Response

The unit has been and still involved on different strategies that are aimed at responding to the current scourge of COVID-19. The Unit is involved with different programmes such as awareness campaigns, contact tracing, monitoring of disinfection programmes and monitoring of COVID-19 funerals.

(6) Health Education/ Awareness Campaigns

The Unit also visited a number of schools with the main aim of conducting awareness campaigns, to impart knowledge to young people and communities. A total of one hundred and thirty-five (135) schools were visited during the period under review. Some of the issues dealt with during school visits include personal hygiene, food safety, communicable disease, rabies outbreak, corona virus etc.

4.1 INTRODUCTION AND OBJECTIVES OF CORPORATE SERVICES DEPARTMENT

The Department renders support service to other Business Units of the Municipality in order to effectively deliver services to the community through the following functions:

- Support Services;
- Human Resources Management;
- Security Services; and
- ICT

The agenda and programme of the Department of Corporate Services is informed by the following goals and objectives:

- a) To provide professional administrative support to Council and all Departments and their Business Units of the Municipality;*
- b) To provide effective management and maintenance of the Municipality's facilities and fleet;*
- c) To position the Department as a strategic hub for acquiring the best human resources in the form of skills and talent, nurture and harness human development and growth, recognize and acknowledge excellent performance, empathize and support staff, and strive for retention of the workforce;*
- d) To provide an innovative, effective and efficient Information and Communication Technology service that enables the achievement of the Municipality's objectives as set out in the IDP;*
- e) To provide guidance and support to all Departments and their Business Unit with regards the acquisition, deployment and maintenance of electronic systems within the Municipality.*
- f) To provide an effective security service in accordance with the prescribed Acts, By-laws and Regulations.*

4.2 ACHIEVEMENTS AND CHALLENGES

The achievements and challenges of the Department are presented herein according to the outcomes of the Corporate Services Department's own mini strategic plan which recognized all 5 Units, *i.e. HR, ICT, Support Services, and Security.*

4.2.1 ACHIEVEMENTS

(a) Human Resources:

- i. Successful meeting of targets for prescribed compliance submissions, *i.e. EEP & WSP*
- ii. Achieving the equity target in the filling of senior manager positions.
- iii. Maintenance of sound and peaceful labour relations.
- iv. Provision of meaningful and relevant EAP events.
- v. Successful training and development of employees and community, including the unemployed Youth.
- vi. Continued implementation of employee long serving and performance Recognition Awards.
- vii. Training of Managers on assertiveness & handling of disciplinary matters.
- viii. Training on Managers in meeting the minimum competency level as required by National Treasury.
- ix. Functional OH&S Committee, reduced rate of incidents, & successful management of COVID-19 effect on operations.
- x. Cascading of IPMS to middle-Managers.

(b) Information Communication Technology:

- i. Improved connectivity to Municipal remote offices through the Wide Area Network (WAN).
- ii. Improved internet bandwidth (speed) from 10Mbps to 100Mbps while maintaining cost from R18 800 to R20 700 per month.
- iii. Provision of virtual meeting platforms to enable continued municipal administrative operations during the COVID19 pandemic.
- iv. Implemented the Automated Performance Management System (APMS) for effective performance & monitoring of municipal objectives as set out in the SDBIP.

- v. Upgraded ICT server infrastructure to improve system performance and resilience to changing ICT environment.
- vi. Introduction of Energy Efficiency & Renewable Energy Technology in Municipal Buildings and Infrastructure.
- vii. Provision of mobile tools of trade (laptops) to all users to enable work from home for business continuity.
- viii. Implemented low cost of document production by introducing digital document sharing platform.

(c) Support Services:

- i. Proper management of committees
- ii. Adoption of fleet management policy
- iii. Adoption of Vehicle Subsidy Policy
- iv. Increased the provision of the fleet (*e.g. Water Tankers increase from 15 to 30; TLB from 2 to 4; New Excavator*)
- v. Changed the alignment functions and perception that this Division had the responsibility of rendering only Committee Management function instead of Fleet, Records, Facilities Management, Security Management
- vi. Improved physical set up of the Records Management System in order to comply with the Archives legislation
- vii. Electronic distribution of agendas for both management and Councilors
- viii. Renovation of Municipal Auditorium in compliance to OHSA.
- ix. Good monitoring tool of vehicles

4.2.2 CHALLENGES

(a) Human Resources:

- i. Vacancy rate higher than the COGTA required norm of 12%.
- ii. Negative effect of Task Remuneration in attracting & retaining skilled personnel.
- iii. Compliance with the EEP not satisfactory.
- iv. Shortage of Training Venues, & limited budget for training.
- v. Poor compliance by staff & Councilors with the skills questionnaire affect WSP .
- vi. Inadequate functioning of the LLF.

- vii. Reluctance to testify on cases, & delays in the conclusion of cases.
- viii. Effect of Austerity Measures to Wellness programmes.
- ix. Insufficient Supervisory support to EAP employees.
- x. GEPF delays and a difficult system of processing of claims.
- xi. Non-registering of beneficiaries by employees.
- xii. Unpleasant working conditions: office space, and conditions of the buildings.
- xiii. Poor response by Managers and Senior Managers in the adequate implementation of IPM

(b) Information Communication Technology

- i. Limited budget for the implementation of ICT projects
- ii. Inability to attract and retain IT Staff
- iii. Poor Attendance of ICT Awareness Sessions by Departments.
- iv. Lack of dedicated municipal vehicle to enable ICT support to remote offices.
- v. Lack of user buy-in when introducing new technology.
- vi. Limited training facilities for specialized ICT skills.
- vii. Lack of compliance to ICT processes & procedures by departments (entry & exiting of staff, change of ICT assets)
- viii. Loss, damage & non-returning of ICT assets by users.

(c) Support Services

- i. Poor compliance to the Fleet Management Policy.
- ii. Non-compliance of municipal facilities to buildings & safety standards.
- iii. Lack of accessibility of Municipal offices by people that are specially enabled (Lift/escalators).
- iv. Lack of adequate office space and staff parking.
- v. Ablution facilities that are over allocated (used by staff & visitors).
- vi. Financial constraints to do renovations/extension of the Municipal buildings/building new offices.
- vii. Inadequate Council Chamber.
- viii. Inadequate monitoring of the use of the vehicles (abuse, damage, & authorization).

- ix. Huge costs of repairing vehicles.

4.3 THE MUNICIPAL PERSONNEL

IDM has developed strong Municipal administrative systems and processes, in line with the prescribed legislative framework and the SALGBC Collective Agreements. It includes ensuring that all positions are filled with competent and committed people whose performance is closely monitored. Targeted and measurable training and capacity building is being provided for Councilors and Municipal Officials so that they are able to deal with the challenges of local governance as well as ensuring that scarce skills are addressed through bursary and training programmes.

The basic requirements that are implemented and monitored include:

- (a) Ensuring that the top six posts (Municipal Manager, Finance, Technical Services, Corporate Services, and Community Services) are filled by competent and qualified persons.
- (b) That the Municipal staff establishment (organogram) is realistic, underpinned by service delivery model, and affordable.
- (c) That there are implementable human resources development and management programmes.
- (d) There are sustained platforms to engage organised labour to minimise disputes and disruptions.
- (e) Maintaining adequate levels of experience and institutional memory;
and
- (f) Effective attention to the emotional and psychological wellness of employees in order to be productive.

4.3.1 The Staff Structure

The amended / reviewed staff establishment of the Municipality was adopted and approved by Council on the 30 May 2017. The amendments / review of the staff establishment was done to make the Municipal Staff Establishment to be aligned with the strategic directive of the new Council's term of office, *i.e.* 2016 – 2021.

The amendment / review of the Staff Establishment resulted with the creation of new posts which added to the number of vacant posts in the Municipality. The new posts and the application of the Austerity measures, led to the vacancy rate being above the COGTA expected norm of 12%. The vacancy rate has, since the adoption of the staff on the 30 May 2017, remained above the COGTA expected threshold / norm of 12 % despite the prioritisation of posts.

The table below provides a summary of the staff establishment of the Municipality:

ESTABLISHMENT	NUMBER OF POST	STAFF COMPLEMENT	UNBUDGETED POSTS	SHARED SERVICE	VACANCIES	% VACANT
TOTAL POSTS	830	543	74	3	99	13

TURN-OVER-RATE			
Details	Total Appointments as of the Beginning of Financial Year	Terminations during the Financial Year	Turn-over-rate (%)
2012/2013	456	44	9.64%
2013/2014	559	35	6.26%
2014/2015	553	3	0.54%
2015/2016	577	15	2.60%
2016/2017	582	43	7.38%
2017/2018	561	29	5.61%
2018/2019	567	28	4.93%
2019/2020	559	32	5.72%
2020/2021	546	36	6.59%
2021/2022	543	15	2.7%

The approved staff establishment indicate that the Municipality has a total of 830 approved posts, 543 posts are filled, 74 posts are frozen, and 99 posts are prioritized as vacant. The vacancy rate has decreased from 23% to 13%. The reduced vacancy rate figure is somehow affected by the frequency of natural attrition which is due to resignations, retirements, and sometimes death.

4.3.1.1 Employee Totals, Turnover and Vacancies

TURN-OVER-RATE			
Details	Total Appointments as of the Beginning of Financial Year No	Terminations during the Financial Year No	Turn-over-rate (%)
2011/2012	103	30	29%
2012/2013	110	30	27%
2013/2014	23	32	139%
2014/2015	54	20	37%
2015/2016	16	19	118%

2016/2017	16	34	213%
2017/2018	27	19	70%
2018/2019	12	15	125%
2019/2020	08	12	1,5%
2020 / 2021	29	7	24%
2021/2022	12	15	125%

Termination is deemed fair if it is in line with Section 188 of the Labour Relations Act which state that termination should be based on *operational requirements, ill-health, and conduct*. The terminations from the Municipality during this financial year has been low. This can be attributed to a variety of factors which include increased motivational programmes that were aimed at boosting the morale of the employees, and of course the difficult economic situation which has resulted with job opportunities.

(a) Findings from Exit Interviews

Employees who voluntarily leave employment with IDM, are always encouraged to take part in a confidential exit interview. The interview is held either with a member of the Human Resources Unit, or with their respective superior. Records and figures of the employees leaving, and their reasons are monitored and reported on a monthly basis. A total of 03 employees have voluntary left IDM. Their reasons as collected from the data in their exit interview files, vary and include the following:

- 1) *leaving IDM voluntarily because of a lack of advancement and a better opportunity in another institution;*
- 2) *salary improvement (the Task Age Curve seem to be not attractive for retention, particularly to the employees who are Personal-To-Holder);*
and
- 3) *commuting problems and family challenges.*

Notwithstanding, the attitudes of most people leaving IDM were positive towards the Municipality. Most people stated that IDM has a good organizational culture, had sound relationships with colleagues and Managers, their departure was largely due to balance between work-life and family, as well as greener pastures.

4.3.2 Managing The Municipal Workforce

The successful delivery of services is dependent on the staff that strictly adhere to the Batho-Pele Principles. The strict adherence to legislation, Policies, Batho-Pele Principles, means that ALL Municipal staff should be competent, professional, impartial, sensitive, compassionate, dedicated, and committed. The achievement of the noble ideal for the successful delivery of services requires that the Municipality's collective actions adhere to the following:

- a) *the development and maintenance of a sustainable Staff Establishment that is geared and designed for effective and efficient service delivery,*
- b) *the fair recruitment process that is focused on the merit requirements that are consistent with the task to be performed for the improvement of the quality of lives (compliance with relevant legislative framework: EEA etc.),*
- c) *the up-skilling and development of staff that is based on both the individual willingness to improve his/her skills and qualifications, as well as the Municipality that provides a conducive environment for individual, group, and institutional development and growth (budget and training facilities within the available financial means),*
- d) *the up-skilling and development of Councillors that is based on both the individual willingness to improve his/her skills and qualifications, as well as the Municipality that provides a conducive environment in order for the Councillors to be able to progress beyond the political domain,*
- e) *the development and empowerment of the community served by the Municipality through meaningful internships and learnerships that contribute to the skills development of the District, Province and the country at large (Youth given more priority),*
- f) *maintenance of sound and stable labour relations through LLF and quarterly bilateral engagements,*
- g) *the continued support of staff through the EAP activities that promote wellness in order to effectively contribute to service delivery,*
- h) *improving performance for effective service delivery through the cascading of the Performance Measurement System (consideration of the financial impact in the light of the current circumstances),*
- i) *the reinforcement and strengthening of the conducive work environment through adherence and compliance with the legislative framework on Occupational Health & Safety (starting point being the urgent appointment of the OH&S Officer),*
- j) *serious consideration and implementation of the skills attraction and retention approach, system, and mechanism.*

The policies listed below together with all relevant legislation, the Collective Agreements as agreed upon at the South African Local Government Bargaining Council (SALGBC), and the various Regulations that are provided by COGTA, are

used to ensure proper management and governance in the Municipality. The Policies which are listed in the succeeding table, continuously get reviewed in order to ensure their relevance and compliance with the developments and amendments to legislations, regulations, and SALGBC collective agreements.

HR POLICIES AND PLANS				
No.	Name of Policy	Completed %	Reviewed %	Date adopted by council or comment on failure to adopt
1.	Employment Equity and Affirmative Action	100%	100%	The Municipality Employment Equity Plan addresses Affirmative Action issues.
2.	Employment Equity and Affirmative Action	100%	100%	The Municipality Employment Equity Plan addresses Affirmative Action issues.
3.	Attraction and Retention	100%	100%	Adopted by Council on the 28 June 2018.
4.	Code of Conduct for employees	N/A	N/A	Compliance with Schedule 2 of the MSA, and Annexure A of the SALGBC Collective Agreement
5.	Delegations, Authorization & Responsibility	100%	100%	Guided by the legislative framework, and the adopted Municipal Policy
6.	Disciplinary Code and Procedures	100%	100%	SALGBC Collective Agreement
7.	Essential Services	100%	100%	Adopted by Council on the 28 June 2018.
8.	Employee Wellness Programme	100%	N/A	Policy was developed and finalized in June 2015.
9.	Exit Management	100%	100%	Covered in the Retention Policy
10.	Grievance Procedures	N/A	N/A	Guided by the legislative framework, <i>i.e.</i> MSA.
11.	HIV/AIDS	100%	N/A	Policy was developed and finalized in June 2015.
12.	Human Resource Development Strategy	100%	100%	Adopted by Council on the 28 June 2018.
13.	Information Technology	100%	100%	June 2016
14.	Job Evaluation	100%	100%	All Job descriptions submitted to the SALGA JE Committee
15.	Leave Management	100%	100%	Policy was developed and finalized in June 2015. The aspect of leave encashment has been reviewed 2016/2017.
16.	Occupational Health and Safety	100%	100%	Adopted by Council on the 28 June 2018.
17.	Official Housing	N/A	N/A	Covered by the SALGBC: Collective Agreement
18.	Official Journeys	N/A	N/A	Covered by the Municipal Subsistence and Travel Allowance Policy
19.	Official transport to attend Funerals	N/A	N/A	Covered in the Bereavement Policy to be finalized
20.	Official Working Hours and Overtime	100%	100%	Guided by the legislative framework, <i>i.e.</i> LRA and the Municipal Policy.
21.	Organizational Rights	N/A	N/A	Guided by the legislative framework LRA, and the SALGBC: Collective Agreement
22.	Payroll Deductions	N/A	N/A	Legislated
23.	Organizational Performance Management and Development	100%	100%	Reviewed in the financial year 2016/2017
24.	Recruitment, Selection and Appointments	100%		Reviewed in 2016/2017
25.	Remuneration Scales and Allowances	N/A	N/A	Decided through the SALGBC: Collective Agreement and COGTA Regulations for Councilors, MM, and Snr Managers.
26.	Resettlement	N/A	N/A	Covered in the Recruitment and Selection Policy

27.	Sexual Harassment	100%	N/A	Work-in-progress
28.	Skills Development	100%	100%	Reviewed and adopted annually with the WSP.
29.	Smoking	N/A	N/A	Covered in OHS Policy
30.	Special Skills	N/A	N/A	Still to be developed
31.	Work Organisation	N/A	N/A	Still to be developed
32.	Uniforms and Protective Clothing	100%	100%	To be reviewed together with the OH&S Policy.
33.	COVID 19 Policy and SOP's	100%	N/A	Adopted by Council Meeting on 06 June 2020: Resolution C 661

4.3.3 Leave Management

The leave management within the Municipality is implemented in accordance with the prescripts of the SALGBC: Main Collective Agreement, Leave Management Policy of the Municipality, and applicable legislations. The leave system has the following categories: annual leave, sick leave, family responsibility leave, maternity leave, study leave, and special leave.

LEAVE MANAGEMENT					
Details	Annual	Sick leave	Family Res. Leave	Maternity Leave	Special Leave
2017/2018	10388	3913	249	482	106
2018/2019	10994	3634	322	280	57
2019/2020	11087	5738	283	268	44
2021/2022	12170	3543	296	559	55

a) Annual leave

Each employee is entitled to twenty-four (24) days annual. The collective agreement and policy stipulate that employees are compelled to take sixteen (16) leave days and can only retain a maximum of forty-eight (48) days as accrued leave. The annual leave is the only type of leave that accrues and it has a huge financial impact to the Municipality, if not managed accordingly.

The implementation of twenty-four-hour shift system has led to an increase in a number of people who accrue their annual-leave. There are also a very minor incidents of leave being allowed to accrue, particularly towards pension or resignation. Follow up letters have been written to the employees to encourage them to take the annual leave in adherence with the Main Collective Agreement and Leave Management Policy.

b) Sick leave

Each employee who fall within the SALGBC domain and regimes, is entitled to 80 days sick leave in a period of a three-year cycle. The sick-leave for the Municipal Manager and Senior Managers reporting to him, is controlled through the COGTA Regulations which entitle them to 36 days of sick leave within the period of 36 months.

While the abuse of the sick leave has improved significantly, there is a serious concern regarding employees who have either exhausted or utilized more than (60%) of their sick leave prior to their three-year cycle. In simple terms they have less than thirty (30) even zero sick leave balances. Letters have been written to the affected employees advising them regarding their sick leave days balances. Supervisors have been alerted and requested to conduct assessments in respect of these employees as they might require other appropriate interventions, *i.e. employees' assistance programs and assessment for potential medical boarding.*

c) Family responsibility

The family responsibility leave is guided by the Collective Agreement. An employee is entitled to a non-accumulative 5 days annually.

d) Maternity leave

Female employees are entitled to receive three (3) months paid maternity leave per confinement, with no limit to the number of confinements, provided that an employee has one (1) year service with the Municipality. Whilst doing leave audit, it was found that some employees do not apply for maternity leave, four (4) weeks prior of taking such leave, in terms Section 25 (2) (b) of Basic Conditions Employment Act 75 of 1997 as amended. The matter was addressed accordingly after it had been brought to the attention by an Internal Auditor's query. The Policy will be reviewed to improve control mechanism.

e) Special leave

Special leave on full pay is granted to an employee in accordance with the SALGBC Collective Agreement of the KZN Division, and Leave Management Policy. The special leave is done under the following instances:

- i. Court appearances by employee as witness;
- ii. Study purposes;

- iii. National and provincial sports representation;
- iv. The application for this leave must be accompanied by documentation that supports the application; and
- v. The leave is limited to a maximum of 10 days per annual cycle.

The study leave is the most prevalent leave under special leave, since more Municipal employees have joined the Municipal Assisted Education Scheme in terms of applicable policy. Employees are given 2 days leave to prepare and write exams.

4.3.4 Occupational Health and Safety Including Injuries

The Municipality has always maintained a remarkable low record of fatalities and/or serious injuries on duty. The EAP and OH&S roadshows and awareness events, as well as the election of Occupational Health and Safety Representatives in each Department, has also significantly contributed to the wellbeing of employees of the Municipality and a low level of injuries.

The Officer: Occupational Health and Safety, accompanied by a colleague who is the member of the Health and Safety Committee, makes regular visits to the workplaces of the Municipality in order to provide an informed situational analysis. The workplace site visits involve a brief discussion with some employees and Supervisors at depots, and also a meeting with the Health and Safety Representatives, and representatives of trade unions. The visits also involve going to remote plant workplaces, and also some areas where there is construction in order to assess the plant and perimeter, construction work and interview the employees and operators.

The outbreak of the COVID-19 pandemic did not significantly affected the Municipality. One of the issues that had to be done to reduce the spread of the CORONA virus was to allow some workers to work from home. The Municipality developed response mechanisms which were informed by the Regulations on Covid-19 Occupational Health and Safety measures in Workplaces Covid-19 as provided by both the Department of Health, Department of COGTA, and the Department of Labour.

Further, The Municipality has an INTERNAL COVID-19 TASK TEAM which was established by the Municipal Manager as a direct reaction to ensure business continuity for the Municipality. The Task Team complemented the OH&S Committee to ensure that the Municipality complied with all the measures such as issuing of COVID-19 PPE, i.e. *sanitizers, fumigation of workplaces, assessment through the thermometer, screening before entering the Municipal buildings, and recording of all the information of the people entering the Municipal buildings.*

4.3.5 Capacitating the Municipal Workforce

The Municipality remain committed to the development of internal and external capacity by providing various skills development interventions aimed at improving the performance of individual employees, Councillors and providing skills to unemployed youth within the District. The HRD Committee, ensures that the Workplace Skills Plan (WSP) which is aligned to the Municipality's strategic objectives, is developed annually in line with the Skills Development Act and Local Government Sector Education and Training Authority (LGSETA) guidelines.

Funding to implement learning programmes is provided by the Municipality or sourced from the LGSETA. There instances where external service providers approach the Municipality with a good programme which is already funded by the SETA that is not within the sector of local government. Such programmes are assessed by the Municipality's skills office and approved if they are legitimate and contribute to the improvement of skills within the District.

The Workplace Skills Plan focused on the following learning programmes:

LEARNING PROGRAMMES	NUMBER OF BENEFICIARIES		
	COUNCILLORS	MUNICIPAL OFFICIALS	UNEMPLOYED
Plumbing Artisan Development		16	
Project Management		4	
Computer Literacy		5	
Municipal Finance Management Programme		7	
Various Formal Studies		13	
Occupational Health and Safety Programmes		80	
Environmental Health Workshop		9	
Water Process Control Learnership		30	

Councillor Induction Programme	14		
Adult education and Training Programme		9	
Auditing Workshop		4	
Skills Development Facilitator Programme		1	
Supervisory Skills Programme		1	
Work Integrated Learning (Public Management, HR)			2
Internship (ICT, HR)			2

4.3.6 Individual Performance Management System

The performance management system (PMS) at local government is prescribed by various legislation which includes the Municipal Systems Act (MSA), the Municipal Planning and Performance Management Regulations (MPPMR), the Municipal Finance Management Act (MFMA), the Municipal Performance Regulations for Municipal Managers and Managers directly accountable to the Municipal Manager and the Framework for Programme Information (FPPI) issued by National Treasury.

The performance management system at IDM has thus far been implemented at organisational and senior management only. The Municipality has since complied with the directives from both COGTA and SALGA, regarding the cascading of PMS to all individual employees of the Municipality. The process to cascade within IDM started early in 2017 with adoption of the policy titled: **Performance Management Policy & Procedure**. The Policy was developed in collaboration with all the four Local Municipalities, in order to ensure uniformity within the District.

The HR Unit which is responsible for the implementation of IPMS which is done through the HR Officer: Performance Management. This office conducted various consultation sessions with Middle Managers, and continued to even do Draft Performance Plans that were supposed to be concluded by Managers and their respective Senior Managers. The process has been somehow sluggish due to it being new. There is currently a move to automate the system in order to fully align it with the Municipality (organisational) PMS.

4.3.7 Labour Relations

“a sound industrial relations system is the one in which relationships between management and employees (and their representatives) on the one hand, and between them and the State

on the other, are more harmonious and cooperative than conflictual and creates an environment conducive to economic efficiency and the motivation ...” Andrew Levy - 07 Aug 2014

The basic HR/labour responsibilities that the Municipality must deal with relate to ensuring the balance between management and employees, dealing with disputes, and maintaining good relations with the Trade Unions. IDM has labour relations that are to an extent, cordial and cooperative. There is mutual respect and commitment to continuously engage. However, the existence of cordial labour relations does not mean the absence of contradictory issues. Most of the issues are dealt with at the SALGBC sanctioned structure, i.e. Local Labour Forum (LLF).

The LLF is further supplemented with various sessions of engagements with organized labour, in order to strengthen the relations. The said sessions include bilateral meetings between the Unions and Management, Unions and the TROIKA, and a unique arrangement of the Labour Relations Lekgotla which was held Listed below is the table containing the identifiable list of issues at IDM, and remarks with regards to progress and/or status of the matter:

ISSUES OF COMMON INTEREST	REMARKS
1) Job Evaluation	<u>Completed</u>
2) Functionality of LLF	<u>Improved from poor to functional</u>
3) Functionality of Sub-Committees	<u>Improved. OHS & HRD functioning</u>
4) Relationship between Management and Unions	<u>Improved. Frequent bilateral meetings</u>
5) Conditions of working environment	<u>Inconsistent. Ongoing efforts to improve</u>
6) Vehicle subsidy	<u>In-progress. Ongoing discussions with Unions</u>
7) Cell phone	<u>In-progress. Ongoing discussions with Unions</u>
8) Overtime threshold	<u>Outstanding. Matter to be finalized at SALGBC</u>
9) Medical aid after retirement (60 – 40)	<u>Completed. Dispute settled at SALGBC</u>
ADDITIONAL SPECIFIC ISSUES	REMARKS
1) Ad hoc / temporary drivers and Assistants	<u>Ongoing engagements on the solution</u>
2) Plumbing and meter readers	<u>Matter under consideration</u>
3) Parking	<u>Completed. Parking for staff arranged</u>
4) Inconsistence of application of acting policy	<u>Resolved. Rotation of acting personnel</u>
5) Compliance issues: Grievances, DC cases	<u>Ongoing solutions to issues</u>
6) Communication for time off for general meetings	<u>Resolved. Approval of meeting sent to the Secretary of the Union who then issue notice to their respective members</u>

7) <i>Employee conduct: Absenteeism, loitering, respect and drunk at work</i>	Ongoing solutions to issues
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The matters listed in the table above are historical between Management and the Unions. SAMWU in particular, has besides these listed issues, continuously raised further issues, *i.e. formal / permanent employment for ad hoc / temporary Drivers and the Assistants, functionality of the LLF, and vehicle subsidy*. They jointly with IMATU, also have since the advent of COVID-19, consistently put forward the issue of Danger / Risk Allowance. These issues are being engaged frankly.

4.3.8 Discipline, And Suspensions

IDM complies with the SALGBC Collective Agreement in the application of discipline, and strictly adhere to the principles of natural justice. A total of **12** cases, including a labour court matter, have been undertaken in the Municipality and their status is presented in the table below:

DISCIPLINARY CASES		
NATURE OF CHARGES	SANCTION / STATUS	NUMBER OF EMPLOYEES
Gross Misconduct	Warning	2
Gross Misconduct	Final warning	1
Gross Misconduct	Suspended	1
Gross Misconduct	Dismissal	1
Gross Misconduct	Not Guilty	3
Gross Misconduct	Ongoing cases	2
SALGBC: Conciliation	Dismissal appeal	0
SALGBC: Arbitration	Dismissal appeal	1
Labour Court	Judgement with costs, in favour of the Municipality	1

4.3.9 Managing Workforce Expenditure

Total Employees costs for the financial year under review amounted to R134 335 596 million against the budget of R90.7m. This represents 99% spending on salaries budget. The variance is attributed to savings amongst others. Overall, the employee costs represent 27% of total operational expenditure which is well within the 35% threshold as per National Treasury guidelines.

(a) REMUNERATION PACKAGES OF THE MUNICIPAL MANAGER AND MANAGERS DIRECTLY ACCOUNTABLE TO THE MUNICIPAL MANAGER

The Municipality complies with the Government Gazette No 43122 of 20 March 2020: Notice 351 as issued by National Minister of COGTA, i.e. *Local Government Remuneration Framework for the Remuneration Packages Payable to Municipal Managers and Managers directly accountable to Municipal Managers*.

The current total remuneration packages of the Municipal Manager and the Managers reporting to the Municipal Manager is therefore structured as follows:

DESIGNATION OF SENIOR MANAGER	ACTUAL REMUNERATION	TOTAL SALARY PACKAGE IN TERMS OF 2020 NOTICE
	TOTAL SALARY PACKAGE IN TERMS OF 2020 NOTICE	
MUNICIPAL MANAGER	R1 255 792.20	R1 160 847.00 R1 349 824.00 R1 538 800.00
SENIOR MANAGER: TECHNICAL SERVICES	R1 031 449.93	R972 648.00 R1 108 275.00 R1 257 894.00
SENIOR MANAGER: COMMUNITY SERVICES	R1 031 449.93	R972 648.00 R1 108 275.00 R1 257 894.00
CHIEF FINANCIAL OFFICER	R1 154 504.12	R972 648.00 R1 108 275.00 R1 257 894.00
SENIOR MANAGER: CORPORATE SERVICES	R1 031 449.93	R972 648.00 R1 108 275.00 R1 257 894.00

- 1) The post of Senior Manager Community Services became vacant from 01 July 2022.
- 2) The actual remuneration packages paid to the Municipal Manager and Managers directly accountable to the Municipal Manager (as displayed in the table above) include both the applicable performance bonuses and telephone allowances. These are paid in addition to the gazetted remuneration packages.

4.4 PARTICIPATION IN THE DDM GOVERNANCE CLUSTER

The IGR Corporate Services Forum which became into being in 2016/2017, was augmented with the Governance Cluster of the DDM. The Forum consist of all the Directors of Corporate Services and the HR Managers from the family of Municipalities under IDM. The Forum meet monthly, to among other things, ensure that Municipalities share and empower one another on issues relating to Policies, Job Evaluation, compliance with all relevant legislation and Regulations, particularly relating to HR, and above all strategies to maintain workplace peace in Municipalities within the District. The Forum reports all its activities to the Governance Cluster, which in turns report to all the DDM structures.

CHAPTER 5: FINANCIAL HEALTH OVERVIEW

5.1 INTRODUCTION

The purpose of this report is to provide information that would be useful to users of the annual financial statements for accountability and decision-making purposes by enabling them to gain an insight into the operations of the iLembe District Municipality from the perspective of the municipality. It also provides the opportunity to reflect on the municipality's interpretation of significant items, transactions and events affecting the financial position, financial performance and cash flows of the municipality. Therefore, this financial statement discussion and analysis complements the information in the 2021/22 Audited Annual Financial Statements. This financial statement discussion and analysis report is consistent with the 2021/22 Annual Financial Statements and the underlying items, transactions and events, as well as assumptions such as those relating to recognition and measurement. The following is included in this report:

1. An overview of the iLembe District Municipality's operations and the environment in which it operates;
2. Information about the iLembe District Municipality's objectives and strategies;
3. An analysis of the iLembe District Municipality's financial statements including significant changes and trends in its financial position, financial performance and cash flows; and
4. A description of the iLembe District Municipality's principal risks and uncertainties that affect its financial position, financial performance and cash flows, an explanation of changes in those risks and uncertainties since the last reporting date and its strategies for bearing or mitigating those risks and uncertainties.

5.2 GOVERNANCE: LEGISLATIVE/REGULATORY STRUCTURE AND MANAGEMENT STRUCTURE

The compilation of the Annual Financial Statements is governed by the regulatory requirements that are prescribed by firstly the South African Standards of Generally Recognized Accounting Practice (SA Standards of GRAP), 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, 2018 (Act No.3 of 2017) (DoRA). The Accounting Officer (“Municipal Manager”) 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 the DoRA, and for such internal controls 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.

In terms of the MFMA System of Delegations as adopted by the Municipal Council of the iLembe District Municipality the Chief Financial Officer (CFO) is directly responsible for the preparation and fair presentation of the financial statements and for the internal controls that are necessary to enable the preparation of financial statements that are free from material misstatement. Hence the CFO is required to undertake and manage all relevant work outputs to achieve the final preparations and submission to the Accounting Officer to meet the prescribed time frames.

iLembe District Municipality has established a Budget and Treasury Office (Finance Department) i.e. the office of the Chief Financial Officer in terms of Section 80 of the MFMA. The finance department is headed by Mr M Chandulal as Chief Financial Officer. The department is mainly responsible for the overall direction, monitoring and management of the finances of the municipality and for such roles as defined by Sections 81 and 79 of the MFMA. The Management Structure of the Budget & Treasury Office for which Chief Financial Officer is the administrative head is documented as follows:

(i) Budget And Compliance Monitoring

This Unit was headed by Manager Budget & Compliance, Miss N. Kumalo. The unit head is responsible for coordinating the budget preparation, implementation and monitoring processes, internal and external financial reporting and compliance monitoring in terms of sections 68 to 75 of the MFMA. This unit has three (3) sections

i.e. Budget and Reporting, Municipal Standard Chart of Accounts Project Office and Annual Financial Statements and compliance monitoring.

(ii) Revenue Management

This Unit is headed by Manager: Revenue; Mr M Gumede and is delegated the functions and responsibilities for the management of the revenue of the municipality in terms of Section 64 of the MFMA. This unit has three (3) sections i.e. Revenue management, Credit control and collections, and Accounts administration and customer care.

(iii) Supply Chain Management

This Unit is headed by Manager: Supply Chain Management, Mr N Xulu and is delegated the functions and responsibilities for Supply Chain Management in terms of Chapter 11 of the MFMA. This Unit has three (3) Sections i.e. Demand and Acquisition Management, Contract Management and Logistics Management in terms of regulation 39 of the MFMA SCM regulations.

(iv) Expenditure Management

This unit is headed by Manager: Expenditure, Mr T Shezi and is delegated the functions and responsibilities for expenditure management in terms of sections 65 and 66, Cash management and investments in terms of section 13, municipal debt management in terms of chapter 6 and municipal bank accounts in terms of chapter 3 part 2 of the MFMA.

(v) Assets Management

This Unit is headed by Manager: Assets Management, Mr EN Ngcobo and is delegated the functions and responsibilities for asset management in terms of section 63 and capital assets disposal in terms of Section 14 of the MFMA.

5.3 ILEMBE DISTRICT MUNICIPALITY'S RELATIONSHIP WITH OTHER ENTITIES THAT COULD AFFECT ITS FINANCIAL POSITION, FINANCIAL PERFORMANCE AND CASH FLOWS

iLembe District Municipality has the following relationship with the following entities:

- A wholly owned entity with net assets of approximately R20 million – iLembe Management Development Enterprise (Pty) Ltd;
- R31 374 million long-term loan with Development Bank of South Africa bearing interest rates between 9.02% and 11.04% per annum payable every six months with the last repayment due on 31 December 2025;
- R222 472 million Bulk Water purchases mainly from Umgeni Water inclusive of capital contributions towards the contraction costs of water dams .
- R167 914 million contracted services for various service delivery functions.
- R137 770 million outstanding consumer debtors of which approximately 90% is attributable to households.
- R103 138 million trade and other payables from exchange transactions, the majority of which is attributable to infrastructure projects, vehicle leases, bulk water purchase and employee related benefits and third parties.

5.4 EXTERNAL TRENDS, EVENTS AND DEVELOPMENTS IN LEGAL, REGULATORY, SOCIAL, POLITICAL AND MACRO-ECONOMIC ENVIRONMENT THAT IS SPECIFIC TO THE ILEMBE DISTRICT MUNICIPALITY WHICH HAVE OR MAY HAVE A SIGNIFICANT IMPACT ON ITS FINANCIAL POSITION, FINANCIAL PERFORMANCE AND CASHFLOWS.

The aforementioned comprise of the following, namely:

(i) Water Distribution Losses

iLembe District Municipality has incurred water distribution losses of approximately 46.11% during the financial year under review (down from 48.87% reported in 2020/21). This is mainly due to illegal connections, main leaks (ageing infrastructure), reservoir overflows and service connection leaks. A five-year strategic master plan for the reduction of non-revenue water has been adopted by the municipality to address this problem.

The following immediate actions are also underway in order to deal with the challenge:

- Formulation of a preventative infrastructure maintenance plan and sourcing of funding for implementation – The maintenance plan completed.
- Conversion of prepaid as they discovered to be malfunctioning. Prepaid meters which are inspected and found to faulty are converted to conventional metering. illegal connections are removed and replaced with proper installations. Service connection leaks are repaired – this currently underway and ongoing.
- Non- revenue loss management through the appointment of a service provider to implement the above, manage telemetry and contain reservoir over flows.
- Interventions through the Vuthela LED project to assist with a pilot project in Sundumbili at Mandeni Local Municipality.

(ii) Low Debt And Revenue Collection Rate

Low debt and revenue collection is a legacy issue that the municipality inherited and is currently dealing with. The effect of this is an extreme strain in the cash flows of the municipality, high dependence on grant funding and low liquidity ratio. The annual municipal budget is mainly reliant on the forecasted revenue collection that will fund the expenditure throughout the financial year. When the projected collection rate is not achieved with no corresponding decrease in expenditure, it results in the implementation of a budget that is not cash backed. Fortunately, the Municipality has presented a balanced and funded budget for the 2019-2020 year and the 2020-2021 financial years. The collection rate for the 2019/2020 financial year is 53% as at 30 June 2020.

The following are some of the main challenges affecting the debt and revenue collection of the municipality:

a. Significant Number Of Unregistered Indigent Consumers

A comparison of indigent consumer registers between the iLembe family of municipalities revealed that approximately 17 000 indigent consumers already registered with the local municipalities have not yet registered with the District Municipality. The implication of this is that there are currently consumers in the municipality's database that are billed at the rate that they cannot afford and subsequently will not be able to service their debt. This will result in steady increase in the municipal debt book with no corresponding increase in receipts from debtors. When the qualifying consumers are eventually registered as indigents, this will result in the increase in debt impairment and write-offs and going forward will result in a decrease in revenue. Furthermore, the indigent policies of the family of municipalities within the district are being aligned through the IGR structures to facilitate sharing of the registers within the district. In addition, the Vuthela LED program has appointed a service provider to harmonise the indigent registers of all the Local Municipalities with the District. There are currently terms of reference being drafted by Vuthela to acquire an automated indigent management system to manage the indigent process in consultation with Local Municipalities.

b. Deceased consumers not declared as such by the property beneficiaries

The District Municipality have been confirmed as deceased by the Department of Home Affairs through Cross Check. In light of the aforementioned the property beneficiaries are to register for municipal services as beneficiaries.

A significant increase in this category of consumers also results in a significant decrease in revenue collection rate which also affects cash flows adversely. The municipality has currently embarked on the programme of notifying the property beneficiaries and/or the water

consumers residing on the property of the deceased to register for services and enter into an AOD to pay off the debt accumulated after date of death of the previous consumer. An exercise to identify these consumers to open consumer accounts in the name of the current occupier. The old debt relating to these properties may then be considered for possible write off, in the 2019/2020 financial year an amount of R 28 895 360 was written off by Council. Failure by the current consumers to register for services will result in services being terminated at the property of the deceased.

c. Consumers categorised as pensioners

A significant increase in this category of consumers has also contributed in a significant decrease in revenue collection rate which also affects cash flows adversely. Pensioners can approach the Municipality at any time during financial year for registration as a pensioner to qualify for benefits.

(iii) Predominantly Rural Communities with high unemployment rate and child headed families

A significant area of the iLembe District is situated in rural communities where most consumers cannot afford to pay for services. Some families are child headed and with the high unemployment rate this has contributed to the increase in the indigent consumers. The increase in indigent consumers without a corresponding increase in equitable share grant exerts a significant strain on the municipality's cash flows as the municipality is currently dependent on grant funding.

5.5 MAIN OPERATIONS INCLUDING SERVICE DELIVERY METHODS AND SIGNIFICANT CHANGES

iLembe District Municipality is mainly a Water Services Authority and Provider i.e. WSA and WSP. The main operations are the provision of water and sewerage services. Approximately 77% of the Municipal Service Charges revenue comes from water billing and 22.8% is for provision of sewerage

services. The revenue collection rate was 64% and 53% for 2018/19 and 2019/20 respectively.

5.6 FINANCIAL VIABILITY OBJECTIVES AND STRATEGIES

The following are the financial viability objectives of iLembe District Municipality as reflected in the IDP:

- (i) To ensure sound revenue management principles;
- (ii) To ensure sound expenditure management principles;
- (iii) To ensure sound budgeting and compliance principles;
- (iv) To procure quality goods and services in a cost effective, transparent; competitive, equitable and efficient manner within the policy framework;
- (v) To ensure sound and effective asset and inventory management principles;
- (vi) To implement and maintain compliant, effective and efficient enterprise risk management systems and processes;
- (vii) To ensure sound and credible general financial management principles;
- (viii) To achieve a clean audit opinion;

All of the above-mentioned objectives relate to the financial position, financial performance and cash flows of the municipality. Each objective has a strategy in place and can be grouped into the different units within the finance department management structure. The achievement of these objectives and progress thereof is monitored through the monthly PMS reports and quarterly performance assessment sessions.

For the purpose of this discussion document, these objectives and strategies are grouped and explained below under each unit within the Finance Department Management Structure.

5.6.1 REVENUE MANAGEMENT

Revenue Management is the life blood of the municipality. One objective falls under this unit i.e. to ensure sound revenue management principles. This

above-mentioned objective relates to the financial position, financial performance and cash flows of the municipality. It is important to ensure sustainability of the municipality. Revenue collection for the period ended 30 June 2020 was 53% compared to 64% achieved in the 2019/20. One of the major contributors to a decline in revenue collection rate is the increase in the amount being billed on a monthly basis has increase due to reading of new areas in reading areas not previously read and the conversion of prepaid meters to conventional metering. The impact of Covid-19 has also impacted the collection rate during the months of April 2020 to July 2020. As the level of lockdown was eased, credit control and debt collection process started in September 2020 and the implementation of restrictions/disconnections of arrear debtors together with the assistance of a debt collector yielded some positive results in terms of cash collections. The Municipality also revised its credit control and debt collection policy to cater for debtors impacted by Covid-19. Debtors to the value of R 56 197 542 were written off as bad debts during the 2019/2020 financial year. The profiling of further bad debt has also commenced and debtors marked for impairment will be considered for write off subject to scrutiny before such action is implemented. The Municipality adopted a revenue collection strategy to have an immediate impact on the collection rate and debtors management coupled with the water conservation demand management program to reduce water losses.

Critical path and actions are as follows:

- a) Changing of and installation of all bulk control meters;
- b) Revenue Collection Strategy – Currently being implemented and closely monitored;
- c) Conversion of prepaid meters which are faulty to conventional metering - Currently being implemented;
- d) Integration of the customer care, meter reading project, indigent management, credit control and debt collection processes for impact and monitoring of results – project underway.
- e) Change in meter reading method from manual to electronic with capability to GPS meters, take photos of meters and down load readings in to the billing system. This is currently being done and is in place.

5.6.2 SUPPLY CHAIN MANAGEMENT

One objective falls under this unit i.e. to procure quality goods and services in a cost effective, transparent, competitive, equitable and efficient manner within policy framework.

The municipality is implementing the annual procurement plan to ensure proactive planning of the procurement process taking into account the project implementation dates or time frames. This assists in ensuring timeous finalisation of the procurement processes to ensure service delivery, adequate capital spending and elimination of SCM Audit findings.

Some of the projects were slightly affected during the national lockdown following the scourge of COVID-19. However, the normal SCM processes were followed during that period in line with MFMA Circular 100, 101, 102 and its amendments, 103 and 105 issued by the National Treasury to guide the Municipality on the procurement processes relating to COVID-19 items. For most projects, the compulsory briefing sessions were not held but prospective bidders were given a platform to forward their queries using the e-mails.

The Contract Management Section is functional and the municipality recently received assistance from KZN Provincial Treasury in rolling out the contract management function throughout the council. Training was provided to officials to ensure effective contract management processes are adhered to.

The Municipality utilises the National Treasury's Central Suppliers Database (CSD) as a basis for the selection of companies to be engaged for the supply of goods and services. Furthermore, companies are compelled to complete the necessary MBD forms when responding to the business opportunities within the Municipality.

In all projects awarded, the subcontracting arrangement is enforced in line with the 2017 Preferential Procurement Regulations pertaining to the PPPFA (No.5 of 2000). This is meant to address socio-economic objectives and

transformation through the public sector procurement. The Municipality implements the SMMEs database which is used to select emerging entities for subcontracting purposes.

The Municipality managed to conclude bid processes within 88 days during the 2020/2021 financial year.

5.6.3 ASSETS MANAGEMENT

One objective falls under this unit i.e. to ensure sound and effective asset management principles. The sustainability of IDM is highly dependent on the condition and performance of the infrastructure assets. Should any of the major assets collapse and not operate, the municipality will not be able to achieve its mandate. Furthermore, it becomes critically important to ensure the safeguarding & protection of municipal assets not only in relation to uninterrupted service rendering but for the municipality to incur additional costs of repairs nor replacements

The municipality has further strengthened controls by barcode tagging all infrastructure pumps and motors throughout the District thus lowering above mentioned risk areas.

5.6.4 EXPENDITURE, LIABILITY, WORKING CAPITAL AND CASH FLOW MANAGEMENT

Two objectives fall under this unit i.e. to ensure sound expenditure management principles and to ensure sound and credible general financial management principles.

In terms of section 152 (2) of the Constitution of South Africa, a municipality must strive, within its financial and administrative capacity, to achieve the objects set out in subsection (1). The requirement for increased financial viability is very important in order for iLembe District Municipality to fulfil its constitutional mandate as outlined above. Without financial viability, the municipality cannot fulfil its objectives and its vision to provide excellent services and quality of life for its people.

The following strategies continued to be implemented during 2021/22 financial year in an attempt to overcome the challenge of over expenditure:

- a) Budget availability is cleared before commencement of SCM processes i.e. no bid awards are made where budget is not available;
- b) Purchase orders are only processed where budget is available;
- c) The implementation of the cost containment policy which is being reported on quarterly basis at the Executive Committee and Council;
- d) The Municipality is currently implementing the Automated Supplier Invoice Tracking and Approval Workflow system with a view to streamline the flow of invoices and thereby improving efficiency in terms of paying suppliers.

There were no significant changes in the iLembe District Municipality's financial viability objectives from the previous financial years. There was however, a significant refinement in the strategies put in place to achieve the objectives and how the achievement of these objectives would be measured and over what time period progress would be measured. The strategies continue to yield positive results with the cash position remaining within the norm of 1-3 months and the overall trade creditors reducing.

5.7 ANALYSIS OF ILEMBE DISTRICT MUNICIPALITY'S FINANCIAL STATEMENTS INCLUDING SIGNIFICANT CHANGES AND TRENDS IN THE FINANCIAL POSITION, FINANCIAL PERFORMANCE AND CASHFLOWS

The following analysis of trends includes those financial items that are important and significant to gaining a better understanding of the financial position, financial performance and cash flows and changes in financial position, financial performance and cash flows over the 2021/22 financial year. It also describes the significant items, transactions and events that have affected the financial position, financial performance and cash flows of iLembe District Municipality in the 2021/22 financial year.

5.7.1 MUNICIPALITY'S FINANCIAL POSITION, FINANCIAL PERFORMANCE AND CASH FLOWS.

The analysis is broken down into financial position, financial performance and cash flows.

(a) Financial Position

The iLembe District Municipality was in a net assets position as at 30 June 2022 i.e. the total assets exceeded the total liabilities by over two billion rand. The following financial items presented in the statement of financial position of the District Municipality are important and significant in gaining the understanding of the financial position of IDM:

(b) Cash And Cash Equivalents

The Municipality was in a positive cash and cash equivalent position of R202 787 million as at 30 June 2022 (R203 035 million in 2020/21) and this translated into just above 60 days cash on hand which is equivalent to 2 months. This signifies drastic improvement in the Municipality's liquidity ratios compared to the previous financial years.

Cash and cash equivalents accounted for 48.7% of current assets and 6.3% of the total assets of the municipality. Balance on cash and cash equivalents slightly declined during 2021/2022 financial year compared to the 2020/21 financial year and this decline is mainly attributable to the improvement in the efficiency of the Municipality in settling short term obligations and spending on conditional grant funds.

(c) Inventories

Inventories accounted for 6.8% of current assets and 0.9% of the total assets of the municipality. It has decreased by 3.7% compared to the prior year and this is in line with the reduction in spending on repairs and maintenance.

(d) Property, Plant And Equipment

Property, plant and equipment accounted for 99.6% of non - current assets and 86.8% of the total assets of the Municipality. It has increased by 2.8% compared

to the prior year mainly due to the continued rollout of infrastructure projects aimed at eradicating the existing backlogs as well as refurbishment of ageing infrastructure.

(e) Trade And Other Payables From Exchange Transactions

Trade and other payables from exchange transactions comprised mainly of amounts owed to suppliers of goods and service providers for materials required to render municipal services. Trade and other payables from exchange transactions accounted for 46.1% of current liabilities and 31.5% of the total liabilities of the municipality. It has decreased by 33.0% compared to the prior year which signifies the Municipality's efficiency in terms of meeting short term obligations. This translated into 32 creditor days (down from 49 creditor days during 2020/21 financial year). This signifies remarkable improvements as this means that the Municipality is getting closer to being able to pay its creditors within 30 days legislative requirement.

(f) Trade And Other Payables From Non-Exchange Transactions

Unspent funds from conditional grant allocations accounted for 23.5% of current liabilities and 16.1% of the total liabilities of the municipality. The drastic increase in the value of unspent grants at the end of 2021/22 financial year (from R2 217million to R52 555 million) was largely impacted by multi-year grant allocation of R25 million received from KZN CoGTA during the financial year as well as an allocation in respect of disaster recovery that was received from National CoGTA (R19 523 million) on 30th June 2022..

(g) Current And Non – Current Borrowings

Current borrowings accounted for 2.2% of current liabilities and 1.5% of the total liabilities.

Non - current borrowings accounted for 25.7% of non - current liabilities and 8.1% of the total liabilities of the municipality. It has decreased by 5.5% compared to the prior year and the decrease is attributable to repayments made during the financial year under review.

(h) Financial Performance

iLembe District Municipality had an overall surplus of R 134 396 million in the 2021/22 financial year compared to the surplus of R211 232 million in the prior year. The decrease is mainly attributable to a 6.1% decrease in Government Grants & Subsidies and the 30.9% and the introduction of the new methodology of determining water consumed which resulted in a net loss of R40 533 million in terms of water inventory consumed during 2021/22 financial year.

The following financial items presented in the statement of financial performance of the iLembe District Municipality are important and significant in gaining the understanding of the financial performance of IDM.

(i) Revenue From Exchange Transactions

Revenue from exchange transactions accounted for 26.6% of the total revenue of the municipality. It has increased by 7.0% compared to the prior year.

(j) Government Grants And Subsidies

IDM is currently dependent on Grants and Subsidies. Grants and subsidies accounted for 73.1% of the total revenue of the municipality. It has decreased by 6.1% compared to the prior year, which is which is mainly attributable to the fact that the Municipality had received an additional amount of equitable share (i.e. R66million) during the 2020/21 financial year whose primary objective was to assist the Municipality in the fight against the spread of corona virus. This was a once off grant allocation applicable only to 2020/21 financial year.

(l) Remuneration Of Councillors

Remuneration of councillors accounted for 0.8% of the total operating expenditure. This has decreased by 3.6% compared to the previous year and this is mainly due to the fact that Council had less portfolios as full time Councillors during 2021/22 financial year compared to 2020/21. The application process to declare some of the Councillors serving at the Executive Committee as full time was only concluded towards the end of June 2022.

(m) Debt impairment/Bad Debts Provision

Debt impairment provision accounted for 11.9% of the total operating expenditure after taking impairment into account. It has increased by 9.4% compared to the prior year due to an increase in the debt book during the year under review.

(n) Depreciation, Impairment And Amortization

Depreciation, impairment and amortization transactions accounted for 12.0% of the total expenditure of the municipality. It has increased by 16.3% compared to the prior year due to more projects being capitalized.

(o) Repairs And Maintenance

Repairs and maintenance accounted for 8.4% of the total operating expenditure. It is 3.0% of property, plant and equipment and has increased by 36.2% compared to the previous financial year.

(p) Finance Costs

Finance costs accounted for 0.5% of the total operating expenditure. It has decreased by 11.3% compared to the prior year.

(q) Bulk Purchases

The calculations on this item of expenditure were still in the process of being finalized at the time of concluding the first draft copy of the annual financial statements for the financial year ended 30 June 2022. More appropriate analysis will therefore be made available during the second draft of the annual report.

(r) General Expenses

General expenses comprise mainly of electricity and water, fuel and oil, LED expenditure, telephone costs, audit fees and various other expenditure items. It accounted for 11,6% of the operating expenditure and increased by 8,9% compared to prior year, mainly due to inflationary increases and specific items such as insurance, disaster management, staff protective clothing, water and electricity consumption, transfer to the Entity and consumables.

5.7.2 SIGNIFICANT FINANCIAL RATIO ANALYSIS

The Annual Financial Statements (AFS) becomes more meaningful when information is analysed and interpreted. The objective of this section is to provide an analysis of the financial position, financial performance and cash flows of the iLembe District Municipality by performing ratio analysis specific to local government. This exercise also assesses the financial strength of the iLembe District Municipality. These ratios, as applied, provide interpretation methodologies that will add significant value when benchmarked against similar municipalities. These ratios are grouped into three (3) categories i.e. Revenue and Expenditure Management, Asset Management and Debt/Liability Management.

(a) Revenue And Expenditure Management

Ratio 1: Actual revenue versus budgeted revenue

The purpose of this ratio is to measure the extent of Actual Operating Revenue (Excl. Capital Grant Revenue) received in relation to Budgeted Operating Revenue during the financial year under review. The acceptable norm is 95%.

IDM has achieved 99.6% of its budgeted operating revenue in the 2021/22 financial year compared to 93.6% in the 2021/22 financial year compared to 111.4% during 2020/21 financial year.

Ratio 2: Level of reliance on government grants

The purpose of this ratio is to determine what percentage of the municipality's revenue is made up of government grants to determine the level of reliance on government funding by the municipality. Generally, district municipalities are more reliant on grants and subsidies than the metros and local municipalities due to the fact that the district municipalities do not have an adequate revenue base.

IDM is heavily reliant on government grants and subsidies. In the 2021/22 financial year it was 73.1% reliant compared to 75.6% in the 2020/21. The slight improvement on this ratio was only as a result of reduction in grant allocations for the year, particularly given that the Municipality had received an additional

amount of equitable share (i.e. R66million) during the 2020/21 financial year whose primary objective was to assist the Municipality in the fight against the spread of corona virus. This was a once off grant allocation applicable only to 2020/21 financial year.

Ratio 3: Actual expenditure versus budgeted expenditure

The purpose of this ratio is to measure the extent to which Budgeted Expenditure has been spent during the financial year under review. The ratio also assesses whether the municipality has effective controls in place to ensure that expenditure is incurred in accordance with an approved budget.

The acceptable norm is 95%.

The percentage expenditure for 2021/22 was 96.6% compared to 108.3% during 2020/21 financial year. This achievement is well within the acceptable norm of 95%.

Ratio 4: Personnel expenditure as a percentage of total expenditure

The purpose of this ratio is to indicate what percentage of total expenditure is attributable to personnel costs. The National Treasury guideline is 25% – 40%.

The ratio for the 2021/22 financial year was 24.3% compared to 23.2% in the previous financial year (2020/21) and it is within the National Treasury guideline of 25 – 40%.

Ratio 5: Repairs and maintenance as a percentage of total expenditure

The purpose of this ratio is to measure the level of repairs and maintenance to ensure adequate maintenance to prevent breakdowns and interruptions to service delivery. Repairs and maintenance of municipal assets is required to ensure the continued provision of services. National Treasury guideline is 8%.

The ratio for 2021/22 financial year is 3.0%. This ratio is below the National Treasury guideline of 8% and the gap is attributable to the lack of funds that are required to get to the target ratio. As part of its main strategic objectives for the

period 2022/23 to 2026/27, the Municipality will be gradually increasing its target on this ratio with a view of narrowing the gap and get closer to 8%.

(b) Asset Management

Ratio 6: Capital expenditure to total expenditure

The purpose of this ratio is to assess the level of Capital Expenditure to Total Expenditure, which indicates the prioritization of expenditure towards current operations versus future capacity in terms of Municipal Services.

The ratio for the 2021/22 financial year was 17.9% which is less by 1% compared to the prior year ratio of 18.9%. Both ratios are above the treasury norm of between 10 – 20%.

(c) Revenue Management

Ratio 7: Debtors collection period

This ratio adjusts for Municipality's who have had significant write-offs of Irrecoverable Debtor balances in the Gross Debtors Days analysis as it only assesses the performance of collectable Debtors. In addition, it provides an indication of the quality of credit control policy, effectiveness of the implementation thereof and quality of revenue management. If the ratio is above the norm, this indicates that the Municipality is exposed to significant Cash Flow risk. This is also an indication that the municipality is experiencing challenges in the collection of outstanding amounts due to it. Furthermore, it indicates that a significant amount of potential cash is tied up in consumer debtors and the municipality must improve its revenue and cash flow management. The acceptable norm as per National Treasury is 30 days.

The ratio for the 2021/22 is 182 days has improved by 32 days compared to the prior year ratio of 220 days.

Ratio 8: Collection Rate

This ratio indicates the collection rate (i.e. level of payments received from consumers). It measures increases or decreases in consumer debtors relative

to annual billed revenue. In addition, in order to determine the real collection rate, bad debts written-off should be taken into consideration.

The collection ratio for the 2021/22 was 58.0% and has slightly improved from 54.0% achieved during the last financial year.

(d) Debt/Liability Management And/Or Solvency And Liquidity Ratios

Ratio 9: Current Ratio

The purpose of this ratio is to indicate the municipality's ability to meet its short-term obligation using all its liquid assets. The higher the current Ratio, the more capable the Municipality or Municipal Entity will be to pay its current or short-term obligations and provide for a risk cover to enable it to continue operations at desired levels. A financial ratio under 1 suggests that the Municipality or Municipal Entity would be unable to pay all its current or short-term obligations if they all fall due at any specific point. Current assets must therefore be increased to appropriately cover current liabilities otherwise there is a risk that non-current assets will need to be liquidated to settle current liabilities.

The acceptable norm is 1.5: 1 to 2:1.

The ratio for the 2021/22 financial year was 1.86:1 and the prior year ratio was 1.72:1. The ratio is within the acceptable norm of 1.5:1 to 2:1 which signifies drastic improvement from the historical consistent decline in this ratio during previous financial years.

Ratio 10: Total Liabilities as a percentage of total assets (Debt Ratio)

The purpose of this ratio is to indicate how much the municipality relies on debt to finance its assets. The norm ranges between 60 – 70%.

The ratio for the 2021/22 financial year was 10.1%, while it was 11.0% for the prior year. The actual ratio achieved is far less than the norm which is a great concern for management.

Ratio 11: Total Liabilities as a percentage of Net Assets (Debt to Equity Ratio)

The purpose of this ratio is to indicate the municipality's financial standing. Optimal debt to equity ratio is considered to be 1 (i.e. Liabilities = Assets). A ratio higher than 1; may indicate that the municipality may not be able to generate enough cash to satisfy its obligations.

The ratio for the 2021/22 financial year is 0.11 and the prior year ratio was 0.12. The ratio shows that IDM's financial standing remains positive and sound as it has more than enough assets to convert into cash to meet its obligations.

(e) Overall Debt/Liability Management Analysis

Overall debt/liability management is considered fairly good although a great deal of improvement is still required to manage liquidity most particularly on a short-term basis.

5.8 THE PRINCIPAL RISKS AND UNCERTAINTIES THAT AFFECT ITS FINANCIAL POSITION, FINANCIAL PERFORMANCE AND CASH FLOWS, CHANGES SINCE THE LAST REPORTING DATE AND ITS STRATEGIES FOR BEARING OR MITIGATING THOSE RISKS AND UNCERTAINTIES

The purpose of this section is to discuss iLembe District Municipality's principal risks and uncertainties that affects its financial position, financial performance and cash flows and includes an explanation of how this relates to the objectives and strategies of the municipality. It also includes an explanation of how IDM manages its principal risks and uncertainties.

5.8.1 PRINCIPAL RISKS AND UNCERTAINTIES AND HOW THEY RELATE TO THE OBJECTIVES AND STRATEGIES

The principal risks and uncertainties affecting its financial position, financial performance and cash flows as disclosed in note 39 of the 2021/22 Separate Annual Financial Statements are as follows:

a) Maximum Credit Risk Exposure

The Credit risk is the risk that a counter party to a financial instrument will fail to discharge an obligation and cause the municipality a financial loss. The items in

the Annual Financial Statements that are exposed to credit risks are mainly cash deposits, cash equivalents and trade debtors. Credit risk, if not managed properly, may hinder the objective to increase its collection rate, improve net revenue collected, manage debtors' book efficiently and increase the financial viability. The strategies of revenue enhancement, credit and debt collection management, indigent management, cash flow and investment management all relate to management of the credit risk exposure.

b) Liquidity Risk

Liquidity risk is the risk that the municipality will not be able to meet its obligations as they fall due. IDM's liquidity risk is as a result of the need for sufficient funds to be available to meet its liabilities when they fall due without incurring unacceptable losses or risking damage to the municipality's reputation. Liquidity risk, if not managed properly, may hinder the objective to increase its financial viability and to ensure that the municipality is solvent and able to cover its costs at any and all times. IDM's strategies of cost and debt coverage management, cash flow and expenditure management and payment of creditors relates to management of the liquidity risk.

c) Interest Rate Risk

Interest rate risk is the risk that the municipality will incur loss due to adverse changes in interest rates. The IDM's interest rate risk arises from long – term borrowings. DBSA and finance lease borrowings issued at variable rates exposes the municipality to cash flow interest rate risk. ABSA loan issued at fixed rate expose the municipality to fair value interest rate risk. The debt ratio is fairly good; therefore, interest rate risk is accepted as insignificant.

5.8.2 HOW ILEMBE DISTRICT MUNICIPALITY MANAGES ITS RISKS AND UNCERTAINTIES

The District Municipality manages its principal risks and uncertainties affecting its financial position, financial performance and cash flows as disclosed in note 40 of the 2021/2022 Annual Financial Statements as follows:

a) Maximum Credit Risk Exposure

IDM only deposits cash with major banks with high quality credit standing and limits its exposure to any one counter-party i.e. Cash deposits/investments are diversified and are not put into one basket. Trade receivables comprise a widespread customer base. Management evaluates credit risk relating to customers on an on-going basis. If consumers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. There is also an indigent programme in place to support vulnerable groups. The intelligent meter project is also currently underway and it aims to mitigate the credit risk relating to consumer debtors.

b) Liquidity Risk

The approach to managing liquidity risk is to ensure that sufficient liquid assets are available to meet its liabilities when they fall due without unacceptable losses or risking damage to the municipality's reputation. The District Municipality manages its liquidity risk through on-going review of future commitments and credit facilities. Cash flow forecasts are prepared and monitored and adequate utilised borrowing facilities are monitored. Expenditure and Revenue Management Committee is also in place to manage amongst other things, liquidity risk. The liabilities must be backed by appropriate assets and significant liquid resource.

6.1 COMPONENT A – AUDITOR GENERAL’S OPINION OF THE FINANCIAL STATEMENTS 2021/22 (Still To Be Finalised)

As of August 2022, the Office Of The Auditor General is at iLembe District Municipality to beginning the process of conduct necessary Audit Processes for 2021/22 Financial Year. Once the process has been completed, this will culminate in a Report of the auditor-general to the Kwazulu-Natal Provincial Legislature and the Council on the iLembe District Municipality for 2021/22

6.2 COMPONENT B: CONSOLIDATED AUDIT RESPONSE PLAN OF ILEMBE DISTRICT MUNICIPALITY AND ITS ENTITY: 2021/22.

This will be produced once the Report from Auditor General has been finalised

6.3 COMPONENT C: REPORT OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE REPORT TO THE COUNCIL OF ILEMBE DISTRICT MUNICIPALITY FOR QUARTER 4 OF 2021/22 FINANCIAL YEAR

Awaiting the Report From The Audit Committee, since the District has a new Audit Committee, which is currently finalising such a report.

6.4 CONSUMER DEBTOR ARREARS

To be provided by the Finance Department

6.5 CONSOLIDATED AUDITED ANNUAL FINANCIAL STATEMENTS

To be provided by the Finance Department

GLOSSARY

Accessibility Indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability Documents	Documents used by executive authorities to give “ <i>full and regular</i> ” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “ <i>what we do</i> ”.
Activities	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance

	Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal Service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution Indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.

Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	• Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Outputs	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)

Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.

	Section 1 of the MFMA defines a “vote” as: <i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i> <i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i>
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APPENDICES:

TOP LAYOR SDBIP 2021/2022 ANNUAL PERFORMANCE

TECHNICAL SERVICES DEPARTMENT: 2021/2022 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

FINANCE DEPARTMENT: 2021/2022 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

CORPORATE SERVICE DEPARTMENT: 2021/2022 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

COMMUNITY SERVICES DEPARTMENT: 2021/2022 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

ENTERPRISE ILEMBE: 2021/2022 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

ENTERPRISE ILEMBE 2021/2022 ANNUAL REPORT

ENTERPRISE ILEMBE: 2021/2022 AUDITED ANNUAL FINANCIAL STATEMENTS

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