



KOUGA MUNICIPALITY



2020/21



ANNUAL REPORT

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EXECUTIVE MAYOR: COUNCILOR HORATIO HENDRICKS



It is an honour to present the Annual Report of Kouga Municipality for the 2020/21 financial year.

The past financial year were filled with turbulence and triumph with the COVID-19 pandemic ravaging lives and economies across the world. Kouga was not immune to the devastation, but we stood firm against adversity and held the line.

In the past twelve months, our focus was on the development and expansion of our six organizational goals, which we believe are imperative to Kouga to keep moving forward: Keep Kouga Serviced, Keep Kouga Clean, Keep Kouga Green, Keep Kouga Safe, Keep Kouga Smart, and Keep Kouga Growing.

Highlights included the drilling of more than 40 exploratory boreholes at five Kouga towns, with viable boreholes connected at Oyster Bay, Jeffreys Bay, Patensie, Hankey and St Francis Bay. More boreholes will be connected in Hankey, Humansdorp, St Francis Bay and Cape St Francis.

Container ablution facilities were delivered to residents in Thornhill, Maak-`n-Las in Humansdorp, and Stofwolk in Hankey, while chemical toilets were installed at the new section of Donkerhoek in Humansdorp – key to our efforts to eradicate the bucket system in our region once and for all.

Good progress was also made in addressing the R500 million backlog in road maintenance, with more than R25 million has been pumped into the resealing of roads, while close to R1 million was spent on gravel road maintenance.

One of the greatest privileges we have as Kouga Municipality has been to power up communities.

The electrification of 100 houses at Donkerhoek in Humansdorp was completed earlier this year, while 180 families at Stofwolk in Hankey received electricity for the first time.

Six informal settlements also received electricity at a combined cost of R2.5 million. This includes No-10 Rand, Pellsrus, Police Camp, Gamtoos Camp and Ebumnyameni. Fifty more units in Ebumnyameni will receive electricity soon.

The municipality is busy replacing standard streetlights with energy-efficient LED lights. More than 1 000 street- and floodlights across the region have already been retrofitted with LED lights.

Our newly launched Waste Management and Recycling Program, together with the regular clearing of illegal dump sites and awareness drives, strengthened our efforts to Keep Kouga Clean.

With the aim of raising awareness of climate change and the role each one of us can play to slow down and minimize the impact on communities, the municipality have launched an innovative, sustainable urban food garden initiative which will see illegal dumping sites being turned into community "Gardens of Hope".

Other projects included the monitoring and management of the Seekoei Estuary at Jeffreys Bay, strengthening the St Francis spit to prevent the sea from breaking through to the canals, and the removal and rehabilitation of encroaching dunes at Oyster Bay.

The establishment of an integrated intelligent operation centre in Humansdorp, will assist to Keep Kouga Safe, while fibre is being rolled out as a fifth utility as part of our efforts to Keep Kouga Smart.

Recent economic investments include the launch of a bio economy zone in Humansdorp, and the development of Jeffreys Bay and Humansdorp CBD precincts plans. Construction on new lifestyle developments in St Francis Bay and Jeffreys Bay are also in full swing.

While there are many mountains we still need to climb and a virus that we need to combat together, we are on track and determined to deliver a system of good governance through service excellence.

In closing, I would like to extend my heartfelt gratitude to the municipal administration and workforce for their ongoing commitment towards service excellence no matter the obstacles or risk to themselves.

The support from our business sector, community-based groups and individuals has also been nothing short of amazing and we are confident that, with you by our side, no obstacles will ever be too big for us to overcome and to build a strong and united Kouga.



H. HENDRICKS
EXECUTIVE MAYOR

COMPONENT B: EXECUTIVE SUMMARY

1.1 MUNICIPAL MANAGER'S OVERVIEW

MUNICIPAL MANAGER: CHARL DU PLESSIS



The 2020/21 Annual Report for Kouga Local Municipality reflects good overall performance against the dark background of the Covid 19 pandemic and its continued devastation of the Kouga Municipality tourism sector. While the tourism industry was devastated by hard lockdown during the peak holiday season of December 2020, other sectors particularly housing and construction remained strong.

Kouga Municipality managed to exceed its budgeted collection rate by achieving a 94.4% payment rate on its accounts. A Collection Rate of 85% was included in the Budget approved by Council for the 2020/21 financial year.

The actual collection was higher than anticipated due to good Revenue Management. This allowed the budget to be adjusted in Mid-year adjustment budget in February 2021 to a 90% Collection Rate. The year has however ended with an actual Collection rate of 94.4%. This allowed Kouga Municipality to maintain sound financial management ratios and a sustainable cashflow to support operations and its capital program. Kouga Municipality has been able to pay all its creditors on time while maintaining a healthy cash balance.

Managing a Municipality during a Covid 19 pandemic places unique challenges on how the Municipality is operating and how its Governance structures continue to operate while not being able to have physical meetings. We have been fortunate that all governance structures of the Municipality like Council Meetings, Mayoral committees, Portfolio Committee Meetings, MPAC, Audit Committee meetings and Ward Committee meetings could continue by use of virtual platforms available to the Municipality. Kouga Municipality also conducted its IDP consultation meetings by broadcasting live on social media while also allowing participation by interested parties. The impact of the Covid-19 on the institutional service delivery was mitigated by the implementation of a comprehensive risk mitigation strategy adopted by management and implemented by Kouga Municipality occupational health and safety representatives.

Service delivery in Kouga Municipality has been sustained to all towns and communities in Kouga Municipality. Highlights were the continued program to resurface streets in all towns in Kouga Municipality. Additional informal areas were connected to the electrical network. The Community Services Department managed to upgrade the Newton Hall Community Hall, Kruisfontein Civic Centre, Pellrus Hall, Loerie Hall and public ablution facilities in Kabeljows, Pellrus and Cape St Francis while the Clubhouses were upgraded at Tokyo Sport field and Patensie Sport field.

The Service Delivery Call Centre continues to play a pivotal role in the institution serving as the link between the community and service delivery departments. As of 30 June 2021, the Call Centre recorded 54 541 calls for the 20/21 Financial Year for service delivery requests.

The Human Resources of Kouga Municipality have remained to be a strong asset for the municipality and have been able to adapt while continuing to deliver quality services to its residents. Vacancy rates remained low, and all senior managers positions remained filled. The Human Resources achieved a 4th straight clean audit in HR with no queries being raised for 2019/2020 Financial year. Kouga Municipality received a 4th concurrent Letter of Good Standing from the Department of Labour, for the 2021 year. A credible Employment Equity report was submitted to the Department of Labour on the 14th of January 2021. Kouga Municipality also Implemented a Comprehensive Organizational Work-study and started with the implemented the Organizational Work-study Change Management Implementation plan. The Job Evaluation Process for Kouga Municipality was completed and implemented. Kouga Municipality did however experience a unprotected strike by SAMWU members resulting in dismissals. Kouga Municipality managed to continue full-service delivery during this strike.

I would like to express my appreciation to my senior management team and staff members for their continuous hard work and effort to continue to improve on our service delivery to our communities. I also want to thank the Executive Mayor Cllr. Horatio Hendricks and his Mayoral Committee for their support and commitment during the financial Year.

A handwritten signature in black ink, appearing to read 'Charl du Plessis', written in a cursive style.

Charl du Plessis: Municipal Manager

1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

OUR VISION Kouga – Good Governance through Service Excellence.

OUR MISSION To create a better life for its people by providing effective and efficient service delivery, enabling the sustainable harnessing of its environmental assets, supported by inclusive governance and stakeholder participation, derived from the shared values of its people and its legislated mandate.

The Values underpinning our Vision and Mission are:

Honesty	Integrity	Professionalism
Transparency	Consistency	People-centred Accountability
Accessibility	Equality	Batho Pele

FUNCTIONS - In terms of Circular 8/2009: Adjustment of Powers and Functions between District and Local Municipalities, the Kouga Municipality has the following powers and functions to fulfil:

POWERS AND FUNCTIONS	
Abattoirs	Air Pollution
Beaches and Amusement Facilities	Billboards and the Display of Advertisements in Public Places
Building Regulation	Cemeteries, Funeral Parlours and Crematoriums
Child Care Facilities	Control of Selling Liquor
Control of the Public Nuisances	Electricity Reticulation
Facilities for the Accommodation, Care and Burial of Animals	Fire Fighting
Health and Environmental Health Services	Licensing and Control of Food Sold to the Public
Local Amenities	Local Tourism and Economic Development
Local Sports Facilities	Markets
Municipal Airports	Municipal Planning
Public Transport	Sanitation
Storm Water	Trading Regulations
Water (Potable)	

POPULATION Despite it being the second smallest region in the Sarah Baartman District, covering only 4,1% of the district's land area, Kouga is the most populous region in the district with a population of 112 941 (Community Survey 2016), representing approximately 22% of the total population of the district.

Kouga also has the fastest annual growth rate in the district. Since 1996, the population has increased at an average of 2, 4% per annum compared to the annual growth rate of 1,1% in the district and 0,3% in the province.

Kouga is characterized by vast differences in population density from one area to the next. These variations have an impact on the cost-of-service delivery while migration to the urban areas places additional pressure on the existing infrastructure of these high-density areas.

The Influx of job seekers has also impacted negatively on employment figures. According to "Labour Force Survey Data" for 1995 to 2010 (Stats SA), employment in the region declined by 11,7% between 1995 and 2010 while the working age group increased by 25%. This means that 80,3% of the working age group had employment in 1995, compared to 56,8% in 2010

LOCATION Kouga Local Municipality forms part of the Sarah Baartman District Municipality in the Eastern Cape Province of South Africa. It is situated west of Nelson Mandela Bay Municipality (Port Elizabeth, Uitenhage and Despatch) and covers a total land area of 2 418km².

The nine towns included in Kouga are Jeffreys Bay, Humansdorp, St Francis Bay, Cape St Francis, Oyster Bay, Patensie, Hankey, Loerie and Thornhill.

TOPOGRAPHY AND CLIMATE Kouga is largely an urban area, with three main topographical regions. The coastal region stretches from the Van Stadens River in the east to the Tsitsikamma River in the west. This zone includes the towns of Jeffreys Bay, St Francis Bay, Cape St Francis and Oyster Bay. The coast serves as a major tourism attraction.

The Gamtoos River Valley is characterized by wide, fertile flood plains associated with low-lying land. Steep and less-fertile slopes flank the Valley. The towns of Hankey, Patensie, Loerie and Thornhill are focal points of this high-potential agricultural region.

The Humansdorp area, including Kruisfontein, is characterized by moderate slopes in the south, with steeper slopes towards the north and northwest.

The four main rivers in the area – the Kromme, Seekoei, Kabeljaws and Gamtoos – are tidal rivers. Dams constructed above the tidal zone in the Kromme River and Gamtoos River are significant sources of water supply. Ground water is another major component of domestic water supply. Aquifers are also utilized in the agricultural sector for irrigation.

There are numerous areas of wetland adjacent to the region's rivers and on the coastal platform which are extremely sensitive to disturbances such as agricultural activities and development, accommodating high species diversity and fulfil natural water purification and flood retention roles.

The climate of the Kouga region is subtropical, which makes the area conducive to a range of outdoor activities and various types of agricultural production. Rainfall varies between 650 mm per year (St Francis Bay area) to 400 mm (Gamtoos River Valley). The area is generally described as windy.

ECONOMY Kouga’s total output / Gross Value Added (GVA), which is used to measure the value of production in a region, has shown erratic growth since 1996. “Regional Income and Production Data” for 1995 to 2010 (Stats SA) indicates that the economic sector of Kouga is dominated by secondary and tertiary activity.

In 2010 the leading industries were finance, insurance, and real estate (FIR) at 33,3%, manufacturing (MAN) at 19,1% and general government (GG) at 14,2%. With its growth outpacing all other industries, FIR has since 1996 overtaken wholesale and retail trade, catering, and accommodation (WRCA) as the largest contributor to GVA. WRCA’s proportion to Kouga’s output has plummeted from 21% in 1995 to 10,3% in 2010.

The contribution of the main primary sector – agriculture, forestry, and fishing (AFF) – has also decreased from 11,8% in 1995 to 3,5% in 2010. However, manufacturing proportion saw an increase of 4,8% over the same period. Whilst the primary sector dominated employment up until 2005, the tertiary sector has since taken over this role.

According to the 2011 Census, Kouga Municipality is currently the fastest growing economy in the country. With the onset of several megaprojects in the area, there is phenomenal growth and influx of people into the area, and this has a big impact on the economy. It also impacts on the services of the area as well. This has the positive effect of job creation and added business opportunities for Kouga. It is said that there is 3,22% growth rate in the population and Kouga is ranked 114th by population size in the country.

1.3 SERVICE DELIVERY OVERVIEW

Community Services

- Public open spaces were cleared and beautified in partnership with “Dorp van Drome”, Paradise Neighbourhood Watch, Woodlands, JBAY Surfers, The Marina Martinique, Slabbert Attorneys and other community groups and schools during the 2020/21 financial year.
- Mandela Day 18 July 2020 – clean ups in Humansdorp, Pellsrus and main Beach Jeffreys Bay.
- The Waste Management section procured 10 skip bins for designated areas for waste and litter disposal.
- 10 x Education and awareness campaigns (COVID-19)
- Construction of 533 meters rock revetment from on St Francis Spit.
- Repair of rock revetment on the St Francis Bay Main Beach
- Coastal Clean-up Jeffreys Bay and St Francis Bay 19 September 2020
- A tree planting drive was initiated as a commitment to combating climate change. A total number of 1080 trees were planted.
- Procurement of 10 X 6m3 Skip Bins
- Installation of weighbridge at Humansdorp landfill
- Completion of Fencing at Humansdorp Fire Station
- Procurement of a 6000 L Water Tanker & Mini Pumper
- Procurement of a Rescue Vehicle and a 2.5 Ton 4 x 4 Chassis Fire Fighting Vehicle
- Procurement of Uniforms for Fire & Disaster Management Personnel
- Completion of Servicing of Fire Hose Reels
- Working on Fire has joined forces with Kouga Municipality to address the issues faced by the municipality with public open spaces.

- Achieved a response time within 15 minutes from leaving the station to the scene
- Procurement of Fire Extinguisher Equipment.
- Activation of more than 100 Disaster Volunteers to assist during the COVID-19 period.
- Updated, complete and final Disaster Management Plan
- Issuing of blankets, mattresses as well as food parcels to fire and flooding affected families
- Fencing of Yellow Woods Caravan Park and Resort
- Procurement of 4 Jack hammers, 4 Water pumps and 4 Generators
- Procurement of 2 x Chippers
- Procurement of 12 x Outdoor benches and 19 x bins
- Blue Flag Beach status awarded for 2020/21 Season
- Clubhouse upgraded (Tokyo Sport field & Patensie Sport field)
- Upgrading of Community halls (Newton Hall, Kruisfontein Civic Centre, Pellsrus Hall + Loerie Hall)
- Upgrading of public ablution facilities (Kabeljous, Pellsrus ,Cape St Francis)
- Upgrading of 2 x Caravan Parks (Yellow woods and Jeffreys Bay Caravan Park. Material procured for the Pellsrus Caravan Park
- Procure 1 boardroom projector and screen
- Six LPR cameras and Eleven colour view over-watch cameras were installed
- 43 Joint operations and 25 Roadblocks conducted to keep Kouga safe, Operations included SAPS, Traffic, Law Enforcement
- Achieved a target of issuing of fines which amounted to 3950 Traffic and Law Enforcement fines issued
- Permanent Appointment of 4 Filing Clerks.
- Hankey driving license testing centre re-opened and is fully operational
- One cashier was trained by Department of Transport

Corporate Services

Administration

- The Service Delivery Call Centre continues to play a pivotal role in the institution serving as the link between the community and service delivery departments. As of 30 June 2021, the Call Centre recorded 54 541 calls for the 20/21 Financial Year.
- Committee services is the engine room of Corporate Services, being the interface between the political leadership and administration. The standard of services rendered by Committee services continues to improve thus enabling the politicians to exercise greater oversight over the administration. The Committee Services Team has to date transferred 35 997 documents onto the new Electronic Document Records Management System and will continue to transfer all relevant committee documents. These documents include previous Council Agenda's and minutes, Mayoral Agenda's and minutes and Portfolio Agenda's and minutes.
- A schedule of Meetings/Annual Calendar of the Mayoral Committee, Portfolio and Council meetings continues to be implemented and enhanced with closure dates for items and distribution dates being reflected on the improved calendar thus assisting authors of items with compliance. With the new approved calendar, Committee Services will now invite relevant

officials and Councillor's, by making use of the outlook calendar to ensure that attendance is adhered to.

- Reports on printing usage, advertising, scanning, building maintenance costs and Call Centre activities was created to allow Council to exercise greater oversight.
- Several Ward Cllr offices were renovated. 94% of the allocated budget was spent
- Various office renovations were undertaken thus improving the working environment in compliance with the Occupational Health and Safety Act. 85% of the allocated budget was spent
- Telkom landline total costs from FY 2019/20 to FY 20/21 decreased significantly by 93%
- A new filing cabinet (high density filing cabinet) was installed for the Registry section, which resulted in better spacing of the filing room and better filing sequencing.
- Uniform purchased for Cleaners and Maintenance employees, to ensure neatness and uniformity.
- The EDRMS system went live and is functional. The system allows the storage and safekeeping of all files and documents for the organization and for files to be made available electronically. As of 30 June 2021, 4 252 088 documents have been scanned and stored to date.
- New visitor chairs were procured for the Council Chamber, to improve seating arrangements.
- A Biometric system was installed to enhance safety of employees and for access control. This is an on-going project – to roll out to all other Municipal Buildings within Kouga.

Human resources

- Achieved a 4th straight clean audit in HR with no queries being raised for 2019/2020 Financial year.
- Received a 4th concurrent Letter of Good Standing from the Department of Labour, for the 2021 year.
- Submitted a credible Employment Equity report to the Department of Labour on the 14th of January 2021.
- Submitted a credible Workplace Skills Plan to LGSETA on the 29th of April 2021.
- Implemented a Comprehensive Organizational Work-study.
- Implemented the Organizational Work-study Change Management Implementation plan
- Completed the Job Evaluation Process for the Municipality.
- Implemented a successful Organizational structure change management transition process
- Spend 98,13% of the Skills budget on human capital development
- Developed a credible Employment Equity Plan

Finance

- A Collection Rate of 85% was included in the Budget approved by Council for the 2020/21 financial year. The actual collection was higher than anticipated due to good Revenue Management. This allowed the budget to be adjusted in Mid-year adjustment budget in February 2021 to a 90% Collection Rate. The year has however end with an actual Collection rate of 94.4%
- The Expenditure Section has ensured that payments to SMMEs are prioritized, and two pay-runs were held per month to support the development of SMMEs
- A full verification of all property, plant and equipment was performed to confirm the existence and accurate recording of all assets of the Municipality.

- A new Service Provider was appointed to handle all insurance claims of the Municipality and the claims are being managed well.
- After struggling to find a suitable, competent ICT Manager through the recruitment processes, the Municipality has managed to make an appointment of an ICT Manager.

Infrastructure and Engineering

- Complete Fencing of Kruisfontein wastewater treatment works.
- Surfacing of Tshume Street in Hankey.
- Procured 2 off mobile generators
- Resealing of roads.
- Installed security cameras at various infrastructure sites eg depot in Jeffreys Bay and sewer pump stations
- Installation of various traffic calming measures (speed humps) throughout Kouga.
- Completed upgrade and commission inlet works at Kwanomzamo wastewater treatment works (WSIG)
- Completion and Commissioning of Sewer Treatment works Patensie at Correctional service site (MIG)
- Appointment of Professional service provider to undertake pre planning activities up to design stage for the upgrading and refurbishment of aging infrastructure on various capital projects
 - I. Replacement of water main Mimosa Str Jeffreys Bay
 - II. Replacement of water reticulation network St Francis Bay
 - III. Upgrade sewer rising main from La Mer sewer pump station Jeffreys Bay
 - IV. Refurbishment of concrete water tower Paradise Beach
 - V. New sewer bypass rising main Jeffreys Bay
 - VI. Installation of waterborne sewer reticulation St Francis Bay
 - VII. Repair/Upgrade main water line suspension bridge TO St Francis Bay over Sout River
 - VIII. Upgrade Loerie sewer pump station
- Saffery Substation upgrade in Humansdorp (Electrical)
- 66kV overhead line between Melkhout and Jeffrey's Bay main substation (Electrical)
- Supply and installation of high mast lights (Electrical)
- Electrification programs in Humansdorp in informal settlements (Electricity)
- Festive lights (Electricity)
- Workers PPE (Electricity)

Planning, Development and Tourism

Human Settlements

- Construction of 220 houses (Pellsrus 220).
- Construction and electrification of 232 Temporary houses for Stofwolk.
- Construction and electrification of 300 Temporary houses in Donkerhoek (Mooiuitsig)

- Selection of Kouga municipality as one of 6 municipalities to participate in the Municipal Social Housing Support Program
- Launch of Social Housing and FLISP Development
- NUSP Funding approval
- Appointment of Professional Service Provider (PSP) for Oceanview 200 top structures

CHAPTER 2 : GOVERNANCE

Governance is the processes and culture that guide the activities of the municipality beyond its basic legal obligations. Good governance ensures the proper utilization of all state resources for its citizens this ensuring sustainable development. Political leaders and the heads of administration have a responsibility to the communities they serve to ensure good governance. Good governance in local government is when elected political leaders:

- act with the highest ethical standards.
- understand their role and the role of others.
- foster trusting and respectful relationships.
- show a commitment to risk management.
- engage in effective strategic planning.
- follow a transparent and accountable decision-making process.
- make good decisions that promote the interests of the community they serve.
- understand and abide by the law.
- commit to continuous improvement; and
- have sound judgement.

Good governance is important because it supports Council to make decisions and to act in the best interests of the community.



Good governance is accountable.

Accountability is a fundamental requirement of good governance. Local government has an obligation to report, to explain and to be answerable for the decisions it has made on behalf of the community it represents and serves.

Good governance is transparent.

People should be able to follow and understand the decision-making process. This means that they can clearly see how and why a decision was made – what information, advice, and consultation a Council considered, and which legislative requirements a Council followed.

Good governance is law-abiding.

Decisions must be consistent with relevant legislation and be within the powers of local government.

Good governance is responsive.

Local government should always try to represent and serve the needs of the entire community while balancing competing interests in a timely, appropriate, and responsive manner.

Good governance is equitable.

A community's wellbeing depends on all its members feeling that their interests have been considered by their municipality in the decision-making process. All groups, particularly the most vulnerable, should have opportunities to participate in the decision-making process.

Good governance is participatory and inclusive.

Anyone affected by, or interested in, a decision should have the opportunity to participate in the decision-making process. Participation can happen in several ways – community members may be provided with information, asked for their opinion via a public participation process.

Good governance is effective and efficient.

Local government should implement decisions and follow processes that make the best use of the available people, resources and time, to ensure the best possible results for their community.

Good governance is consensus oriented.

Wherever possible, good governance involves taking into account the different views and interests in a municipality to reach a majority position on what is in the best interests of the whole community, and how it can be achieved.

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.1 POLITICAL GOVERNANCE

Kouga is a Category C Local Municipality with an Executive Mayoral System where powers are vested in the Executive Mayor elected by the Council. The Executive Mayor has appointed a committee to which he delegated certain responsibilities. This committee is the Mayoral Committee.

LEADERSHIP: EXECUTIVE MAYOR, SPEAKER AND MAYORAL COMMITTEE



EXECUTIVE MAYOR
Cllr Horatio Hendricks



SPEAKER
Cllr Hatting Bornman



Cllr Timothy Jantjes
Corporate Services



Cllr Ben Rheeder
**Planning, Development
& Tourism**



Cllr Brenton Williams
Finance



Cllr Willem Gertenbach
Infrastructure & Engineering



Cllr Daniel Benson
Community Services



Cllr Francis Baxter
**Local Economic
Development & Tourism**

PR COUNCILLORS



Cllr Cynthia August



Cllr Francis Baxter



Cllr Daniel Benson



Cllr Nico Botha
(Aug 2016 -Nov 2020)



Cllr Jacques Alexander
(Jan 2021 -date)



Cllr Malibongwe
Dayimani



Cllr Bryan Dhludhlu



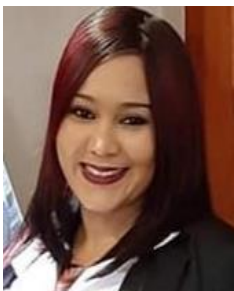
Cllr Timothy Jantjes



Cllr Robin Jantjes



Cllr Marthina van
Niekerk



Cllr Melanie Biko



Cllr Phumza Nkwalase



Cllr Phumzile
Oliphant



Cllr Brenton
Williams



Cllr Cynthia
Matroos

WARD COUNCILLORS



Ward 1
Zolani Mayoni



Ward 2
Timothy Meleni



Ward 2
Robert Dennis



Ward 3
Willem Gertenbach



Ward 4
Freddy Campher

(Aug 2016 – June 2020)

(Nov 2020 to date)



Ward 5
Wilma Coenraad



Ward 6
Velile Vumazonke



Ward 7
Chico February



Ward 8
Ludwig Vorster



Ward 9
Sibongile Jujwana



Ward 10
Amos Mabukane



Ward 11
Hatting Bornman
(Speaker)



Ward 12
Ben Rheeder



Ward 13
Margaret Peters



Ward 14
Sindiswa Makasi



Ward 15
Horatio Hendricks
(Executive Mayor)

HEAD OF COUNCIL				
1	Horatio Mario	Hendricks	DA	Executive Mayor
2	Chris Hattingh	Bornman	DA	Speaker
MAYORAL COMMITTEE				
1	Willem	Gertenbach	DA	Portfolio Council: Infrastructure & Engineering (Dec 2020 to date)
	Bryan	Dhludhlu	DA	Portfolio Council: Infrastructure & Engineering (Feb 2020 - Dec 2020)
2	Timothy	Jantjes	DA	Portfolio Council: Corporate Services (Feb 2020 to date)
	Frederick Jacobus	Campher	DA	Portfolio Council: Corporate Services (Feb 2020 – Dec 2020)
3	Daniel	Benson	DA	Portfolio Council: Community Services
4	Brenton John	Williams	DA	Portfolio Council: Finance
5	Frances	Baxter	DA	Portfolio Council: Local Economic Development & Tourism
6	Benjamin Fredeman	Rheeder	DA	Portfolio Council: Planning & Development
PR COUNCILLORS				
1	Frances	Baxter	DA	PR Cllr
2	Brenton John	Williams	DA	PR Cllr
3	Daniel	Benson	DA	PR Cllr
4	Jacques Nicolaas Stephanus	Alexander Botha	DA	PR Cllr (Jan 2021 to date) PR Cllr (Aug 2019 – Nov 2020)
5	Robin	Jantjies	DA	PR Cllr
6	Marthina	Van Niekerk	DA	PR Cllr
7	Timothy	Jantjes	DA	PR Cllr
8	Cynthia	August	DA	PR Cllr
9	Melanie	Biko	DA	PR Cllr
10	Bryan	Dhludhlu	DA	PR Cllr
11	Malibongwe Emmanuel	Dayimani	ANC	PR Cllr
12	Phumzile Joseph	Oliphant	ANC	PR Cllr
13	Cynthia Nomathamsanqa	Matroos	ANC	PR Cllr
14	Phumza	Nkwalase	ANC	PR Cllr
WARD COUNCILLORS				
1	Julius Zolani	Mayoni	ANC	Ward 1
2	Robert Hitzeroth	Dennis Meleni	ANC	Ward 2 (Nov 2020 to date)
	Timothy Ncedile			Ward 2 (Aug 2016 – June 2020)

HEAD OF COUNCIL				
3	Willem Petrus Dormehl	Gertenbach	DA	Ward 3
4	Frederick Jacobus	Campher	DA	Ward 4
5	Wilma	Coenraad	DA	Ward 5
6	Velile Solomon	Vumazonke	ANC	Ward 6
7	Eldridge Reginald	Februarie	ANC	Ward 7
8	Ludwig	Vorster	DA	Ward 8
9	Sibongile	Jujwana	ANC	Ward 9
10	Amos	Mabukane	ANC	Ward 10
11	Chris Hattingh	Bornman	DA	Ward 11
12	Benjamin Fredeman	Rheeder	DA	Ward 12
13	Margreth	Peters	ANC	Ward 13
14	Cynthia Sindiswa	Mandeka (Makasi)	ANC	Ward 14
15	Horatio Mario	Hendricks	DA	Ward 15

The Council consists of 29 Councillors made up as follows:

17 Democratic Alliance Councillors: (5 Female, 7 Ward, 10 PR)

12 African National Congress Councillors: (4 Female, 8 Ward, 4 PR)

The Council established several Committees to enable it to deliver on its constitutional mandate.

Section 80 Committees

The following Portfolio Committees have been established in terms of Section 80 of the Municipal Structures Act to assist the Mayor and the Mayoral Committee: -

- a) Community Services Portfolio Committee
- b) Infrastructure and Engineering Portfolio Committee
- c) Finance Portfolio Committee
- d) Corporate Services Portfolio Committee
- e) Planning & Development Portfolio
- f) Local Economic Development and Tourism Portfolio Committee

Each of the Support Committees deliberates on matters that fall within its specific terms of reference and makes recommendations to the Mayoral Committee for final approval by full Council where necessary.

The Mayoral Committee has wide ranging delegations except for the powers provided to Council in terms of Section 160 (2) of the Constitution of the Republic of South Africa, 1996. The following functions may not be delegated by a Municipal Council:

- The passing of by-laws.
- The approval of budgets.
- The imposition of rates and other taxes, levies, and duties; and

- The raising of loans.

The Mayoral Committee makes recommendations for approval by Council on such matters.

Section 79 Committees

In addition, Council has established the following Committee in terms of Section 79 of the Municipal Structures Act: -

- a) Municipal Public Accounts Committee

The Municipal Public Accounts Committee which is made up of non-executive Councillors ensures that the Administration is held accountable for the management of municipal funds and assets, and to ensure the efficient and effective utilization of council resources. The Committee also considers the Annual Report and makes recommendations to Council on the Annual Report by submission of an Oversight Report. The Committee's Oversight Report is published separately in accordance with the Municipal Finance Management Act.

Statutory Committees

Administrative Committees

Council has also established administrative committees as follows: -

- a) Audit/Performance Audit Committee
- b) Bid Specification Committee
- c) Bid Evaluation Committee
- d) Bid Adjudication Committee

The Audit Committee is established in terms of Section 166 of the Municipal Finance Management Act. It is an independent external committee, which provides an oversight, compliance, and advisory function.

The Municipal Supply Chain Management Regulations requires a committee system for competitive bids, consisting of a Bid Specification, a Bid Evaluation, and a Bid Adjudication Committee.

The Bid Specification Committee compiles the specifications for all goods or services procured by the municipality.

The Bid Evaluation Committee evaluates bids in accordance with the specifications for a specific procurement, and the points system set out in the SCM (Supply Chain Management) Policy and Regulations and as prescribed in terms of the Preferential Procurement Policy Framework Act.

The Bid Adjudication Committee considers reports and recommendations of the bid evaluation committee and makes a recommendation to the Accounting Officer to make the final award; or makes another recommendation to the Accounting Officer on how to proceed with the relevant procurement.

2.2 ADMINISTRATIVE GOVERNANCE



Charl Du Plessis
Municipal Manager



Nomvula Machelesi
Director Community Services



Krishen Moodley
Director Corporate Services



Riaaz Lorgat
Chief Financial Officer

VACANT
Director Infrastructure and Engineering



Fezeka Mabusela
Director Planning, Development and Tourism

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

In terms of the MFMA section 60(b), the Municipal Manager is the Accounting Officer and must provide guidance on compliance with this Act to political structures, political office bearers, and officials of the municipality.

As head of administration, the Municipal Manager ensures that the municipality is managed in accordance with all legislation applicable to local government. He undertakes various administrative responsibilities in relation to Council such as advising the political structures and political office bearers of the municipality; managing the communications between the municipality's administration and its political structures and office bearers; and carrying out the decisions of the political structures and political office bearers of the municipality. In addition, he is responsible for the human resources of the municipality ensuring that the municipality has the requisite human resources who are functioning at an optimal level to enable it to deliver on its mandate.

As the Accounting Officer, the Municipal Manager is responsible for general management of municipal finances, including asset and liability management, revenue and expenditure management and budget implementation. In his role as Accounting Officer, he must also assist the Mayor in performing the

budgetary functions assigned to the Mayor in terms of Chapters 4 and 7; and provide the Mayor with the administrative support, resources and information necessary for the performance of those functions.

There are five Directorates which report to the Municipal Manager. Each Directorate is responsible for a Service Cluster (Key Performance Area) with some overlapping responsibilities:

DIRECTORATE	FUNCTION
Community Services	Basic Service Delivery
Corporate Services	Good Governance and Public Participation Institutional Development and Transformation
Planning, Development & Tourism	Town Planning, Spatial Development, Local Economic Development and Tourism
Infrastructure & Engineering	Infrastructure and Basic Service Delivery
Financial Services	Financial Viability and Management

COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.3 INTERGOVERNMENTAL RELATIONS

With the advent of Covid-19 and lockdown regulations, intergovernmental relations were limited to Joint Operations Committee Meetings where various sectors of Government discussed various relevant matters.

Joint Operations Committee Meetings were held as follows:

Kouga JOC Meetings		
Quarter 1		
July 2020	August 2020	September 2020
3 July 2020	7 August 2020	05 September 2020 Virtual
25 July 2020	14 August 2020	12 September 2020 Virtual
31 July 2020	18 August 2020	17 September 2020 Special JOC @ FNB
	21 August 2020	
	22 August 2020	
	28 August 2020	
Quarter 2		
October 2020	November 2020	December 2020
2 October 2020	11 November 2020	15 December 2020
9 October 2020	17 November 2020	22 December 2020
15 October 2020	19 November 2020	29 December 2020
23 October 2020	24 November 2020	

30 October 2020			
Quarter 3			
January 2021	February 2021	March 2021	
5 January 2021	2 February 2021	2 March 2021	
12 January 2021	16 February 2021	16 March 2021	
19 January 2021			
26 January 2021			
Quarter 4			
April 2021	May 2021	June 2021	
6 April 2021	2 May 2021	2 June 2021	
20 April 2021	4 May 2021	3 June 2021	
	20 May 2021	10 June 2021	
	26 May 2021	17 June 2021	
	27 May 2021		23 June 2021
			24 June 2021
		30 June 2021	

Mayoral Intergovernmental Meetings were held on 20 August 2020 and 24 March 2021.

COMPONENT C: PUBLIC PARTICIPATION

2.4 PUBLIC MEETINGS

Kouga engaged with communities at commemorative events, public hearings, workshops, project launches and meetings during the 2020/21 period as reflected hereunder.

DATE	PROGRAM	VENUE
01 - 31/08/20	Women's Wellness Campaign	Virtual (Oasis FM)
18/09/20	District Speaker's Forum	Sarah Baartman District
01/10/20	Cancer Awareness Campaign (Month)	Kouga Towns
09/02/21	Social Housing Stakeholders Meeting	Jeffreys Bay
15 - 26/02/21	Human Settlement Population Survey	Hankey
22/02/21	Covid-19 Surge Public Hearings	Jeffreys Bay
04/03/21	Youth Policy Consultation Forum	Kouga (Virtual)
10/03/21	District Initiation Forum	Sarah Baartman District
01/04/21	Drought Program	Gamtoos Valley
13/04/21	Sarah Baartman District Municipality IDP Roadshow	Jeffreys Bay
12 - 15/04/21	IDP Roadshow (Virtual Streaming)	Jeffreys Bay
20/05/21	District Initiation Forum	Jeffreys Bay
07/06/21	Consultative Forum for Traditional Health Practitioners	Jeffreys Bay
18/07/21	Mandela Day	Kruisfontein

2.5 COMMUNICATION

2.5.1 WEB-SITE

The municipal website, www.kouga.gov.za is one of the most important communication tools available to the municipality. It is updated regularly and used to disseminate a wide variety of information to the public and other interested parties.

This information includes reports and documents which municipalities are legally required to make public such as the Integrated Development Plan (IDP) and the Medium-Term Revenue and Expenditure Framework (MTREF), as well as quarterly and monthly finance reports which are compiled and published in accordance with the Municipal Finance Management Act (MFMA) and Division of Revenue Act (DORA).

Tender advertisements, notices and vacancies are also published on the website to ensure as a wide a reach as possible. Other information placed on the website includes municipal contact numbers and media releases. Application and registration forms can also be downloaded from the website.

The following documents must appear on the website after approval:

- Annual Report.
- Integrated Development Plan.
- Service Delivery Budget Implementation Plan.
- Performance Agreements of s57 and s56 managers.
- List of disposed assets.
- Supply Chain Contracts.
- Long -term borrowing contracts.
- Public Private Partnership Agreements.
- Service Delivery Agreements.
- Section 52 (d) reports for the 4th quarter.

There is also a special section for ratepayers where they can register to view their accounts and property information online.

Municipal Website: Content and Currency of Material			
	Documents published on the Municipal Website	Yes/No	Publishing date
1	Annual Budget 2021/22	YES	3 June 2021
2	Final IDP 2020/21	YES	12 August 2020
3	All budget policies	YES	Various dates
4	All service delivery agreements	NO	N/A
5	All long-term borrowing contracts	YES	Various dates
6	All SCM contracts above R100 000 per quarter	YES	Various dates
7	Public-private partnership agreements	N/A	N/A
8	Service Delivery and Budget Implementation Plan: 2020/21	YES	21 August 2021
9	Performance Agreements: Senior Managers	YES	7 December 2020
10	2019/20 Annual Report	YES	20 April 2021
11	2020 Employment Equity Plan	YES	21 January 2021
12	Performance Plans 2020/2021	YES	7 December 2020

2.5.2 INTERNAL COMMUNICATIONS

Internal Communications is about promoting effective communications among people within the municipality. It involves producing and delivering messages and campaigns on behalf of management and council. It further assists to facilitate a dialogue with employees.

Internal Communications can vary from announcing a new policy or informing people of an upcoming event, to conducting a municipal wide engagement.

The Internal Communications Section was officially manned in October 2020 and has since played an instrumental role in the municipality.

It has kept employees abreast of upcoming events, policy changes and engagement initiatives. It has further assisted in redefining and moulding the organizational culture to uplift employee morale. It has also allowed them to engage on relevant matters which have facilitated a bottom-up approach of communications.

Internal Communications has kept employees informed in times of crisis, be it COVID-19 related information or the way forward during the Strike Action that took place in the municipality.

It has initiated the production of the Kouga Municipality Corporate Identity Manual which guides the application of the corporate identity applications.

It has further introduced Corporate Wear for the purpose of identification and creation of organization culture.

It has supported initiatives that are close to the hearts of employees and residents such as the introduction of the Autism Care Centre in Kouga, the first Virtual Comrades Marathon held in Kouga, commemoration of Women's Day/Month, Breast Cancer Awareness as well as various COVID-19 activations internally and externally.

More exciting initiatives are still in the pipelines which are going to build upon the successes of the internal communications function.

2.5.3 EXTERNAL COMMUNICATIONS

Kouga Local Municipality is committed to two-way communication, building relationships with its internal and external stakeholders and forming partnerships with the public and private sector.

The Media and Communication Unit, located in the Office of the Municipal Manager, is responsible for coordinating communication activities in the municipality – providing information to its internal and external stakeholders about municipal programmes and services in an accurate, timeous, relevant, and understandable manner.

In this regard, the Media and Communication Unit develop and implement communication plans and produce publications for information dissemination.

Responsibilities include the following:

- Media
- Publicity
- Speechwriting
- Providing communication support to campaigns and events
- Designing and printing communication materials
- Social Media
- Advertising
- Branding and corporate identity

Social Media

For the 2020/2021 financial year, the bulk of communication was done through Kouga Municipality's official Facebook Page, with the number of page likes increasing by 3 211, from 13 932 to 17 143, from July 2020 to June 2021.

A municipal Instagram page was also created in July 2020. The number of followers at the end of June 2021 stood at 734.

The municipality also has a Twitter page, which was reactivated in October 2020. The number of followers at the end of June 2021 stood at 96.

Media Statements

The municipality issued 254 statements/ releases from July 2020 to June 2021, as well as 74 sound bites and videos. Some 164 media queries were received.

The municipality secured 20 front pages in the Kouga Express for the same period, the community newspaper with the widest reach in the region, as well as nationally through News24 and Netwerk24.

There were also two wrappers and five advertorials in the Kouga Express from July 2020 to June 2021, as well as six free advertisements.

Radio

The municipality started weekly radio interviews on the community radio station, Oasis FM, in October 2020.

Some 31 interviews were conducted from July 2020 to June 2021. The interviews were aired on the radio station and streamed live on Facebook.

2.6 PUBLIC SATISFACTION

With the Public Satisfaction survey conducted as reported in the 2019/20 Annual Report only 39 surveys were completed and submitted.

The 39 submitted surveys were furthermore received from two wards only, namely Ward 3 and Ward 9 and as such could the results not be regarded as representative of Kouga as a whole. It was evident that the approach where notices published, and survey forms being made available at all municipal offices did not achieve the desired result.

An assumption could be made that only those who are not satisfied with service levels would participate in the survey, but the overall results as reported in the 2019/20 Annual Report shows that the respondents were satisfied with the overall service experience, satisfied with the service delivery by Kouga Municipality and satisfied with the way the municipality has been governed.

Generally, the customer satisfaction survey is conducted towards the end of each financial year i.e., around May/June of each year however with the advent of the Covid-19 pandemic and the nationwide lockdown no customer satisfaction survey was conducted for the 2020/21 year.

The methodology in conducting such surveys is currently being evaluated to ensure that the next customer satisfaction survey have a substantially increased number of participants across all wards to better measure the overall levels of satisfaction of residents in the Kouga area.

A fresh customer satisfaction survey shall be conducted before the end of the 2021/22 year.

2.7 IDP PARTICIPATION AND ALIGNMENT

A 5-year Integrated Development Plan for the period 2017-2022 (2021/20 review period).

The IDP was reviewed in consultation with community stakeholders, and the provincial and national governments. The IDP should guide how the provincial and national sector departments allocate resources at local government level. Simultaneously, municipalities must consider the sector departments' policies and programmes when developing own policies and strategies.

The Process Plan was compiled in terms of section 28 and 29 of the Municipal Systems Act, No. 32 of 2000, which specifies that (i) each municipal council must adopt a process set out in writing to guide the planning, drafting, adoption and review of its IDP and (ii) that the process must be in accordance with a predetermined programme specifying timeframes for the different steps.

Furthermore, Chapter 4 and section 21(1) of the Municipal Finance Management Act, No. 56 of 2003 (MFMA) specifies that the mayor of a municipality must at least 10 months before the start of the budget year, table in the municipal council a time schedule outlining key deadlines for the preparation, tabling and approval of the annual budget and the annual review of the integrated development in terms of section 34 of the Municipal Systems Act.

The municipality's IDP Process Plan was adopted by Council on 30 July 2019, Council Resolution 19/07/MM2.

KEY DELIVERABLES IN DEVELOPING THE 2020/21 IDP

- Tabled the IDP Process Plan for the 2020/21 IDP Review on 30 July 2019
- 1 August 2019 Provincial government IDP Assessment of 2019/20 IDP Review
- 23-28 October 2019 Ward Committees met to conduct a situational analysis on the respective wards and to raise critical issues to be considered during the 2020/21 IDP review.
- 28 October 2019 to 26 November 2019 Public Consultation meetings were held to give feedback on the 2019/20 priorities and reprioritize priorities for the 2020/21 IDP review.
- On 12 February 2020 ward committees finalized their reviewed ward priorities and ward specific requests for 2020/21.
- 6 March 2020 Mayoral directional speech on strategic direction for 2020/21 IDP Review.
- A municipal strategic workshop was held 13 March 2020 to determine the strategic direction for the 2020/21 IDP Review.
- On 26 March 2020 the Draft IDP Review 202/21, Draft 2020/21 MTREF Budget and Draft top layer SDBIP 2020/21 were tabled in Council.
- The Final amended IDP was tabled in Council on 26 June 2020, Council Resolution 20/06/MM.

ANNUAL IDP ASSESSMENT FOR THE REVIEW PERIOD 2019/20

The Eastern Cape Government annually assesses the Draft IDP's of municipalities and a report which encapsulates the comments of the MEC for COGTA are issued to all municipalities in the Eastern Cape.

The Department has embarked on a District Cluster Approach where municipalities were assessed per district area. Kouga Local Municipality was assessed on the 1st of August 2019.

The overall findings on the Final IDP 2019/20 of the Kouga Local Municipality can be summarized as follows:

- The municipality has tabled, adopted and submitted its 2019/20 Reviewed Integrated Development Plan for assessment.
- The municipality has conformed to the council approved IDP Process Plan.

- The municipality has conformed to the core components of the IDP as prescribed by Section 26 of the Municipal Systems Act (MSA), 2000 as amended.
- The municipality will refer to its Individual Assessment Report, however a summary of salient issues of the gaps identified per KPA during the assessment will be provided.

The table below illustrates the comparative ratings of the review periods 2017/18, 2018/1,2019/20 and 2020/21.

KPA	RATINGS 2017/18 IDP REVIEW EDITION	RATINGS 2018/19 IDP REVIEW EDITION	RATINGS 2019/20 IDP REVIEW EDITION	RATING 2020/21 IDP REVIEW EDITION
Basic Service Delivery	High	Medium	High	High
Financial Planning and budgets	Medium	High	High	High
Local Economic Development	High	High	High	High
Good Governance & Public Participation	High	High	High	High
Municipal Institutional Arrangements	Medium	Medium	High	High

The municipality received an overall **HIGH** rating from the Office of the MEC which places the municipality in a benchmarking category. All 6 key performance areas received a high score. This is a significant progress from the previous years as can be seen in the table above. The municipality maintained a trend of **HIGH** scoring over the period of its IDP assessment cycle of the 2017-22 IDP.

ADOPTION OF 2020/21 IDP

The 5-year IDP and this subsequent 2020/21 review has been developed to respond to the needs identified by the Kouga community, as well as the institutional requirements that will enable the municipality to address these needs. The IDP also aligns the National, Provincial and District Planning Frameworks to ensure a holistic and integrated approach to development within the municipality.

The 2020/21 IDP Review is a plan, which will inform our communities on how the Kouga Municipality will utilize its resources for the coming 2020/21 financial year to deliver on the adopted 5-year IDP of 2017-2022.

The IDP review for 2020/21 was informed by the following:

- The municipality's performance attained for the 2019/20 financial year as well as the mid-year performance for 2019/20 financial year.
- Comments from the MEC for Local Government and Traditional Affairs and other stakeholders; and
- Changing circumstances in the municipal area.

The 4th generation IDP cycle's 3rd review for the period 2020/21 and was adopted on 26 June 2020, Council Resolution 20/06/MM1.

Alignment with Sector Departments

Regular meetings with the District Municipality were held namely the District Consultative Forum as well as the 2 District IDP Representative Forum meetings. The inputs from the sector departments were obtained during the Project Phase of the IDP as well as from inputs from the District IDP Representative Forum. 12 Local IDP Representative Forum Meetings were held during the review period. The interaction with the sector departments remains crucial to fully integrate and align programmes within the province.

Local Community Participation

Stakeholder Consultation

Kouga Local Municipality places a high premium on inclusivity and subsequently the involvement and participation of all relevant stakeholders forms an essential component of the IDP Process.

The initial planning was to have 2 public meetings for the year in review. The 1st round of meetings was successfully held in November/December 2019, but all public meetings were halted due to the Covid-19 pandemic which has reached South Africa in March 2020. Subsequently the President of South Africa announced a national lockdown on 27 March 2020.

Ward Based Planning

Ward-based planning was done through regular meetings with the ward committees assisted by the public participation section. These inputs were incorporated in the final IDP priorities of the year in review. Workshops were held in Jeffreys Bay, Humansdorp and Hankey which were attended by all ward committee members. The inputs from the ward committees were presented to the wards to set ward priorities for consideration during the 1st draft of the IDP.

COMPONENT D: CORPORATE GOVERNANCE

DIRECTORATE: CORPORATE SERVICES

OVERVIEW OF CORPORATE GOVERNANCE

Corporate governance encompasses the structures and processes associated with management, decision-making, and control in the municipality. Corporate governance is based on principles of conducting business with integrity and fairness, being transparent regarding all transactions, making all the necessary disclosures and decisions, complying with all the laws of the land, accountability and responsibility towards the stakeholders and commitment to conducting business in an ethical manner.

The following four ethical values underpin good corporate governance:

- (a) Responsibility: Council should assume responsibility for the assets and actions of the municipality and be willing to take corrective action to keep the municipality on a strategic path that is ethical and sustainable.
- (b) Accountability: Council should be able to justify its decisions and actions to its stakeholders and communities.
- (c) Fairness: Council should ensure that it considers the legitimate interests and expectations of its communities and stakeholders.
- (d) Transparency: Council and Administration should disclose information in a manner that enables the AG and relevant bodies and communities to make an informed analysis of the municipality's performance and sustainability.

2.8 TARGETS AND ACHIEVEMENTS

DEPT. ANNUAL TARGETS	IDP TARGET	ACHIEVEMENT 2020/21	PRIOR ACHIEVEMENT 2019/20	PRIOR YEAR ACHIEVEMENT 2018-19	COMMENT
Imaging and storage of Records	Centralized Records Management	To date 4,252,088 documents scanned and imaged.	Service Provider appointed	Appoint a Service provider	During FY 2019/20. The tender for document imaging and storage was advertised and awarded on 31 August 2019. Since then, the appointed service provider has been actively scanning documents and images into Datastor
Reduction of Telkom phone bill by R60 000 per month	Reduce the Telkom phone bill by R60 000 per month	The Telkom phone bill was reduced further by 93% from FY 2019.20 to FY 2020.21	The Telkom phone bill was reduced by -95% from FY 2018.19 to FY 2019.20	The Telkom phone bill was reduced by an average of R107 000 per month	The total Telkom landline costs between FY 18/19 vs 19/20 decreased significantly by 95% and has further decreased by 93% between FY 19/20 vs 20/21. The difference in cost between FY 18/19 to 20/21 is a staggering R 725 971.03
Acquire New copier/printers and	Acquire New copier/printers and related equipment for	To date - 41% decrease in costs	Equipment has been installed and is in use.	A Tender was awarded for the supply and installation of	The total cost of printing in FY 18/19 vs 19/20 decreased significantly by 42%.

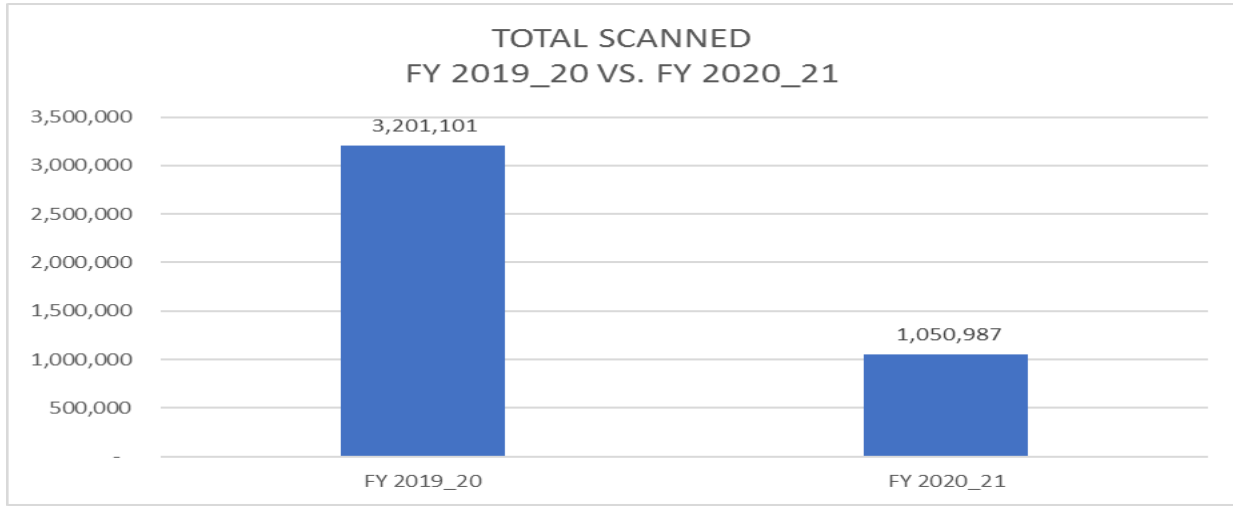
DEPT. ANNUAL TARGETS	IDP TARGET	ACHIEVEMENT 2020/21	PRIOR ACHIEVEMENT 2019/20	PRIOR YEAR ACHIEVEMENT 2018-19	COMMENT
related equipment	the entire organization and Ward offices			copier/printers and related equipment for the organization	<p>The total cost of printing in FY 19/20 vs 20/21 increased 4%.</p> <p>Since FY 18/19 up to FY 20/21, costs decreased by 41%</p> <p>The cost of leasing printers decreased from FY 2018/19 to FY 2020/21 from R1 263 000.00 to R780 000.00. This represents a 38% decrease in leasing printers.</p>
Acquire new Cell phones	Acquire new cell phones and more cost-effective cellular packages for the Municipality	New Specifications sent to BSC and Tender for new cell Phone contract was awarded.	All cell phones acquired are in use. Contract Ends Oct 2020. Specifications to be submitted to BSC for new Cell Phone Tender	Telkom was appointed as the Cellular services provider for the Municipality	Cell phone contract ends October 2020. In the year in question the Telkom contract was in its second year of the contract. The acquisition of the smart cell phones has had a tremendous benefit to the institution and has assisted enormously with service delivery.
Call Centre (Service Delivery)	Expand the Call Centre functionality.	FY 2020/21 recorded the highest number, with 59 549 service delivery requests reported. Reported service delivery requests has increased by 69% and resubmitted service delivery requests has	Call Centre Operator's compliment is at X10, including X1 Call Centre Supervisor	A Call Centre was established in October 2017. As of April 2019, the Call Centre handles service delivery account queries	The Call Centre Team is responsible for the receiving, logging, and dispatching of all service delivery requests. As a result of high call volumes received for account balances by the Revenue section, the necessary software has been installed for the Call Centre staff to issue out account balances to the public.

DEPT. ANNUAL TARGETS	IDP TARGET	ACHIEVEMENT 2020/21	PRIOR ACHIEVEMENT 2019/20	PRIOR YEAR ACHIEVEMENT 2018-19	COMMENT
		decreased by - 42%			
Buildings	Repairs and Maintenance on Administrative Buildings and Ward Offices	Spending on repairs and maintenance increased by 57%. As at 20/21 FY R1 934 485.19 had been spent compared to R835 768.44 in the 19/20 FY.	Administrative Buildings and Ward offices repaired / renovated	0	On-going repairs and maintenance to Ward Cllr Offices and Administrative Buildings
EDMS	Install EDMS	EDMS System commissioned and live	0	0	At 31 January 2020 - EDMS system was acquired via a sec 36 Deviation. Preparations for roll out was due to start in March 2020. Roll out could not commence due to Covid 19 Lockdown. However, the funds allocated for this had to be re-written to the budget FY 2020/21
Biometric System	Install Biometric System	Biometric installed and commissioned at various sections of the Municipality. Ong-going roll out to other sections.	0	0	Tender was advertised and awarded. Roll out could not commence due to Covid 19 lockdown. Budget of FY 2019/20 rolled over FY 2020/21.

Below graphs indicates targets met during FY 2020/21 and indicates a comparison on previous Financial Years:

DOCUMENT, IMAGING AND STORING – FY 2019/20 VS. FY 2020/21

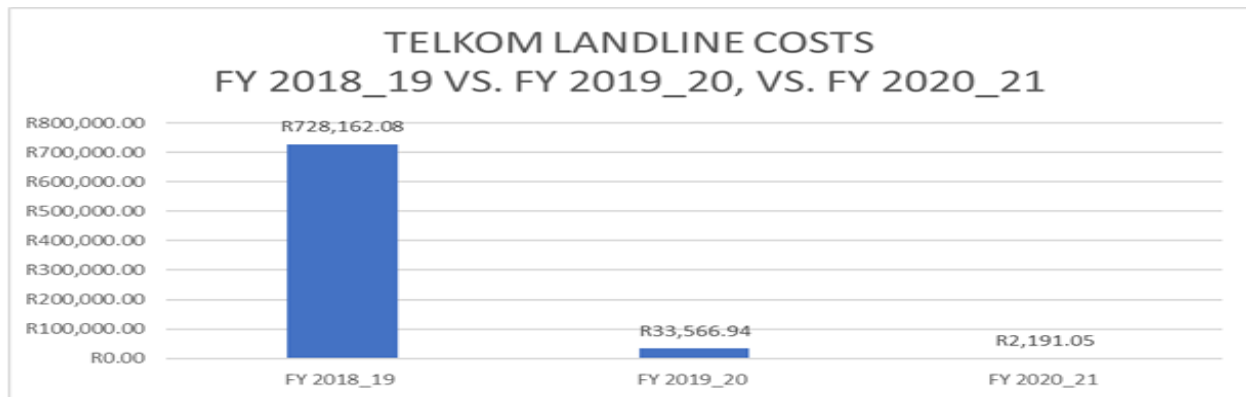
GRAPH 1:



Since the appointment of Metrofile, documents have been consistently scanned into the Datastore program. The total number of documents scanned to date is 4,252,088

TELKOM LANDLINE COST:

GRAPH 1:



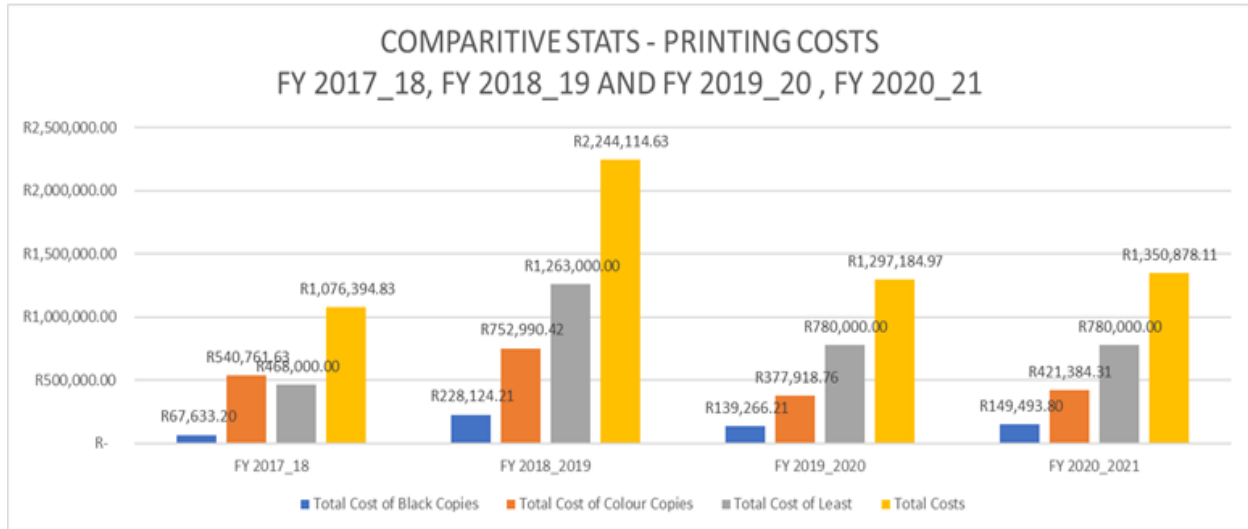
The total Telkom landline costs between 18/19 vs 19/20 decreased significantly by 95% and has further decreased by 93% between 19/20 vs 20/21.

The difference in cost between FY 18/19 to 20/21 is a staggering R 725 971.03

YEAR ON YEAR COMPARATIVE PRINTING STATS - FY 2017/18 to 2020/2021:

GRAPH 1:

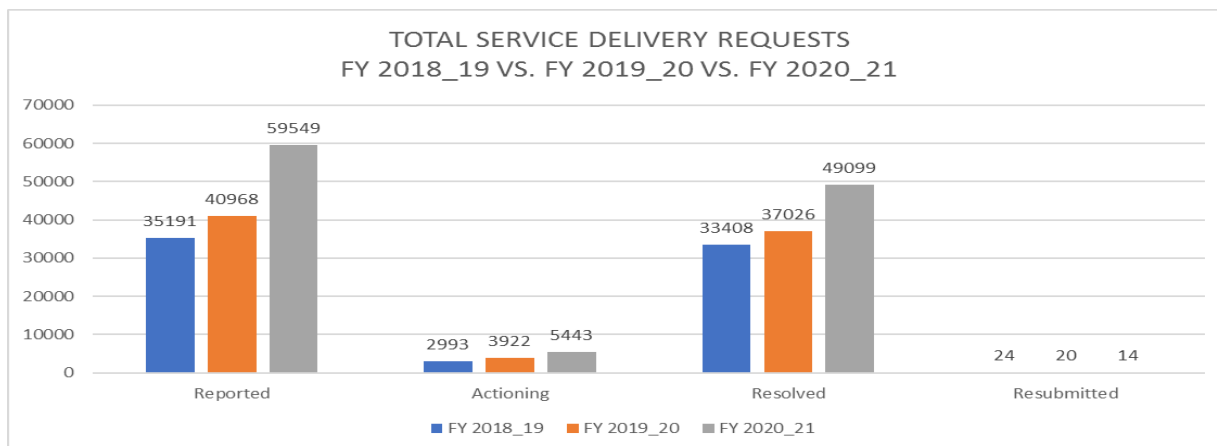
	FY 2017_18	FY 2018_2019	FY 2019_2020	FY 2020_2021
Total Cost of Black Copies	R 67,633.20	R 228,124.21	R 139,266.21	R 149,493.80
Total Cost of Colour Copies	R 540,761.63	R 752,990.42	R 377,918.76	R 421,384.31
Total Cost of Lease	R 468,000.00	R 1,263,000.00	R 780,000.00	R 780,000.00
Total Costs	R 1,076,394.83	R 2,244,114.63	R 1,297,184.97	R 1,350,878.11



To date - 41% decrease in costs

COMPARATIVE ACTIVITIES AT THE CALL CENTRE FOR FY 2018_19 VS. 2019/20 VS. 2020/21

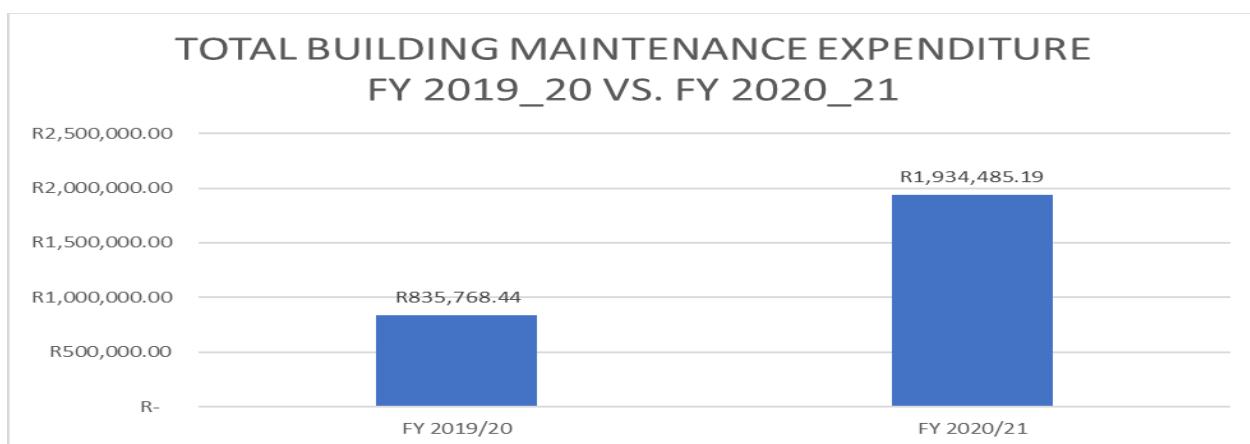
	FY 2018_19	FY 2019_20	FY 2020_21
Reported	35191	40968	59549
Actioning	2993	3922	5443
Resolved	33408	37026	49099
Resubmitted	24	20	14



*FY 2020_21 recorded the highest number, with **59 549** service delivery requests reported. Reported service delivery requests has increased by **69%** and resubmitted service delivery requests has decreased by **-42%***

BUILDING MAINTENANCE EXPENDITURE – FY 2019/2020 VS FY 2020/21:

GRAPH 1:



Spending on repairs and maintenance increased by 57%. As at 20/21 FY R1 934 485.19 had been spent compared to R835 768.44 in the 19/20 FY.

2.9 BY-LAWS AND POLICIES

The following policies and By-Laws were reviewed during the year under review:

NO.	POLICY NAME	STATUS OF POLICY	NEW NO.
1	Supply Chain Management Policy	Approved 28 August 2020	20/08/F3
2	Electricity By-Law	Approved: 11 December 2020	20/12/I&E8

NO.	POLICY NAME	STATUS OF POLICY	NEW NO.
3	SMME Development Policy	Approved 28 August 2020	20/08/LED&T5
4	Outdoor Advertising By-Law	Under review	
5	Policy & Procedures of the Disposal of Immovable Assets	Approved: 29 October 2020	20/10/PD8
6	Virement Policy	Approved 28 August 2020	20/08/F4
7	Ward Committee Policy	Approved: 28 August 2020	20/08/CORP1
8	Requirements for small-Scale Embedded	Approved: 11 December 2020	20/12/I&E9
9	Kouga Municipality Electricity & SSEG By Law	Public Participation Process	20/12/I&E9
10	Policy on Provision for Doubtful Debt and Write-Off of Irrecoverable Debt	Approved: 28 August 2020	20/08/F1
11	Cellphone and allowance scheme Policy	Approved: 31 March 2021	21/03/CORP2
12	Acting Policy for Section 57 Managers	Approved: 31 March 2021	21/03/CORP1
13	Personal Protective Equipment Policy	Approved: 11 December 2020	20/12/CORP12
14	Leasing Policy for Municipal Owned Immovable Property	Approved: 29 October 2020	20/10/PD8
15	Policy and Procedures for the Disposal of Immovable Assets	Approved: 29 October 2020	20/10/PD8
16	Plot/Land/Public open spaces Clearing Policy	Approved: 31 May 2021	31/03/CS1
17	Small-Scale Embedded Generation Policy (SSEG)	Approved: 11 December 2020	20/12/I&E9
18	Requirements for small-Scale Embedded	Approved: 11 December 2020	20/12/I&E9
19	Kouga Municipality Property Rates Policy	Approved:30 June 2021	21/06/CF17
20	Overtime Policy	Approved: 28 August 2020	20/08/CORP3
21	Sponsorship Policy	Under review	
22	SMME & Cooperative Development Policy	Under review	
23	Policy on Street Naming/Renaming and Numbering	Approved: 29 October 2020	20/10/PD8
24	Municipal Anti-Land Invasion Policy	Under review	

NO.	POLICY NAME	STATUS OF POLICY	NEW NO.
25	Investment Incentive Policy	Under review	

2.10 HUMAN RESOURCES

INTRODUCTION TO HUMAN RESOURCE SERVICES

“Human resources isn’t a thing we do.

It’s the thing that runs our business.”

– Steve Wynn

The Human Resources Section handles a range of different functions within the municipality. The Section is responsible for the hiring and disciplining employees, training staff, maintaining interpersonal relationships, and interpreting employment/labour law. The Section works diligently behind the scenes to ensure the municipality runs efficiently. The HR Section’s main responsibilities are:

- Employee benefits,
- Labour Relations,
- Occupational Health & Safety,
- Employment Equity and Skills Development.
- Organisational Development

Some of the achievements are the following:

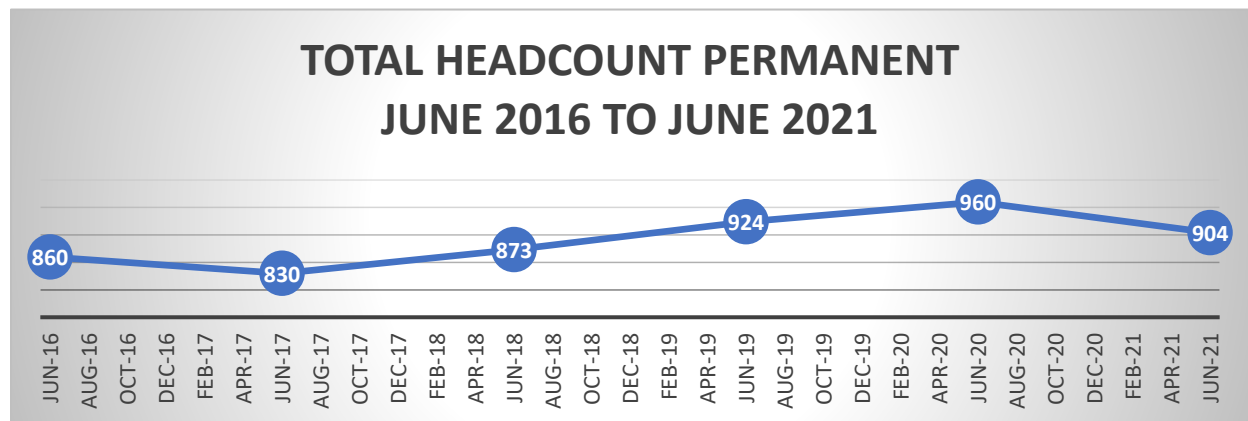
- Achieved a 4th straight clean audit in HR with no queries being raised for 2019/2020 Financial year.
- Received a 4th concurrent Letter of Good Standing from the Department of Labour, for the 2021 year.
- Submitted a credible Employment Equity report to the Department of Labour on the 14th of January 2021.
- Submitted a credible Workplace Skills Plan to LGSETA on the 29th of April 2021.
- Implemented a Comprehensive Organizational Work-study.
- Implemented the Organizational Work-study Change Management Implementation plan
- Completed the Job Evaluation Process for the Municipality.
- Implemented a successful Organizational structure change management transition process
- Spend 98,13% of the Skills budget on human capital development
- Developed a credible Employment Equity Plan

2.10.1 HEADCOUNT STATISTICS

The table below is a representation of the number of permanent employees since 2016, as well as temporary employees.

In June 2016 the total workforce was 860 and in June 2021 that increased to 904, thus an increase of **4,8%** in the total permanent workforce. As of June 2020, the total staff compliment stood at its highest at 960. This is due to the number of projects that management embarked on that saw the increase in the number of temporary employees. The trend that we see is indicative of the municipality's commitment to employment creation and service delivery.

Number of Employees						
Year ending	June 2016	June 2017	June 2018	June 2019	June 2020	June 2021
Permanent Employees (Including Section 56 & 57 employees)	860	830	873	924	960	904
Temporary contract employees	266	195	21	4	101	263



2.10.2 SERVICE STATISTICS

Comparative Pension/Provident Fund membership on 30 June is as follows:

FUND	30 June 2018	30 June 2019	30 June 2020	30 June 2021
Consolidated retirement fund	413	453	472	462
Consolidated Retirement Fund (No CC)	4	4	3	2
National Fund for Municipal Workers	6	7	5	5

FUND	30 June 2018	30 June 2019	30 June 2020	30 June 2021
SA Local Authorities Pension Fund	8	8	5	4
Municipal Workers Retirement Fund	195	181	170	138
Momentum Provident Fund	205	198	191	170
Municipal Councillors Pension Fund	3	3	2	3
Consolidated Retirement Fund Cllrs	6	6	6	6
LA retirement fund	2	1	1	1
Total	842	861	855	791

Comparative Medical Aid membership on 30 June is as follows:

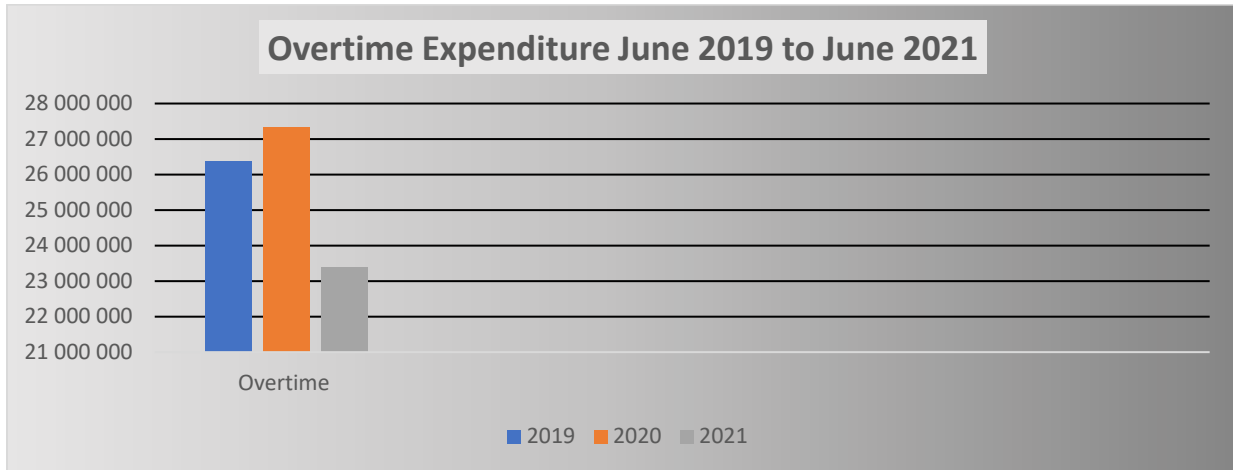
MEDICAL AID	30 June 2018	30 June 2019	30 June 2020	30 June 2021
Bonitas	165	177	182	174
Key Health	19	17	17	17
Hosmed	79	69	55	64
LA Health	154	156	184	191
SAMWU Med	68	68	62	72
Total	485	487	500	518

It must be noted that participation in a medical scheme is not compulsory.

Comparative Trade Union membership on 30 June is as follows:

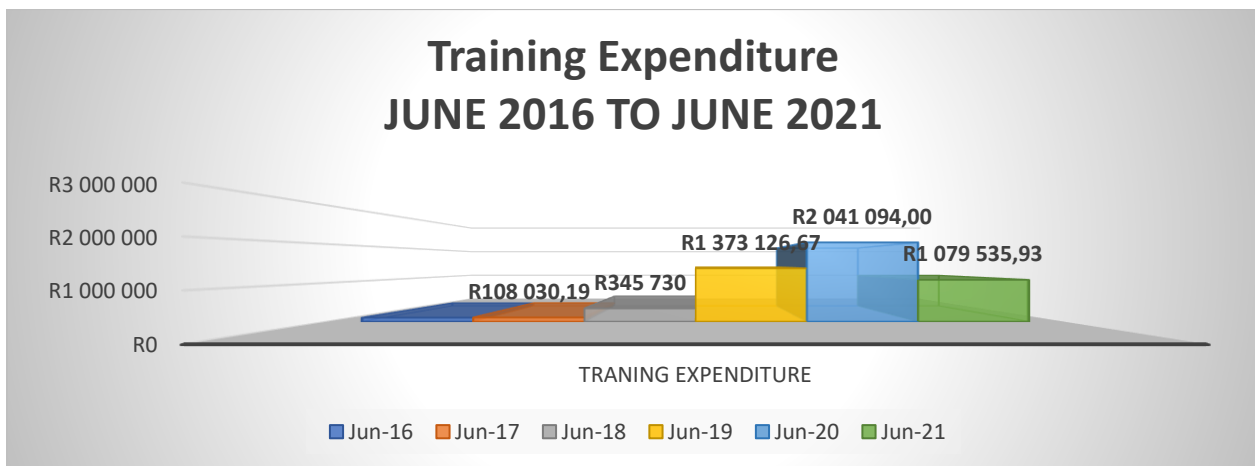
TRADE UNION	30 June 2018	30 June 2019	30 June 2020	30 June 2021
SAMWU	501	617	703	583
IMATU	315	236	219	224

It must be noted that there has been a reduction in overtime from June 2020 to June 2021.



This reduction in overtime can be attributed to more efficient internal controls such as a new Overtime Policy, and new overtime forms requiring pre-approval of overtime and submission of proper evidence supporting overtime claims.

2.10.3 WORKPLACE CAPACITY DEVELOPMENT



From the graph above, Kouga Local Municipality's investment in human capital spending/capacity building increased drastically since June 2016. For the 2020/21 Financial year the Municipality's expenditure on staff development was R1 079 535,93. Although the expenditure was less than the previous financial year, this was primarily due the budget cut for COVID-19 and drought mitigation, however, the Municipality still expended **98,13%** which is a major achievement taking into consideration the Covid 19 circumstances we were and are faced with.

The training expenditure trend is indicative of the Municipality's commitment to enhancing the skills, talent, development and expertise of its most important asset.

The MSA 2000 S68 (1) requires municipalities to develop their human resource capacity to a level that enables them to perform their functions and exercise their powers in an economical, effective, efficient,

and accountable way. Kouga Municipality established a Skills Development Section which was intended to address the skills development needs of the Institution.

Training needs are assessed annually and is based on the results of an employee skills audit. Training needs per position/incumbent are aligned to the audit and requirements as assessed by the various Directorates. The information is compiled in the form of an annual Workplace Skills Plan which guides and directs the implementation of skills development initiatives.

TRAINING COSTS	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21
Training Cost	R0,00	R138,909.75	R640,156.75	R0	R3,831.11	R0	R21,335,03	R204 291,00	R4,329.29	R0,00	R0,00	R70 580,00
Associated costs	R0,00	R0,00	R4,817.35	R1200	R2, 988.85	R0	R0	R0	R31,513.20	R25,484.70	R0.00	R0,00
Categories of Beneficiaries												
Legislators	0	0	0	0	0	0	0	0	0	0	0	0
Managers	0	4	4	0	0	0	0	0	0	0	0	0
Professionals	0	29	26	0	0	0	0	0	0	12	0	7
Technicians and Associate Professionals	0	2	18	0	0	0	0	0	0	0	0	1
Clerical Support Workers	0	0	19	0	0	0	0	0	0	0	0	16
Service & Sales Workers	0	0	9	0	0	0	0	150	0	0	0	0
Skilled Agricultural, Fishery and Related Trade Workers	0	0	0	0	0	0	0	0	0	0	0	0
Plant & Machine Operators and Assemblers	0	0	42	27	1	0	0	0	1	0	0	0
Elementary Occupations	0	0	118	5	0	0	15		0	15	0	13
Total Number of beneficiaries	0	35	236	32	1	0	15	150	1	27	0	37

As per the table above Kouga embarked on extensive training for its employees in the 2020/2021 Financial year.

Municipal Finance Management Programme (MFMP)

In 2007, the minimum competencies for officials responsible for financial and supply chain management, were regulated. Minimum higher education qualifications: work related experience and core managerial and occupational competencies are among the aspects covered by the regulations.

The minimum competency levels also seek to professionalize the local government sector and to make it a career choice for talented officials and to some extent mitigate some of the root causes of poor financial management and service delivery experienced at Local Governmental level. It is also required to report to National Treasury on a quarterly basis on the progress of the Minimum competency levels.

Position	Highest Education Qualification	Work Related Experience	Performance Agreement Signed (<i>where required</i>)	Completed Required Unit Standards	Requirements Met	Compliant (<i>consider Budget</i>)
Accounting Officer	✓	✓	✓	✓	4	✓
Senior Manager (MSA S56)	✓	✓	✓	✓	4	✓
Senior Manager (MSA S56)	✓	✓	✓	✓	4	✓
Senior Manager (MSA S56)	✓	✓	✓	✓	4	✓
Senior Manager (MSA S56)	✓	✓	✓	✓	4	✓
Senior Manager (MSA S56)	✓	✓	✓	✓	4	✓
Chief Financial Officer - Municipality	✓	✓	✓	✓	4	✓
Middle Manager: Finance	✓	✓	✓	✓	4	✓
Supply Chain Management Manager	✓	✓	✓	✓	4	✓
Middle Manager: Finance	X	✓	✓	✓	3	X
Middle Manager: Finance	✓	✓	✓	✓	4	✓
Middle Manager: Finance	✓	✓	✓	✓	4	✓
Middle Manager: Finance	✓	✓	✓	✓	4	✓

Position	Highest Education Qualification	Work Related Experience	Performance Agreement Signed (where required)	Completed Required Unit Standards	Requirements Met	Compliant (consider Budget)
Middle Manager: Finance	✓	✓	✓	✓	4	✓
Middle Manager: Finance	✓	✓	✓	✓	4	✓

The Municipality had a severe backlog of financial officials not having achieved the Minimum Competency levels. To remedy this, the Municipality appointed FACHS Training Institute, through a Section 32 procurement process, to facilitate the required MFMP training. A Service Level Agreement was signed between FACHS and the Municipality which will ensure the training runs according to plan.

37 officials were earmarked to attend the training, to ensure they comply with the said regulations.

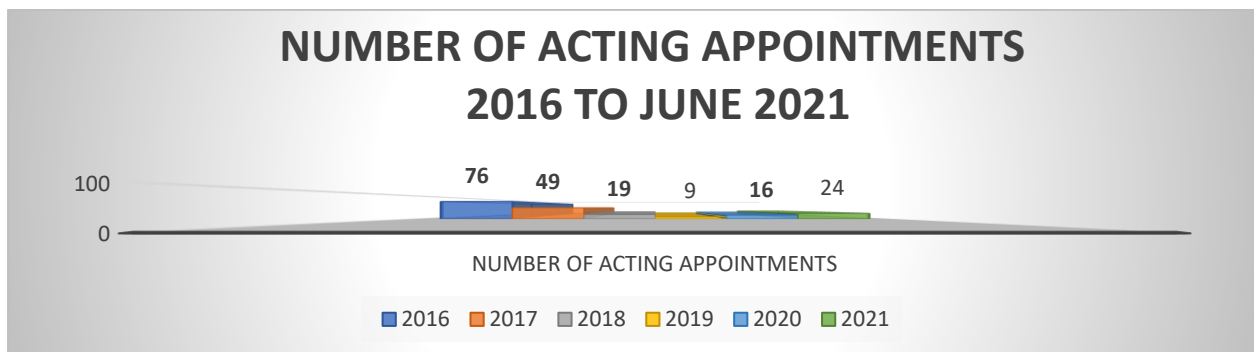
Below is the Municipality’s compliance in terms of the 2007 minimum competency regulations for officials responsible for financial and supply chain management as per Annexure C.

2.10.4 ACTING APPOINTMENTS

The number of employees appointed in acting positions decreased, from a high of 76 in June 2016, to just 24 as at June 2021. This represents a 70% decrease. There is also link between the reduction in acting appointments and promotions.

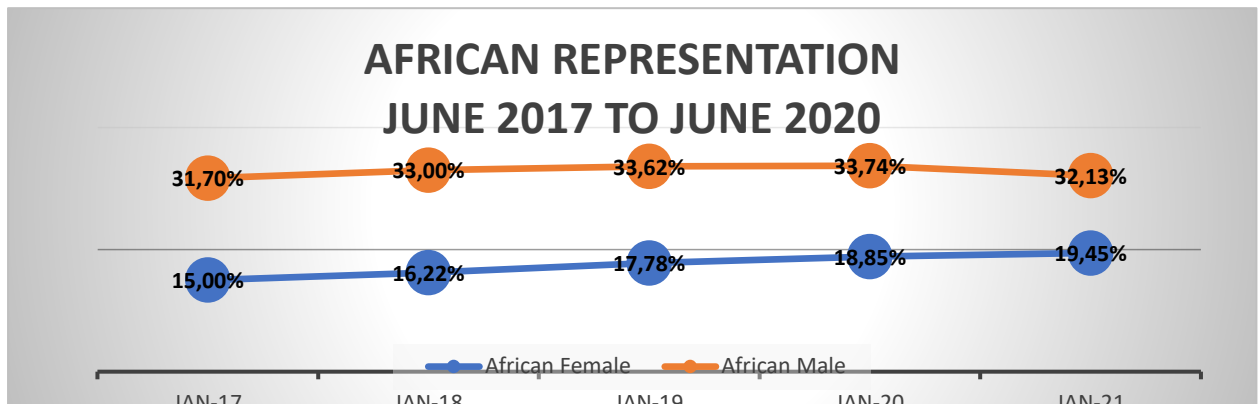
Prolonged periods of acting appointments can also lead to unnecessary disputes. Therefore, it is advisable to keep acting appointments to a minimum.

The graph below, shows the trend with acting.



2.10.5 EMPLOYMENT EQUITY

The table and graph below, illustrates a gradual increase in the number African Females as well as African Males from June 2017 to June 2021. This demonstrates that the Municipality has made a concerted effort to employ people from previously disadvantaged groups, especially from African demographics.



The Table below indicates the progress that the Municipality has made in terms numerical targets as set out in the Employment Equity Plan. The table depicts the status of the workforce profile at end of March 2018, the numerical targets that are set out in the new Employment Equity Plan, and the current profile as of 30 June 2021.

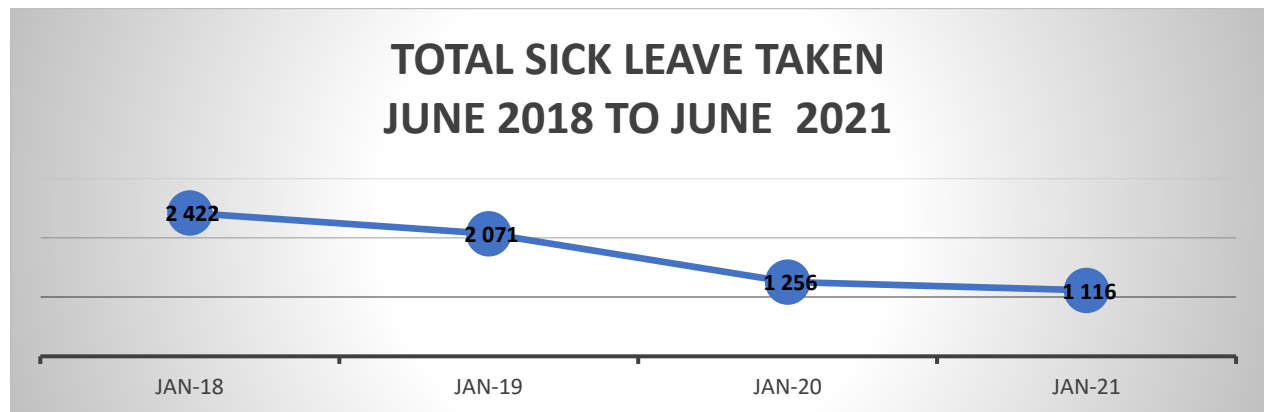
		Male Race			Female Race					Foreign Nationals		
		A	C	I	W	A	C	I	W	Male	Female	
	Top management											
MARCH 2018		0	0	0	1	0	0	0	0	0	0	1
SEPTEMBER 2021 TARGET		0	0	0	1	0	0	0	0	0	0	1
JUNE 2021		0	0	0	1	0	0	0	0	0	0	1
	Senior management											
MARCH 2018		0	1	0	1	2	0	1	0	0	0	5
SEPTEMBER 2021 TARGET		0	1	0	1	2	0	1	0	0	0	5
JUNE 2021		0	0	1	0	2	0	1	0	0	0	4
	Professionally qualified and experienced specialists and mid-management											
MARCH 2018		2	6	0	10	2	3	0	2	0	0	25
SEPTEMBER 2021 TARGET		6	5	1	9	4	2	0	4	0	0	31
JUNE 2021		6	11	1	12	4	6	0	6	0	0	46
	Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents											
MARCH 2018		32	68	0	14	29	23	0	16	0	0	182
SEPTEMBER 2021 TARGET		52	66	1	15	39	28	0	13	0	0	217
JUNE 2021		36	50	1	16	34	28	0	13	0	0	178
	Semi-skilled and discretionary decision making											
MARCH 2018		134	125	0	7	33	35	0	3	0	0	337
SEPTEMBER 2021 TARGET		168	132	1	5	76	46	1	7	0	0	436

JUNE 2021		175	155	0	7	67	48	0	5	0	0	457
	Unskilled and defined decision making											
MARCH 2018		101	83	0	0	61	47	0	1	0	0	293
SEPTEMBER 2021 TARGET		106	52	0	2	80	35	0	1	0	0	275
JUNE 2021		72	40	0	2	64	37	0	2	0	0	218

It is very pleasing to note from the above figures, that the Municipality is edging towards achievement of its targets.

With regards to staff with disabilities, 16 staff have been identified. The Municipality has endeavoured to clear any misperception of disabled employees by embarking on Roadshows which resulted in employees no longer fearing being disadvantaged due to their disabled status. This resulted in employees voluntarily disclosing their disability.

2.10.6 LEAVE STATISTICS

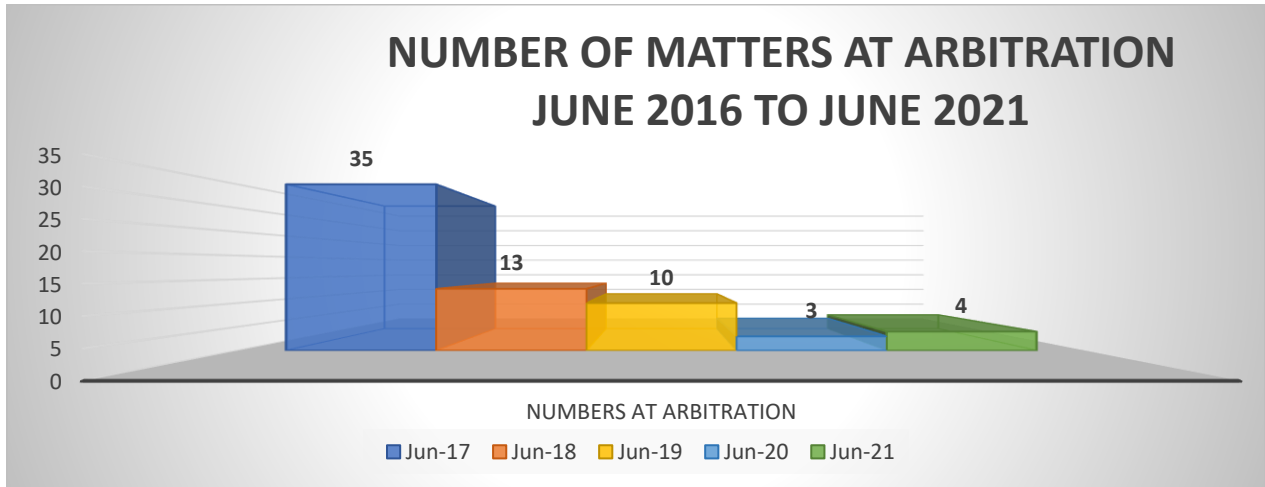


In the graph above the total sick leave drastically decreased from 2422 days in June 2018, to 1116 in June 2021, representing a **54%** decrease.

The improved statistics can be attributed to positive morale, work ethic, and more efficient supervision and oversight. In addition, ongoing medical surveillance has enabled the municipality to identify employees with chronic medical conditions and address such issues either through incapacity processes or correct treatment.

2.10.7 DISCIPLINARY MATTERS

The graph below is a year-on-year comparison of matters referred to Arbitration. Matters at Arbitration decreased drastically from 35 in June 2017 to 4 in June 2021. This drastic **89%** decrease is attributed to the Human Resource Section dealing with the substantive and procedural fairness of cases, and the management thereof.



2.11 OCCUPATIONAL HEALTH AND SAFETY

Compensation Commissioner Compliance					
May 2016	May 2017	May 2018	May 2019	May 2020	June 2021
None.	None	Submitted. Letter of good standing received.	Submitted. Letter of good standing received.	Submitted. Letter of good standing received.	Submitted. Letter of good standing received.

For more than 10 years Kouga Local Municipality had not paid the Compensation Fund which meant that none of our employees were covered by the Department of Labour for IOD benefits.

At the end of October 2017, the Municipality started paying ROE's after making arrangements with the Department of Labour. Subsequently we received a LETTER OF GOOD STANDING for the first time in more than 10 years.

The Kouga Local Municipality has received four consecutive letters of Good Standing from the Department of Labour for 2018, 2019, 2020 and 2021.

On 11 March 2020, the World Health Organisation ("the WHO") officially declared that the spread of Coronavirus had reached the level of a pandemic. The virus is crossing international boundaries and

affecting a large number of people worldwide. Coronavirus is a very serious illness and is potentially lethal. In respect of the workplace immediate steps must be taken to attempt to diminish its impact.

Employers are subject to both a common law and a statutory duty in terms of the Occupational Health and Safety Act as well as the Disaster Management Act regulations and the -Directives set out by the Minister of Employment and Labour for COVID-19 Occupational Health & Safety measures in Workplaces for COVID-19 (C19 OH, to provide a safe and healthy working environment for their employees.

The OHS section implemented COVID-19 response measures during the Lockdown period. This was to ensure that the Municipal employees work in a Healthy and Safe environment, and that the Municipality adhered to the Lockdown regulations and safety directives as issued by Government.

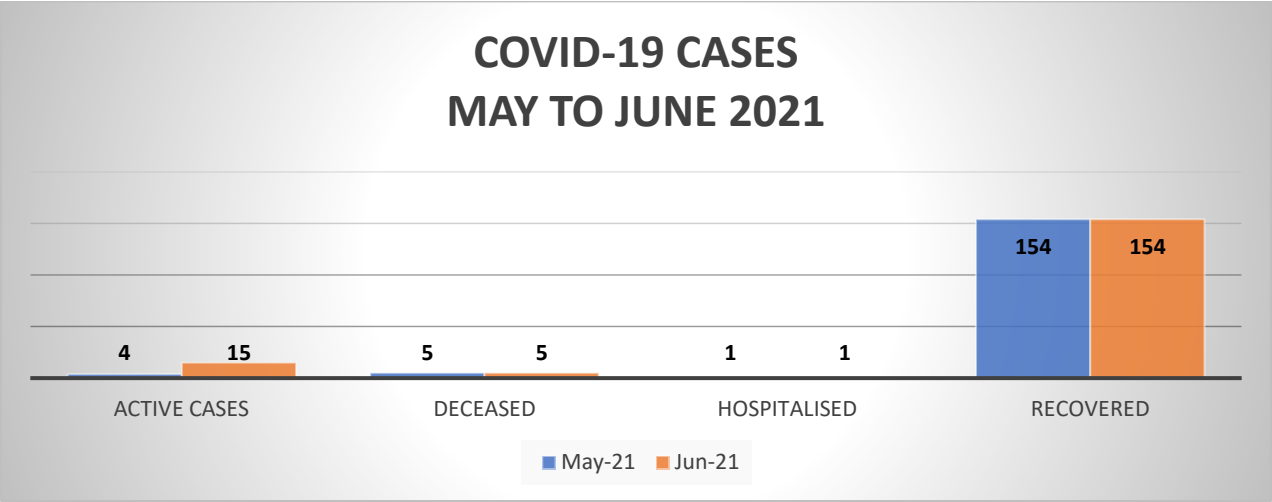
COVID-19 Health and safety mitigation measures implemented	In Place	
	Yes	No
1. A COVID-19 risk assessment	x	
2. All employees working at the workplace have permits to work	x	
3. A valid COVID-19 Management Plan	x	
4. A COVID-19 Contingency Plan	x	
5. A COVID-19 Policy	x	
6. Staff rotational schedules have been implemented	x	
7. All building and work areas have been sanitized and disinfected	x	
8. Cleaning routines in place (Sanitizing surfaces, sweeping floors and walkways)	x	
9. Floors cleaned thoroughly once a day	x	
10. All employees always have access to hand sanitizer	x	
11. All employees have access to clean water, soap & dry disposable towels	x	
12. Security access control and visitors screening	x	
13. Employees have access to masks, gloves, and sanitizer	x	
14. Employees working with public have access to face shields or screens	x	
15. Employees trained on the use of PPE (Masks, Respirators, gloves)	x	
16. Employees being screened daily upon entry	x	
17. All relevant employees received and signed acknowledgement for COVID-19 effects on vulnerable employees	x	
18. Social distancing being practiced (1.5m) and all facilities / areas meet the max. capacity rule (i.e. 1 person per 4 square meters)	x	

COVID-19 Health and safety mitigation measures implemented	In Place	
	Yes	No
19. Procedures in place to deal with sick employees	x	
20. Restriction to access to premises	x	
21. All essential service employees and permitted services employees went for medical screening conducted by the medical surveillance service provider	x	
22. All vulnerable employees identified and referred for medical assessments	x	

The municipality still maintains vigilance in its fight against COVID19 and continues to take all necessary precautions to protect its employees and members of the public who utilize our facilities.

In the graph below the following statistics are illustrated:

1. As of 30 June 2021, 175 Employees including Councillors recovered from COVID-19.
2. 5 Employees including Councillors are deceased.
3. One employee is still in hospital.
4. 15 Employees are still positive with Covid-19.



2.12 HUMAN RESOURCE POLICIES

The following HR related policies and staff documents have been developed and has been approved by Council:

KEY NO	POLICY
1	Acting Policy
2	Health and Safety Policy
3	Overtime Policy
4	Recruitment and Selection Policy
5	Leave Policy
6	Absenteeism and Reporting Absence from work Policy
7	Sexual Harassment Policy
8	Scarce Skills
9	Vehicle allowance policy
10	Essential user policy
11	Code of Conduct
12	Training policy
13	S&T policy
14	Acting Policy for Section 57 Managers
15	COVID 19 Policy

2.13:MANAGING THE MUNICIPAL WORKFORCE

The following schedule reflects trends in workforce expenditure over the past 10 years:

SALARY EXPENDITURE

Years	Total number of staff	Actual Operational Expenditure	Personnel expenditure (salary and salary related)	Percentage of expenditure
2010/2011	1089	R 488,934,038	R 184,857,261	37.81%
2011/ 2012	960	R 553,676,222	R 182,822,233	33.02%
2012/2013	922	R 545,906,310	R 193,299,330	35.41%

Years	Total number of staff	Actual Operational Expenditure	Personnel expenditure (salary and salary related)	Percentage of expenditure
2013/2014	878	R 589,224,141	R 208,085,170	35.32%
2014/2015	822	R 596,216,383	R 212,826,380	35.70%
2015/2016	860	R 619,357,681	R 228,746,553	36,93%
2016/17	824	R 672,685,052	R 224,583,364	33.39%
2017/18	873	R 740,044,276	R 245,776,991	32.21%
2018/2019	924	R 820,753,098	R 274,158,400	33.40%
2019/2020	960	R902,792, 776	R 293,708,033	32.53%
2020/2021	904	R978, 842, 773	R335, 334, 005	34.26%

2.14 LEGAL SERVICES

The role of the legal services function is to render continuous effective and efficient legal support and advise to Council, Committees of Council, the Executive Mayor, the Speaker, Municipal Manager, Directorates and Managers and ensure legal compliance considering applicable legislation, relevant case law and emerging legal trends. It is the role of the legal services department to provide legal opinions, submissions or input on Policies, Contracts, Agreements, Legislation, By-laws, Authorities, and items referred to Council or Committees of Council, all with the aim of avoiding litigation and safeguarding the municipality's interests.

Highlights:

Highlight	Description
Functional Legal Services department	There were no successful appeals against the municipality regarding the award of tenders and quotations.
	The municipality managed to finalise historical litigious matters which weighed on the municipality's contingent liability.
	Thanks to an ongoing strong HR component, Labour matters are dealt with speedily, within the confines of the law and with success to the Employer.
	The municipality continues to experience an increase in the provision of legal updates, legal advice and general legal assistance to Council and the respective user departments.
	The Legal Services functions continues to provide Council with a detailed Report on Legal Matters, allowing Council to effectively implement its oversight function.
	A number of By-laws and Policies has been reviewed and approved on the 2020/21 financial year, and we look forward to additional reviews of outdated by-laws and policies in the coming financial year.

Highlight	Description
Establishment of a Panel of Legal Services Providers	The Panel of Legal Services Providers rendering external legal services in respect of the different areas of law applicable to the municipality is functioning well.
	Due to the Panel of Legal Service providers being in place, the irregular expenditure incurred by way of deviations have been drastically reduced and there should be no irregular expenditure for the coming financial year.

REGISTER OF LEGAL SERVICE PROVIDERS 2020/21				
SERVICE PROVIDER	CONTACT PERSON	CONTACT NUMBER	EMAIL	POSTAL & PHYSICAL ADDRESS
SIYATEMBA SOKUTU ATTORNEYS INC	MR. SOKUTU	043 735 1312 / 082 608 1093	april@solutuatorneys.co.za	P O BOX 8151, NAHOON, EAST LONDON, 5210 / UNIT 1 KENNINGTON RD, NAHOON
KUBAN CHETTY INC	MR. KUBAN CHETTY	041 373 1706 / 082 780 1173	kuban@kubanchettyinc.com	163 CAPE ROAD, MILL PARK, GQEBERHA, 6001
LULAMA PRINCE INC	MRS. PRINCE	041 484 1004 / 061 416 4214	lulama@lulamaprince.co.za	P O BOX 27696, GREENACRES, 6050 / 184 CAPE RD, MILL PARK, GQEBERHA 6001
FREDERICKS INC	MRS. FREDERICKS	041 363 8506 / 082 612 1657	tasneem@fredericksinc.co.za	43 PARLIAMENT STREET, CENTRAL, GQEBERHA, 6000
McWILLIAMS & ELLIOT INC	MR. ED MURRAY	TEL: 041 582 1250 / FAX : 041 585 1274, 041 585 3615 / CELL: 082 330 1177, 083 274 5959	imraan@mcwilliams.co.za ; andy@mcwilliams.co.za	P O BOX 45, GQEBERHA, 6000 / 152 CAPE ROAD, MILL PARK, 6001
C W MALAN JEFFREYS BAY INC	MR. RENCKE DE SWARDT	TEL:042 293 1053 / FAX: 042 293 2693	comalan@intekom.co.za ; rencke@comalan.co.za ; amanda@comalan.co.za	P O BOX 273, JEFFREYS BAY, 6330 / 15 OOSTERLAND STREET, JEFFREYS BAY , 6330
BONQWANA BURNS INC	MR. SHANE DE BEER	041 364 2039 / 065 932 0568	shayne@bonqwanaburns.com	BOQWANA HOUSE, 84 6TH AVENUE, NEWTON PARK, GQEBERHA
KARSANS INC	MANOJ KARSAN	041 991 1320 / 082 881 0965	mkarsan@karsans.co.za	235 CELEDON STREET, CENTRAL, KARIEGA
LABUSCHAGNE VAN DER WALT INC	MR. TEWIS LABUSCHAGNE	TEL: 041 582 2069/ FAX: 086 669 1511/ CELL: 083 304 4590/ 084 441 7289	info@lvdw.co.za	P O BOX 70541, THE BRIDGE, GQEBERHA, 6032 / 6 CUYLER STREET, CENTRAL, GQEBERHA, 6000
GOLDBERG DE VILLIERS INC	MS. TRACEY-LEE MOUTON	041 501 9800 / FAX: 041 585 1076	traceym@goldlaw.co.za	13 BIRD STREET, CENTRAL, GQEBERHA, 6001
BILLET GOUWS ATTORNEYS	MR. JOHN BILLET	TEL: 042 293 0191 CELL: 081 049 5198, 082 874 0096	john@billetgouws.co.za ; elizna@billetgows.co.za ; info@billetgouws.co.za	P O BOX 1651, JEFFREYS BAY, 6330 / GLOBAL STAR HOUSE, UNIT 1, TOP FLOOR, 79 DA GAMA ROAD, JEFFREYS BAY 6330
BLC ATTORNEYS	MS. DELIA CHAMBERLAIN	041 506 3700 / 082 745 4596	stifoen@bcllaw.co.za	4 CAPE ROAD, CENTRAL, GQEBERHA, 6001
BATE, CHUBB & DICKSON	ASHLEY KRETZMANN	043 701 4500 / FAX: 043 726 3777/ 082 655 7145	ashley@batechubb.co.za	34 WESTERN AVENUE, VINCENT, EAST LONDON, 5217
C W MALAN INC.	MR. EDDIE ALBERTYN	422 951 056	eddie@cwmalan.co.za	37 CHURCH STREET, HUMANSDORP, 6300
SC HEYSTEK ATTORNEYS	MR. FANUS HEYSTEK	TEL:042 293 2558,042 293 1924,CELL:082 442 8489	scheystek@lantic.net	P O BOX 308, JEFFREYS BAY 6330 / 102 DA GAMA ROAD, JEFFREYS BAY, 6330
SPANGENBERG ATTORNEYS	MR. HEIN SPANGENBERG	TEL: 042 291 1144, CELL: 082 820 7007	hein@hjsproc.co.za	P O BOX 501, HUMANSDORP, 6300 CORNER OF DU PLESSIS & KEMP STREET, HUMANSDORP, 6300
NOTE: LINE ITEMS 20 WAS A SERVICE PROVIDER PRIOR TO ESTABLISHMENT OF PANEL				
LINE ITEM 21 IS NOT PART OF PANEL BUT HAS ONE MATTER STILL ONGOING				

CHAPTER 3: SERVICE DELIVERY PERFORMANCE**DIRECTORATE INFRASTRUCTURE AND ENGINEERING****COMPONENT A: BASIC SERVICES****3.1 PROVISION OF WATER**

The Constitution of South Africa assigns the responsibility of ensuring access to water services to Local Government. Furthermore, the Water Services Act entrusts the local municipality with provision of affordable, efficient, effective on-going water services which is sustainable. The Directorate Infrastructure and Engineering envisages an area that is supported by an efficient and well-maintained service infrastructure network, which allows all citizens and stakeholders access to a growing base of innovative, safe, reliable and affordable services. Service delivery requires the provision of new services as well as the maintenance of existing services.

The Present Consumer Water Quantities are:

TOWN	RESIDENTIAL ERVEN 2019/20	INSTITUTIONAL /COMMERCIAL/ INDUSTRIAL NUMBER OF ERVEN 2019/20	TOTAL No OF ERVEN 2019/20	RESIDENTIAL ERVEN 2020/21	INSTITUTIONAL /COMMERCIAL/ INDUSTRIAL NUMBER OF ERVEN 2020/21	TOTAL No OF ERVEN 2020/21
Humansdorp	6 777	373	7 150	7127	373	7 500
Jeffreys bay (incl Aston Bay and Paradise Beach)	12 464	1 419	13 883	12 924	1 419	14 343
ST. Francis Bay	3 456	48	3 504	3 456	48	3504
Cape St Francis	810	3	813	810	3	813
Oyster Bay	555	13	568	555	13	568
Hankey	2 674	84	2 758	2 674	84	2758
Patensie	784	67	851	784	67	851
Loerie	471	13	484	471	13	484
Thornhill	491	13	504	491	13	507
TOTAL			30 515			31 328

Note: Humansdorp Kruisfontein 350 new erven serviced Housing development.

Jeffreys Bay Oceanview 370 new erven serviced Housing development:

Jeffreys Bay Pellsrus 90 new erven services Housing development.

Key Stakeholders

The towns of Hankey and Patensie obtain raw water from the Kouga Dam via the canal system which is operated by the Gamtoos Irrigation Board on behalf of the Department of Water and Sanitation. Raw water is treated at the Patensie and Hankey water treatment works to potable standard before distribution.

The towns of Loerie, Thornhill, Jeffreys Bay, Humansdorp and St Francis Bay obtain potable water from the Nelson Mandela Metro. The water supply of Jeffreys Bay and Humansdorp are augmented by underground water. The town of Oyster Bay is solely dependent on ground water obtained from boreholes and springs.

Level and Standard in Water Services

All the consumers within the Kouga Municipality receive water services at or above RDP standards (access to communal water standpipe in informal areas within 200m distance) Based on the Service Level Policy of Kouga to provide higher level of service, first order of assessment indicates that Kouga requires R82 million to service and provide house connections to all residents in informal settlements once formalized (excluding Bulk). Our Regional Bulk Infrastructure Program for water services requirement is estimated to be R 652 million.

Kouga Municipality is committed and endeavours to conform to the norms and standards of SANS 214 and Blue drop requirements with regards to water quality.

Due to the prolonged drought conditions and low rainfall that persisted during 2020/2021 resulted in that the major storage dams serving the area have reached critical low levels. The current drought conditions are having disastrous and far-reaching negative implications for the entire western region of the Eastern Cape Province and the Kouga area.

Reduced water quotas were imposed on abstraction from the Algoa System and Strict water restrictions were implemented during 2020/2021 throughout the Kouga area

Water Scheme Area	Schedule of Restrictions
Gamtoos Irrigation Board – Patensie, Hankey	30% of quota
Loerie/Summit pipeline – Loerie and Thornhill	Water supplied via Nelson Mandela Metro. 50 % restriction imposed on quota by Metro
Churchill/Impofu – Humansdorp, St Francis Bay, Jeffreys Bay	Water supplied via Nelson Mandela Metro. 50 % restriction imposed on quota by Metro

It was required to continue with Water shedding in the towns of Patensie and Hankey since 2017, to ensure usage remain within the allowable quota. The water is provided to residents via the reticulation system for 3 hours in the morning and 3 hours in the afternoon only.

Water collection station is in place (JoJo tanks) and water is distributed by means of water trucks to the communities daily.

Water is also distributed to communities of Loerie and Thornhill by means of water tanker due to erratic water supply from the Metro Summit pipeline.

3.2 SANITATION PROVISION

The policy of Kouga LM, adopted during 2015, provides that the minimum acceptable standard for sanitation services will be a waterborne system in all areas. Due to the limited own capital funding for projects, bulk infrastructure upgrading/ rehabilitation is mostly funded by grant funds. The backlog that presently exists at all Kouga Wastewater Treatment Plants in terms of over capacitation and ageing Infrastructure, is 10,5 Ml/day.

Levels and Standards in Sanitation Services

Four (4) levels of sanitation services are provided i.e.:

buckets and chemical toilets only for the informal housing areas,

full waterborne to 60% of households,

septic tanks/conservancy tanks to 37,1% of households, and

digesters and/or VIP's (Ventilated Improved Pit) to 2.9% of households.

The following table depict the number of consumers per type of sanitation services: (Note: Buckets and Chemical toilets serve informal settlements)

TOWN	TYPE							
	Bucket	Conservancy tank	Chemical toilets	Pit	Septic tank	Small bore	VIP	Water borne
Cape St Francis/ St Francis Bay/ Sea Vista	540 (illegal buckets)	3 532	18	-	-	-	-	785
Hankey	439	837	16	-	-	-	420	1 501
Humansdorp	1 568	939	56	-	-	-	-	5 999
Jeffrey's Bay	787	3 203	46	-	539	-	-	10 231
Loerie	260	12	5	-		150	-	334
Oyster Bay	117	100	7	-	468	-	-	-
Patensie	470	229	29	-	49	-	-	573

TOWN	TYPE							
Thornhill	160	0	8	-	-	-	-	504
Total	4 341	8 852	185	-	1 056	150	420	19 927

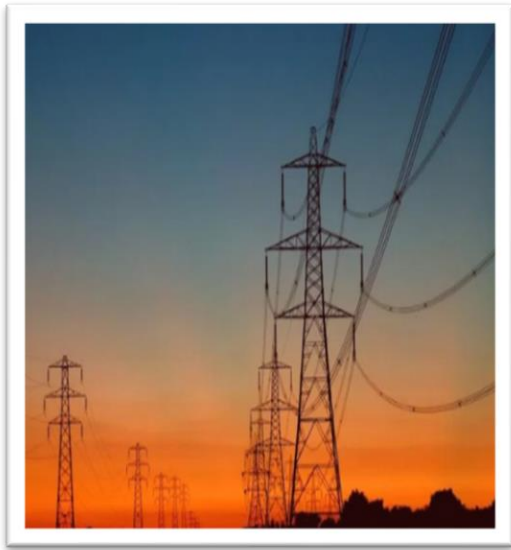
Annual Performance as per Key Performance Indicators in Sanitation

The goal of the Municipality is to provide all consumer units with a full flush form of sanitation. As can be seen from the above table, 19 927 of the consumer units are already serviced with full waterborne/small bore sanitation, and 9 908 being served by septic/conservancy tanks.

	Indicator name	Total number of household/ customers expected to benefit	Estimated backlogs (actual numbers)	Target set for the FY under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households with access to sanitation services	100%	Nil%	100%	100%	100%
2	Percentage of indigent households with access to free basic sanitation services	100%	Nil	100%	100%	100%
3	Percentage of clinics with access to sanitation services	100%	Nil	100%	100%	100%
4	Percentage of schools with access to sanitation services	100%	Nil	100%	100%	100%

Figures reflected above refer to formal registered cadastral erven.

3.3 ELECTRICITY



The Kouga Municipality is the registered Supply Authority for the towns of Humansdorp, Jeffrey’s Bay, St Francis Bay, Cape St Francis, and Oyster Bay, and at each town bulk supply is taken from the Eskom grid. Maintenance of the internal distribution networks is done by Kouga Municipality.

The Municipality’s role is to construct, operate, and maintain the distribution network for electricity service delivery to residential, commercial, and industrial consumers in each town, which includes street lighting and supplying pump stations, etc. with electricity. Hankey, Patensie and Loerie are supplied with electricity by Eskom, and Thornhill by the Nelson Mandela Municipality

The present consumer quantities for electricity are:

Town	Residential Consumers 2019/20	Institutional Commercial Industrial 2019/20	Total 2019/20	Residential Consumers 2020/21	Institutional Commercial Industrial 2020/21	Total 2020/21
Humansdorp	120	5	7 679	394	4	398
Jeffreys Bay	187	0	10 972	754	5	759
St Francis Bay	23	0	2 182	58	2	60
Cape St Francis	7	0	612	9	1	10
Oyster Bay	1	0	450	4	0	4
Total	343	5	21 895	1 219	12	23 126

Note: Total excludes vacant erven.

The key factors in the service delivery strategies are to maintain a high standard of service and to ensure that electricity is available to all commercial properties, households (both formal and informal) and new development within acceptable norms. To reduce the financial burden on consumers, particularly in terms of the capital requirements for new distribution networks, applications were made to all relevant institutions for financial assistance in a well-planned manner.

Level and Standards in Electricity Services

The aim is for the levels and standards for the provision of the electricity services, to be compliant with the requirements of the National Energy Regulator (NER) and the quality of service and supply standards of NRS 047 & 048. Annual reports in this regard were submitted to NER based on information obtained from data loggers installed at various locations in the network.

Electricity is made available to all potential consumers in the areas for which the Municipality has a supply license. The target is revised annually in accordance with the demand and the necessary steps are taken to timeously complete the work.

This includes applications to the Department of Energy (DoE) to obtain the necessary funding for both electricity and infrastructure upgrade.

During 2020/21 the Department of Energy allocated Kouga Municipality funding to the amount of R5.2m for the upgrade of bulk infrastructure and the electrification of houses in (Kruisfontein) Humansdorp. A total of 179 erven were electrified during 2020/21.

Three high mast lights were erected at about R 1.2million in the Humansdorp area to support the fight against crime in the area. Furthermore, the Saffery substation are being upgraded at the cost of about R 4million over the next three years, this will free up some capacity in the lower part of Humansdorp in order to create more capacity for the Kwanomzamo area.

The cable network to strengthen the supply to Saffery substation from main substation was replaced with bigger cables to accommodate more load to flow through to main substation and to ring feed other substations. The cost of this project was R 1.2million.

The 66kV over headline phase 2, feeding from Melkhout (Eskom substation) to Jeffrey's Bay was further extended with mono pole duel circuit steel structures at the cost of R 1.2million, to replace the old double pole structures. This far 600m from a total of 18km has been completed.

The Oceanview substation was moved from its current location to a new location to secure the substation and curb electrical power failures, it is also constructed to make provision for more load available for future development in the area. This relocation was done at R 3million. Another transformer was procured at the cost of R 1.4million to avail more capacity at Appiesdraai substation to accommodate the development in the Aston Bay and Paradise areas.

LED lights were installed in the Humansdorp and Jeffrey's Bay area, 71 units were installed in Humansdorp and 30 in Jeffrey's Bay, the cost of this project was R 270 000,00.

To further strengthen the Jeffrey's Bay main substation, new environmentally friendly switchgear was procured, this project is in line with government aim to do away with oil that contains (PCB) dangerous technology that is prone to explosions which put our staff in danger and bad for the environment. The cost of this project was R 800 000.00.

The Oceanview, Tokyo Sexwalle, and Pellsrus, Golf-course(Humansdorp) and emergency houses we electrified 660 units to support the reduction of electrical losses, irradiate dangerous wires and to safeguard the electrical infrastructure.

We also received funding from DMRE through Eskom for electrification in the Gamtoos valley area whereby 233 units were electrified with about R 4.2million.

Annual Performance as per Key Performance Indicator in Electricity Services

	Indicator name	Total number of household/customers expected to benefit	Estimated backlogs (actual numbers)	Target set for the FY under review (actual numbers)	Number of HH/customer reached during the FY	Percentage achievement during the year
1	Households with access to electricity services	23 126	2 500	200	1231	100%
2	Indigent households with access to basic electricity services	6 597	2 551	200	200	100%
3	Indigent households with access to free energy sources	0	0	0	0	0%

Major Challenges in Electricity Services and Remedial Actions

The upgrade of infrastructure (primary network) to meet future demand and finding the necessary funds through grants etc.

Improve quality of supply and general service delivery.

The prevention of tampering and illegal connection. Own funding used to irradiate illegal connections over the next year as government doesn't fund electrification of informal areas.

Remedial Actions

Master planning and stringent programs to implement measures, resources to fund further programs to be supported by council.

Annual Review of augmentation levy (contribution by new developments and existing consumers requiring upgrading of their supplies to augment the primary network) and consumption tariffs to meet capital program to upgrade infrastructure is undertaken.

Appoint additional staff to monitor quality supply and level of services and enforce methods to rectify any deficiencies in the electrical supply. Staff to attend more training courses, to improve in-house training, particularly on safety aspects.

Provide incentives to maintain qualified staff.

The appointment of a service provider to investigate and prevent tampering, this will support the project to re-programme all prepaid meters before November 2024.

3.4 ROADS

The road network within Kouga falls under the jurisdiction of the following authorities:

Road Authority	Length (km)
SANRAL (N2)	68,97 km
Eastern Cape Department of Roads	915,31 km
Kouga Municipality	402,5 km
Total	1 386,78 km

Levels and Standard in Roads Maintenance Services

The condition of roads in the Greater Kouga Municipal area deteriorated rapidly over the past few years due to ageing infrastructure, increase traffic volumes, insufficient funding for maintenance and the impact of flooding over the past few years.

The standard of roads maintenance in all areas in the Kouga is the same whether its re-gravelling or resealing or pothole repair. Due to the lack of a pavement management system, visual inspection of tarred roads is performed to prioritize the reseal of tarred roads in all wards.

Low level road maintenance services are done through a complaints register kept at each Administrative Unit.

High level maintenance and repairs are determined through community participation at budget meetings.

The various levels and standards of the road network under the jurisdiction of the Municipality are reflected in the table below.

Road network under jurisdiction of Kouga Municipality:

Road Type	2018/2019 Length (km)	2019/2020 Length (km)	2020/21 Length (km)
Tar	307,5 km	315,8 km	316.5
Concrete	0,2 km	0,2 km	0.2km
Block paving	7,5 km	10,51 km	10.51km

Road Type	2018/2019 Length (km)	2019/2020 Length (km)	2020/21 Length (km)
Gravel	87,30 km	88,9 km	88.2km
Total	402,5 km	415,41 km	415.41km

During the 2020/2021 financial year R28,500,000.00.00 excluding VAT was allocated for road resealing on the operating budget.

The following summary of highlights that was undertaken and completed under the project:

- Length of roads resealed = 19 981m
- Potholes repaired = 56 059 m2
- Surface failures repaired = 49 867m2

On the 2020/2021 Capital budget an amount of R2,270,000.00 excluding VAT from own funding was provided for the following

- Preplanning studies undertaken by an appointment Professional Services Provider for the extension of Duine road in Jeffreys Bay
- The re-surfacing of Tshume Street in Hankey (Length710m) from a gravel road to a bitumen surfaced road including traffic calming measures in the form of speedhumps.

Further to the above Capital Municipal Infrastructure Grant (MIG) funding to the amount of R1,739,130.00 excluding Vat was allocated for the design and tender process by an appointed PSP for the upgrading of various gravel roads to surfaced roads in Kouga area.

Annual Performance Service as per Key Performances Indicators regarding Roads

Indicator name	Total number of household / customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the FY under review (Actual numbers)	Number of HH/customer reached during the FY	% of achievement during the year
Percentage of households without access to gravel or graded roads	Nil	Nil	Nil	Nil	Nil
Percentage of road infrastructure requiring upgrade	21,25%	88.2 km	Nil	Nil	Nil
Percentage of planned new road infrastructure actually constructed	Nil	88.2 km	0.71km	Nil	100%

Indicator name	Total number of household / customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the FY under review (Actual numbers)	Number of HH/customer reached during the FY	% of achievement during the year
Percentage of capital budget reserved for road upgrading and maintenance effectively used.	Nil	*R 402,8 m	Nil	Nil	Nil

*Estimated amount to address backlog adjusted to compensate for inflation

Major Challenges in Road Maintenance and Remedial Actions

Like the vast majority of local authorities throughout our country, road repair and maintenance remain a challenge due to budgetary constraints, terrain, aging road and storm water infrastructure, poor sub-surface conditions, and ever-increasing traffic volumes. The absence of a road pavement management system to assess and classify roads according to their remaining life span on a scientific basis, has not been concluded.

Significant progress has been made during the 2019/2020 and 2020/2021 financial years with funding amounting to R17,372,00.00 and R 28,500,000.00 respectively being made available on the operating budget for the maintenance and resurfacing of roads.

Limited funding for road maintenance allocated to the Eastern Cape Provincial Roads department for maintenance of roads under their jurisdiction is having a severe negative impact on the condition of road infrastructure in the province which affects the Kouga region greatly.

The Kouga Municipality utilizes own funds for the maintenance and repair of Provincial roads located within our town boundaries. The following are Provincial roads located within town boundaries:



Provincial Road MR00381 runs from Humansdorp, between St Francis Bay and the St Francis Links Development to Cape St Francis where it runs the full length of St Francis Way into Seal Point Boulevard to the end of Seal Point Boulevard.



Provincial Road MR00389 runs the length of Da Gama Road up to Woltemade Street, then Woltemade Street up to St Francis Street and up the length of St Francis Street where it turns towards Humansdorp at the Fountains Mall.

Provincial Road DR 0177 links the Fountain Mall to Provincial Road MR00389 at Kabeljous

Provincial road MR 00392 links the Fountains Mall to the N2



Provincial Road MR00389 enters Humansdorp from the east and runs the length of Voortrekker Road where MR00389 ends at the intersection with Main Road. From the Main Road Voortrekker Road Intersection TR04403 continues in westerly direction as Voortrekker Road. MR00391 from Hankey enters Humansdorp and runs for the full length of Main Road up to Park Street intersection. MR 00381 from St Francis Bay enters Humansdorp and runs the full length of Park Street up to where it intersects with Voortrekker Road (TR0443).



Provincial Road MR00391 from Humansdorp enters Hankey and forms Main Street up to the intersection with Metlerkamp Street. MR0040 runs the full length of Metlerkamp Street and continues to Patensie.



Provincial Road MR0040 runs the full length of Fred Street. MN50261 runs from the Fred Street turn off to Cyril Ramaphosa as Tier Street to the point where it becomes Stuurman Street up to the intersection with Kloofnek Street.

Backlogs

The construction and surfacing of gravel roads (backlog) are approximately 87, 5 km. It is anticipated that an estimated amount of R 380million will be required for the elimination of this backlog. For the 2018/19 financial year, no capital funding was allocated for the construction of new roads or tarring of gravel roads or the upgrading and/or provision of storm water infrastructure.

Infrastructure and Engineering: Overall Service Delivery Backlogs: Formal residential areas

Basic service delivery area	30 June 2020			30 June 2021(R'000)		
Water						
Water backlogs (6Kl/month)	Required	Budgeted	Actual	Required	Budgeted	Actual
Backlogs to be eliminated (no. households not receiving the minimum standard service)	NIL	NIL	NIL	NIL	NIL	NIL
Backlogs to be eliminated (%: total household identified as backlog/total number of households in the municipality)	NIL	NIL	NIL	NIL	NIL	NIL
Spending on new infra-structure to eliminate backlogs	R56 697	NIL	NIL	R 59 532	NIL	NIL
Spending on renewal of existing infrastructure to eliminate backlog	R180 602	R 35 000	R35 000	R 189632	R1.35	R1.35
Total spending to eliminate backlogs	R237 299	R 35 000	R35 000	R249164	R1.35	R1.35

Basic service delivery area	30 June 2020			30 June 2021(R'000)		
Spending on maintenance to ensure no new backlogs	R14 613	R4 730	R 4 730	R15 344	R5 014	R 5 014
Sanitation backlogs						
Backlogs to be eliminated (number of households not receiving the minimum standard service)	NIL	NIL	NIL	NIL	NIL	NIL
Backlogs to be eliminated (%: total households identified as backlog/total number of households in the municipality)	NIL	NIL	NIL	NIL	NIL	NIL
Spending on new infrastructure to eliminate backlogs	R285 182	NIL	NIL	R299441	NIL	NIL
Spending on renewal of existing infrastructure to eliminate backlog	R159 074	R34 311	R34 311	R167028	R25.7	R25.7
Total spending to eliminate backlogs	R444 350	R34 311	R34 311	R466469	R25.7	R25.7
Spending on maintenance to ensure no new backlogs	R 9 607	R5 740	R5 740	R10 087	R6 084	R 6 084
Road maintenance backlogs						
Backlogs to be eliminated number of households not receiving the minimum standard service)	NIL	NIL	NIL	NIL	NIL	NIL
Backlogs to be eliminated (%: total households identified as backlog/total number of households in the municipality)	NIL	NIL	NIL	NIL	NIL	NIL
Spending on new infra-structure to eliminate backlogs	R522 917	NIL	NIL	R549063	NIL	NIL

Basic service delivery area	30 June 2020			30 June 2021(R'000)		
Spending on renewal of existing infrastructure to eliminate backlog	R390 122	R1.0	R1.0	R409628	R2.2	R2.2
Total spending to eliminate backlogs	R913 039	R1.0	R1.0	R958691	R2.2	R2.2
Spending on maintenance to ensure no new backlogs	R16 847	R25 900	R25 900	R17690	R30 500 000	R30 50 0 000

3.5 MUNICIPAL INFRASTRUCTURE GRANT IMPLEMENTATION

This report outline how Kouga Municipality effectively and efficiently managed the PMU, specifically in alignment with the principles and objectives underpinning the design of the programme as contained in the MIG Policy Framework.

The Municipality confirms that the operational outcomes of the PMU did:

- Acknowledge and adhere to all aspects including all principles, objectives, sector conditions and outcomes contained within the MIG Guideline Document and the MIG Policy Framework Document.
- Ensure adherence to the Labour-Intensive objectives as detailed in the Expanded Public Works Framework Document and the Code of Good Practice for Special Public works.

Background

The programme is entering its fourteenth year of implementation this year. The MIG is the municipal funding arrangement which combined the existing capital grants for municipal infrastructure into a single consolidated grant.

Since the program is aimed at subsidizing capital costs to the poor, priority was given to meeting the basic infrastructure needs. The programme was also aligned to cater for bulk infrastructure for new housing developments.

	2019/20	2020/21	2021/22
Approved Budget Amount	R 37 996 000.00	R 31 578 000.00	R 34 069 000.00
Adjusted Budget Amount	R 0.00	R 31 556 895.00	R 0.00
Spent Budget Amount	R 25 489 405.85	R 25 583 312,01	R 0.00
Difference	R 12 506 594.15	R 5 994 688.00	R 34 069 000.00

Part 1: Progress to date

All aspects contained within the business plan including all principles, objectives, sector conditions and outcomes contained within the MIG Guideline Document and the MIG Policy Framework Document were adhere to.

The PMU unit resort under the Directorate: Infrastructure and Engineering

The following positions as per the “Guide for the Establishment of a Project Management Unit (PMU) by municipalities” were filled to perform the different functions within the unit.

- PMU Manager (Full-Time)
- PMU Technician (Part-Time)
- PMU Administrator (Vacant)
- Account (Part-Time)
- Secretary (Part-Time)
- Data Capturer (Full-Time)

It should be noted that not all operational responsibilities/outputs as highlighted in the guide could be achieved.

The PMU is located in the same building as the Infrastructure and Engineering Directorate which enable us good communication and therefore providing assistance in terms of identification, co-ordination, implementation and supervision of projects.

Staff where possible are regularly attending workshops , training to empower them in executing their roles and responsibilities.

There are recent communications between the PMU, Area Engineers, and the Manager: Technical Services to discuss strategies on how to improve this unit to fasten service delivery.

Part 2: Monitoring

Monthly the PMU meet with the Area Engineers and Director to capture the statistics of services rendered in term of backlogs per area.

Data forms part of the KPI of the Directorate: Infrastructure and Engineering in terms of targets for the directorate.

Monthly and Quarterly reports are given to council on statistics and performance

Part 3: What are the results and who benefited?

Project Description	Project Status	Beneficiaries (h/h)	Job Creation	Informal Training	SMME's Utilized
Patensie Sewage Package Plant (2019/20 Rollover)	Complete	1 928	35	5	3

Project Description	Project Status	Beneficiaries (h/h)	Job Creation	Informal Training	SMME's Utilized
Upgrading/Improvement of Sport Facilities within Kouga region	On Hold	22 5003	25	2	2
Upgrading/Improvement of Sport Facility in Kwanomzamo	95% Complete	22 5003	17	3	2
Mini Fresh Food Market in Hankey	40% Complete	3300	5	4	5
Upgrading of the Sanitation System in Old Hankey	48 % complete	3300	45	4	2
Upgrading of Gravel Roads in Kouga	Consultant appointed, Tender stage for Contractor	225003			

The above table illustrates the projects implemented and still under construction for the 2020/2021 financial year. The figures reflected above are at the time of the report and will increase as the project progress.

Objectives as set out in the business plans were mostly achieved when projects were implemented. The effects of the Covid-19 pandemic had both financial and time implications on the projects.

Conclusions:

The MIG programme is aimed at the following:

- To provide a basic level of service to the people.
- To target the poor and alleviate poverty.

Implementation costs can be justified, and many people benefited from the program and their living conditions were directly and indirectly improved by providing them sufficient bulk infrastructure to continuously assure them at least the basic level of service.

Every different department within the municipality are assisting when the project falls within their respective departments by helping with reporting, liaising with the communities, etc.

All activities of this programme should continue because it is assisting the municipality with huge bulk infrastructure challenges and provide basic service delivery to the community.

3.6 EXTENDED PUBLIC WORKS PROGRAM

Kouga Municipality entered into an agreement with the Department of Roads and Public Works to spend the full integrated grant funding and creating the targeted FTE's. This effort follows clause 3.1.6 of the Protocol Agreement signed between the Minister responsible for Public Works, The MEC of Roads and

Public Works, Eastern Cape, the Mayor of Kouga Local Municipality, to specify the institutional structures that will oversee, monitor and report on progress in implementing the EPWP and achieving the EPWP targets; and 3.1.7, to provide for mutual assistance and support in respect of the programmes and initiatives of the EPWP.

The total grant received by Kouga Local Municipality in the 2020/ 2021 financial year was R 1,054,000.00 which been spend on 9 Incentive Grant Projects, as submitted in the 2020/21 Business Plan.

In total, Kouga Local Municipality managed to create the following number of work opportunities in the 1st, 2nd, 3rd and 4th quarters of the 2020/2021 financial year.

Quarters	No of projects reported	FTE	No of work opportunities created
1 (July – September 2020)	1	16	158
2 (October – December 20)	19	55	261
3 (January – March 2021)	20	89	326
4 (April – June 2021)	3	1	18

The total amount transferred to Kouga Municipality amounts to R 1,054,000.00, and was distributed in 3 tranches as follows:

August: R 421 600.00

November: R 316 200.00

February: R 316 200.00

Spending Schedule:

The Expanded Public Works Programme Incentive Grant Funds received for the 2020/21 financial year were spent as follows:

MONTH	AMOUNT
July 2020	R294 500.00
August 2020	R297 507.00
September 2020	R395 706.00
October 2020	R66 287.00
November 2020	R0.00
December 2020	R0.00
January 2021	R0 .00
February 2021	R0.00
March 2021	R0.00

MONTH	AMOUNT
April 2021	R0.00
May 2021	R0.00
June 2021	R0.00

Total Amount spend from Incentive Grant - R 1,054,000. The current expenditure rate is at 100%.

3.7 MUNICIPAL WORKSHOP

Vision

Our vision is to see to it that the fleet of Kouga Municipality is upgraded and maintained to always be in a proper running condition and to ensure that each person in the Kouga Municipal district is getting a high standard of service delivery from the Municipality. The only way the Municipality can achieve its goal of Service excellence towards the community is if its fleet is in a proper safe running condition. It is the Fleet departments vision to expand the current fleet of the Municipality to such an extent that not only the basic service needs are met, but that all other challenges can be dealt with efficiently and smoothly as to take the Kouga Municipality a step further.

Mission

As a support section it is the Fleet department mission to see to it that all the vehicles are properly maintained and that the fleet policy will be enforced to prevent damaged and misuse of council valuable resources. It is also our mission to expand the current fleet of Kouga Municipality to such an extent that all departments can achieve their goals of rendering an excellent service towards all inhabitants of the Kouga region.

Prevention The Kouga Fleet section aim is to reduce incidents or severity of emergencies and accidents with Council vehicles and by proper maintenance, regular services of vehicles and fault repairs on all vehicles so that a high standard of service delivery towards the community can be achieved. Annual inspections are done by sending vehicles for Certificate of Fitness (COF). According to SANS 10090: 2003

The Fleet department recognised itself as an essential service support section and understands the fact that if fleet can't achieve it mission to keep all vehicles in a proper running condition it will have a devastating effect on service delivery. Therefore, fleet went to the extreme by implementing harsh measures to ensure its personnel safety during the lockdown period for Covid 19.

Main functions of the fleet section are as follows.

- It is the Fleet department's responsibility to see to it that financial and management controls are operating effectively.
- All hiring of vehicles for sections and oversee all purchasing of new vehicles.
- To enforce the fleet management policy.
- Access to fleet vehicles are properly authorized and not operated by unauthorized users.
- All logbooks are reviewed once a month as to give accurate reports.

- To see that the fleet is properly maintained and inspected on a regular basis according to the fleet policy.
- That the fleet vehicles are protected against damages, theft, and abuse.
- See that all fleet vehicles are licensed once a year and all trucks to be sent for Certificate of fitness according to traffic regulations.
- Adequate monitoring of fleet usage/cost of fleet.
- Monitoring the fuel usage of each vehicle and small plant.
- Adequate monitoring of the tracker system.
- To give adequate reports regarding all cost of maintaining vehicles.

Preparedness The eighteen (18) employees strive to do their utmost best towards the service and up keeping of Kouga Municipality's fleet and yellow plant. Our day-to-day service helps to keep the one hundred and ninety eight (198) vehicles in a proper running condition so that in the event of an emergency, there will always be enough vehicles in a proper roadworthy condition. This may include conducting risk assessments (likelihood and severity), planning for the continued availability of essential services, and identifying ways to mitigate the potential impacts of an emergency.

Fleet department is proud to state that during the lockdown the normal operations of fleet were only lightly affected. Fleet could see to it that 95% of all council vehicles had been in operational condition. All challenges that were encountered by the fleet department during the lock down could be successfully accomplished.

Legal requirements In terms of Section 84(1) (j) of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998), the Kouga Municipality is responsible for the functions mentioned below:

- Coordination of the standardisation of infrastructure, vehicles, equipment and procedures.
- Training of mechanical technicians.

Daily operations During 2020/2021 this service handled to a total of **3323** incidents this comes to an average of 279.91 job cards opened and completed per month, which includes servicing and repairing of vehicles, repairing COF faults, and doing preventative maintenance as well as fitment of tyres and tyre repairs.

Mechanical repairs

Below are random pictures to show what type of work is done in the workshop.

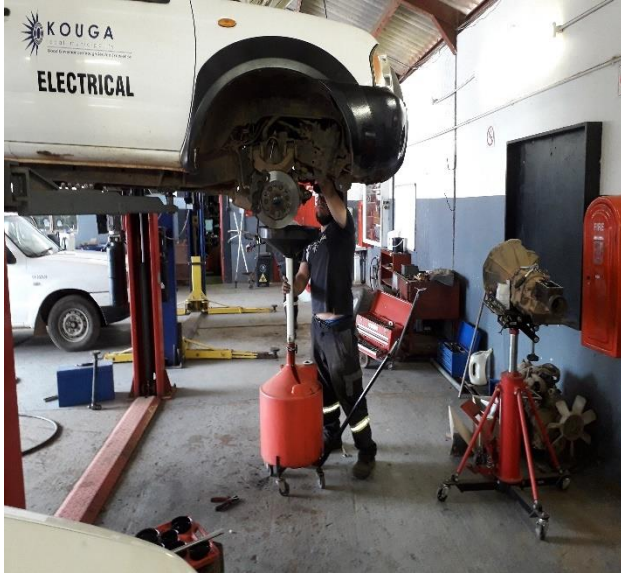


TABLE OF JOB CARDS, REQUISITIONS AND MONEY SPEND FOR 01 JULY 2020 TO 30 JUNE 2021

ITEM	JULY 2020	AUG/SEP 2020	OCT/NOV/DEC 2020	JAN/FEB 2021	MARCH/APRIL 2021	MAY/JUNE 2021	TOTAL
WORKSHOP JOB CARDS OPENED	105	221	389	330	298	304	1647
SERVICE PROVIDER JOB CARDS OPENED	72	116	203	152	112	148	803
TYRE JOB CARDS OPENED [PROCURED]	14	46	79	78	31	50	298
TYRE JOB CARDS OPENED [REPAIRED]	34	30	118	110	128	155	575
TYRES PROCURED	26	113	181	138	54	110	622
2 ND HAND TYRES STILL USABLE FITTED FOR VARIOUS REASONS – USED FOR SPARE WHEELS	1	3	2	13	8	16	43
TUBES PROCURED	2	0	0	0	0	0	2
TYRES AMOUNT PROCURED	R 61 405.55	R 238 352.75	R381 816.07	R 411 996.85	R 141 804.21	R261 603.70	R 1 496,979.33
TYRES REPAIRED	38	34	131	123	147	171	644
TUBES REPAIRED	2	0	0	0	0	0	2
VEHICLES LICENSE AMOUNT PAID	R 66 584.84	R 121 895.00	R 229 625.60	R 86 438.00	R 47 562.00	R 50 650.50	R 602 ,755,94
COF AMOUNT PAID	R 1 130.00	R 4 490.00	R 3 265.00	R 2 200.00	R 2 850.00	R 550.00	R 14 ,485.00

HIRED VEHICLES AMOUNT PAID	NO HIRED VEHICLES	R 246 000.00	R169 945.80	R271 449.70	R 103 555.00	R29 999.99	R 820,950.49
REQUISITIONS TO SCM	140	287	398	303	276	193	1597
ORDERS RECEIVED	138	282	397	303	270	192	1582
ORDERS AMOUNT PAID TO S/PROVIDER INCLUSIVE OF HIRED VEHICLES	R 827,580.39	R 2, 000 694.12	R2,563 092.55	R2,326 577.77	R 1,351 858.74	R 680 109.20	R 9,746 912.93
FUEL USAGE VEHICLES SMALL PLANT AND VOUCHERS 01 JULY 2020 TO 30 JUNE 2021	R 620 347.45	R1, 304 123.86	R 1,683 847.35	R 1, 311 212.57	R 1,293 207.90	R 1,427 272.24	R 7, 640 006.39

Since fleet and assist had divided into different sections the workshop started to overhaul and rebuilt old worn engines, this contributed into saving astronomical funds.



Refurbishment and upgrading of the Kouga Fleet.

Some of the Municipal vehicles were in a bad state due to worn engines and badly rusted bodies, and either it had to be replaced or refurbished. The fleet section took it upon them to start refurbishing the badly rusted bodies of the vehicles to a fraction of the cost to purchase new vehicles, below is a list of the vehicles that were refurbished.

BELOW ARE SOME PICTURES INDICATING IN WHAT CONDITION THE VEHICLES WERE BEFORE REFRUBISHMENT AND AFTER COMPLETION.





Newly purchased vehicles for 2020/2021

DEPARTMENT	TYPE OF VEHICLE	REGISTRATION NUMBER
ELECTRICAL DEPARTMENT	TOYOTA LDV	JNY153EC
ELECTRICAL DEPARTMENT	TOYOTA LDV	JNY152EC
ELECTRICAL DEPARTMENT	TOYOTA LDV	JNY145EC
ELECTRICAL DEPARTMENT	TOYOTA LDV	JNY158EC
ELECTRICAL DEPARTMENT	TOYOTA LDV	JNY165EC
ELECTRICAL DEPARTMENT	GENERATOR	JTD 062 EC
PUBLIC WORKS	TOYOTA LDV	JNY 156 EC
PUBLIC WORKS	SKIP TRAILOR	JVD 553 EC
PUBLIC WORKS	GENERATOR	JTS 554 EC
HOUSING	NISSAN MP 300 D/C	JTC 002 EC
FLEET WORKSHOP	NISSAN NP300	JMR899EC
SEWERAGE	NISSAN NP200	JMR905EC
SEWERAGE	TOYOTA LDV	JNY161EC
SEWERAGE	TOYOTA LDV	JNY170EC
FIRE DEPARTMENT	IVECO CARGO	JSJ 822 EC
FIRE DEPARTMENT	IVECO DAILY	JSJ 826 EC
FIRE DEPARTMENT	TOYOTA HILUX	JTS 965 EC
PARKS	WOODCHIPPER	JRX 805 EC
PARKS	WOODCHIPPER	JRX 813 EC
TOTAL	31	



Fuel usage for vehicles and small plant for the 2019/2020 versus 2020/2021 financial year.

Description	2019/2020	2020/2021	Difference
Total amount litres fuel purchased 2019/2020 versus 2020/2021	551 588.04 L	576 350.35 L	24 763.31 L
Fuel expenditure 2019/2020 versus 2020/2021	R7,941 416.62	R 8,101 344.27	R 159 927.65

Tyres procured from municipal stores 2019/2020 versus 2020/2021

Description	2019/2020	2020/2021	Difference
New tyres procured 2019 /2020 versus 2020/2021	617	622	5
Value of tires procured 2019/2020 versus 2020/2021	R 1,280 665.66	R 1,496 979.33	R216 313.67

License expenses for 2020 – 2021

MONTH	AMOUNT
July 2020	R66 584.84
August 2020 – September 2020	R121 895.00
October 2020 - December 2020	R229 652.60
January 2021 – February 2021	R86 438.00
March 2021 – April 2021	R47 562.00
May 2021– June 2021	R50 650.50
TOTAL	R602 755.94

VEHICLES TO BE WRITTEN OFF

The following vehicles must be auctioned off, the vehicles are old and in bad condition, therefor the vehicles are uneconomical to be repaired.

REG. NUMBER	TYPE OF VEHICLE	REASON TO BE WRITTEN OFF	DEPARTMENT
FKB676EC	CHEV CRUIZE	BLOWN ENGINE	PROTECTION SERVICES
DRY769EC	CHEV AVEO	BODY AND ENGINE	PROTECTION SERVICES
BWY558EC	NISSAN SENTRA	BODY AND ENGINE	ASSETS
FYG876EC	TRAILER	RUST	PUBLIC WORKS
FYG884EC	TRAILER	RUST	PUBLIC WORKS
BPH856EC	FORD COURIER LDV	ENGINE AND BODY	FIRE DEPARTMENT
FJG866EC	TRAILER	RUST	PARKS AND OPEN SPACES
FYG860EC	TRAILER	RUST	PARKS AND OPEN SPACES
FYG881EC	TRAILER	RUST	PUBLIC WORKS

REG. NUMBER	TYPE OF VEHICLE	REASON TO BE WRITTEN OFF	DEPARTMENT
BJX931EC	MAZDA LDV	BODY AND ENGINE	PUBLIC WORKS
FYG859EC	TRAILER	RUST	PUBLIC WORKS
FYG868EC	TRAILER	RUST	PARKS AND OPEN SPACES
DXC542EC	KOMATSU TLB	ENGINE AND BODY	ELECTRICAL
CGT410EC	TOYOTA LDV	BODY AND ENGINE	WATER
DTB654EC	FORD RANGER LDV	BODY AND ENGINE	ELECTRICITY
CYK569EC	FORD RANGER LDV	BODY AND ENGINE	WATER
JGL065EC	TOYOTA HILUX LDV	BODY AND ENGINE	WATER

DIRECTORATE COMMUNITY SERVICES

3.8 ENVIRONMENTAL MANAGEMENT: WASTE MANAGEMENT

The Department Waste and Environmental Management includes all activities relating to integrated waste management, management of two operational landfills, illegal dumping eradication, environmental health, waste minimization, coastal and environmental related management programs.

3.8.1 WASTE MANAGEMENT

The function includes the following activities:

Municipal services

Kouga Municipality mandated services.

In terms of Constitution the Municipality has sole mandate to collect domestic waste from residents and this is paid through tariffs. Residents cannot choose to use other service providers for domestic waste collection.

- Collection and disposal of domestic and commercial business waste.
- Street cleaning: general area cleaning.
- Management of litter bins.
- Collection of illegally dumped waste.
- Operation of drop off centers.
- Operation and management of landfill sites.
- Cleaning of informal settlements.
- Recycling activities.
- Waste awareness and education

The strategic objective of the Waste and Environmental Management section is that all the communities of Kouga Municipality live in a clean and healthy environment that is maintained and managed in a sustainable manner.

Kouga Municipality’s Waste and Environmental Management department’s approach to changing course is informed by the Integrated Development Plan (IDP) paradigm and Service Delivery and Budget

Implementation Plan (SDBIP), which responds to the global, national, and regional challenges of climate change, resource constraints, the triple challenge of poverty, unemployment, and inequality, as well as improving the overall governance and compliance environment in the municipality. This changing course requires increased focus on activities that will lead to waste minimisation and waste diverted away from landfill sites. It focuses on improved modes of collection, infrastructure, recycling, and production partnerships and aims to change behaviour and create awareness.

To align with IDP, SDBIP and the Polokwane Declaration of zero waste to landfill sites, Kouga Municipality's Waste and Environmental Management department is changing its approach to waste management. A paradigm shift is needed to understand that waste is not "rubbish", but a resource or a raw material. This requires a 'full cycle' approach to waste management, with waste products becoming input materials to other value chains.

Kouga Municipality's Waste and Environmental Management department will take leadership in changing course, however, the public's participation in waste minimisation initiatives is key to the programme's success. Kouga Municipality's Waste and Environmental Management department will commit to implementing separation at source projects across Kouga Municipality area, however, communities will also need to be mobilised to sort waste at a household level to reduce waste. Kouga Municipality's Environmental Management department are in the process of developing the following tactical points to commence the changing course programme:

Do away with the culture of abundance - change the way we do things within the constraints of limited resources.

Increase productivity – doing more with less and managing our resources effectively, including landfill airspace, human capital, budget, and others.

Develop measurable output indicators, which address the desired outcomes in the IDP.

Utilize an integrated approach to ensure co-ordination of programs and to work towards greater impact, working with all departments within Kouga Municipality with various responsibilities.

Develop ward by ward, based remodeling program, in order to align with the changing course.

Key issues for 2020/21

- The waste management section identified several challenges that is impacting on service:
- Rapidly growing population
- Growing per capita waste disposal from rising income and consumption levels
- Pervasive throw away culture of disposal and illegal dumping
- Aged fleet with high reliance on 3rd party vehicle hiring
- Broader development imperatives with financial implications
- Aged workforce and vacant posts
- COVID-19 challenges regarding absenteeism, compliance
- Vandalism of infrastructure

- Lack of security at landfills with number of waste pickers growing

The KM employees went on an illegal strike on 9 – 16 March 2021 the employees ignored the agreement signed and joined the strike leaving waste on the streets. The KM employees continued with the illegal strike from 9 – 16 April 2021 damaging property and setting two waste trucks alight.

Households play a key role in waste management as waste generators. Unemployment rate, role and working conditions of waste pickers on landfills and streets, legislation on waste disposal and landfill management are all signals for a need to change the current waste management system. Household’s perceptions are key to the realisation of an integrated waste management system. A system where waste pickers can play a major role of recycling effectively and efficiently within the formal waste management system. An integrated waste management system could create employment and support entrepreneurial initiatives. Household’s role in an integrated waste management system will not only be limited to waste generation but will extend to waste management.

Achievements 2020/21:

The department participated in the following events:

- Mandela Day 18 July 2020 – clean ups in Humansdorp, Pellsrus and main Beach Jeffreys
- International Coastal Clean Up - 21 September 2020
- World Environmental Day 5 June 2021
- The Waste Management section procured 10 skips for designated areas for litter and waste disposal
- Plot Clearing

Overgrown plots have been a challenge in all Kouga areas and creates a health and fire risks. The department started with a private plot clearing programme to reduce the risk.

PLOT CLEARING WAVECREST



PARTNERSHIPS FOR BEAUTIFICATION OF KOUGA

Kouga Municipality launched a sustainable waste management, recycling, and tree planting programme at KwaNomzamo during the 2020/21 financial year with the aim to strengthen partnerships with Maru Ciberconnect, and Chisomo Incubation Hub funded by the National Lotteries Commission and the National Department of Environment, Forestry and Fisheries. Several other beautification programmes took place with the “Dorp van Drome”, Paradise Beach Community group and J-Bay Surfers.

As phase one the sustainable waste management, recycling and tree planting programme employed 16 women from the Humansdorp “The friends of the environment” to work for three months. Activities that took place during the project period:

DOOR TO DOOR: The participants have been conducting door to door education once a week from the 6th April till end June 2021. The education awareness programme had its focus on waste disposal and illegal dumping within the community and how do the community feel they can change the current situation when it comes to waste and illegal dumping.

RECYCLING PROGRAM: The participants collected recyclable goods from the illegal dumping close to where they are stationed. The team collected these recyclable materials and sells them to Extreme Recycling centre which is based at the Humansdorp landfill site. The Extreme Recycling centre assisted the program by training a few of the participants on the basics of recycling and what has more value when it comes to recycling. The purpose of this training was for the participants to be able to continue with recycling even after the project has come to an end.

PROJECT LAUNCH AND PARTICIPANT ACTIVITIES



The “**Dorp van Drome**” continues to play a major role in beautification of the Jeffreys Bay area and has partnered with the Poplar and Cedar street residents to beautify the Poplar Park as well as beautification of Zoetelief Park. Activities takes place every Thursday.

ZOETELIEF PARK



POPLAR PARK



Ratepayers from Paradise Beach got together to beautify the entrance to Paradise Beach and will continue with projects to clean and green the area.

PARADISE BEACH ENTRANCE



JBay Surfers, Compucamm and Slabbert Attorneys focussed their beautification programme at the main surfing areas at the Point and Albatros.

LOWER POINT



ALBATROS BEACH AREA



3.8.1.2 REFUSE COLLECTION

Overview

The planning, control and alignment of all refuse collection and transportation services that provides for specific waste management measures, will be aligned to the norms and standards in terms of the Waste Management Act and Integrated Waste Management Plan.

The Strategic objective of the Section is “That communities enjoy a clean and healthy environment that is managed and maintained in a sustainable manner. “

The refuse collection functions of the municipality are administered as follows:

- Waste Avoidance
- Waste Stream Composition
- Waste Characterisation Results
- Domestic and Commercial Refuse Removal

The table below indicates areas serviced once a week, by Kouga Municipality.

Table: Areas serviced for round collected refuse

Jeffrey’s Bay	Humansdorp	Oyster Bay
Aston Bay	Kwanomzamo	Hankey
Pellsrus	Vaal dam	Patensie
Paradise Beach	Arcadia	Pola Park
St Francis Bay	Loerie	Shukushukuma
Cape St Francis	Thornhill	

Residential areas, both formal and informal in the larger towns (Humansdorp) are serviced twice weekly and the other towns (Jeffreys Bay, Hankey, Patensie, St Francis, Cape St Francis, Oyster Bay, Loerie, Thornhill) are serviced once a week.

Refuse Collection is done 3 times a week at all commercial businesses. The tables 3 and 4 respectively below indicates number of service points per category and equipment used for Round Collected Refuse (RCR).

Table 3: Waste collection service points

CONSUMERS SERVICED	2016/17	2017/18	2018/2019	2019/2020	2020/2021
Total Number of Businesses	1 106	1 106	1 246	1 296	1238
Total Number of formal households	22 130	29 641	30 032	30 032	30 120
Total Number of informal settlement households	3 990	7 939	9 779	9 779	9 779
Total Number of backyard dwellers	3 977	3 977	4 122	4 344	4 544
Total Number of Flats	223	223	242	242	242

Table 4: Equipment for Round Collected Refuse (RCR) Collection

AREA SERVICED	2020/2021 EQUIPMENT
Jeffreys Bay	3 x Compactor Trucks (2 set alight/damaged during strike) 1 x 3 Ton Truck 1 X Skip Trucks
Humansdorp	2 x Compactor Trucks
Gamtoos Valley	1 x Hired Compactor Truck
St Francis Bay	1 x Compactor Truck

Table 5: Weekly Refuse Removal Programme

St Francis Bay

DAY	VEHICLE REGISTRATION	DESCRIPTION OF WORK CARRIED OUT
MONDAY	FMJ 516 EC	Phillipa Place to Otters Landing, St Francis Bay and Cape St Francis (Business + Domestic)
TUESDAY	FMJ 516 EC	Shore Rd to Diana Crescent, Assissi Drive to Lyme Rd (Domestic refuse)
WEDNESDAY	FMJ 516 EC	Cape St Francis, St Francis Bay and Cape St Francis (Business + Domestic)

THURSDAY	FMJ 516 EC	Oyster Bay (Domestic, shops and Industrial area)
FRIDAY	FMJ 516 EC	Sea Vista domestic, businesses and Shops

Gamtoos Valley

DAY	VEHICLE REGISTRATION	DESCRIPTION OF WORK CARRIED OUT
MONDAY	CTW 361 EC	Patensie, Hankey, Weston (Business)
TUESDAY	CTW 361 EC	Gamtoos mouth, Thornhill, Crossways, Nulaid, Lorie (Business + Domestic).
WEDNESDAY	CTW 361 EC	Old Hankey, Phillipsville Ext 4, Rosedale, Plakkerskamp Domestic/Business
THURSDAY	CTW 361 EC	Patensie town, (Business + farms).
FRIDAY	CTW 361 EC	Ramaphosa village, Centerton

Jeffreys Bay

DAY	VEHICLE REGISTRATION	DESCRIPTION OF WORK CARRIED OUT
MONDAY	JBG 856 EC JBD 519 EC DWV 246 EC JBG 916 EC	Beaufort Flats, Jeffreysrus, Paradise (Business + Domestic). Businesses. Caravan Parks + Businesses. All Parks along the beach, entrances, town and townships. Litter Picking bags.
TUESDAY	JBG 856 EC JBD 519 EC DWV 246 EC JBG 916 EC	Wavecrest East, Old Town Domestic, C/Place, Central town domestic, Wavecrest East, Ferreiratown All Parks along the beach, entrances, town and townships. Litter Picking bags.
WEDNESDAY	JBG 856 EC JBD 519 EC DWV 246 EC JBG 916 EC	Jeffreysrus, Oceanview (part) Domestic Business, Oceanview (part) Domestic Business, Caravan park, islandvibe, supertubes All Parks along the beach, entrances, town and townships. Litter Picking bags.
THURSDAY	JBG 856 EC JBD 519 EC DWV 246 EC JBG 916 EC	Wavecrest (part) Domestic, Wavecrest (part) Domestic Wavecrest (part), Kabeljous Domestic, All Parks along the beach, entrances, town and townships. Litter Picking bags.

FRIDAY	JBG 856 EC JBD 519 EC DWV 246 EC JBG 916 EC	Pellsrus (part), Tokyo Sexwale domestic, Business, Mandela bay domestic, Business, Caravan park, Pellsrus (part) All Parks along the beach, entrances, town and townships. Litter Picking bags.
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HUMANSDORP

DAY	VEHICLE REGISTRATION	DESCRIPTION OF WORK CARRIED OUT
MONDAY	FMX 511 EC BCX 587 EC	West side of Town, Melt Melville Business in Voortrekker weg, Panorama, Main Street, Kynoch, Koelkor, Midas, Jet, Saverite, Motolek, Midas, Spar, 95 on Main, Kouga Kitchen, Madida House, Hospital, Country Club, Nico Malan and Arcardia Shopping Centre
TUESDAY	FMX 511 EC BCX 587 EC	East side of town, Boskloof, Ambulance Boblok, Graslaagte, St Patrics School, PeP Stores, Mr Price, Mzingisi School, Lungiso, Trade Value, P.Z. Meyer Hospital, All Shops and Taverns in Kwnaomzamo and Moeras Rivier formal houses
WEDNESDAY	FMX 511 EC BCX 587 EC	Kwanomzamo, Main Street, Kekkel and Kraai, Old Mutual Building, Engine, Spar, Kruisfontein School and Kruisfontein and Vaaldam household refuse
THURSDAY	FMX 511 EC BCX 587 EC	Maak n Laas, 7 de Laan, Drankenhoek, Gill Marcus, Johnson Ridge, Arcadia- Graslaagte School, ClinicKoelkor, Midas, Jet, Saverite, Motolek, Midas, Spar, 95 on Main, Kouga Kitchen, Madida House, Hospital, Country Club, Nico Malan, Kooperasie, All Shops and Taverns in Kwnaomzamo and Arcardia Shopping Centre. Pola Park, Golf Course and Old Arcardia household refuse.
FRIDAY	FMX 511 EC BCX 587 EC	West Side of Town, Mat Mellville, Engine, Main Street, Kynoch, East of town and Spar, P. Z. Meyer Hospital and Arcardia Shopping Centre.

Business, Commercial and Other Waste Collection

Waste is collected from businesses weekly in all towns in Kouga Municipal area. Some of the main commercial centres in Humansdorp are serviced twice a week because many of the businesses in these areas have limited space for waste storage. Other commercial businesses in Jeffreys Bay receives a collection three times a week.

Waste is removed from schools and retirement villages weekly and from the hospital in Humansdorp three times per week, excluding medical waste.

Illegal dumping spots have been identified and a programme is in place to eradicate and beautify these spots.

Humansdorp informal area litter picking

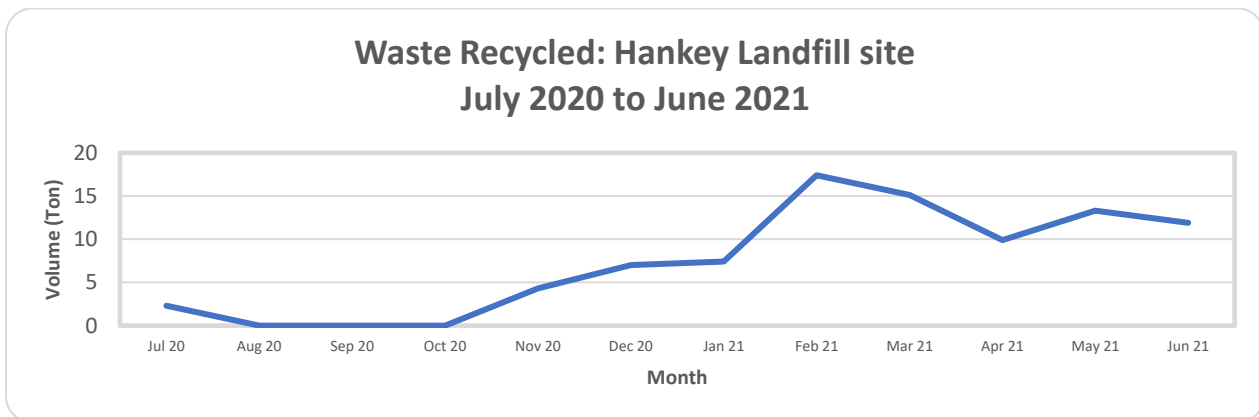


Landfill management

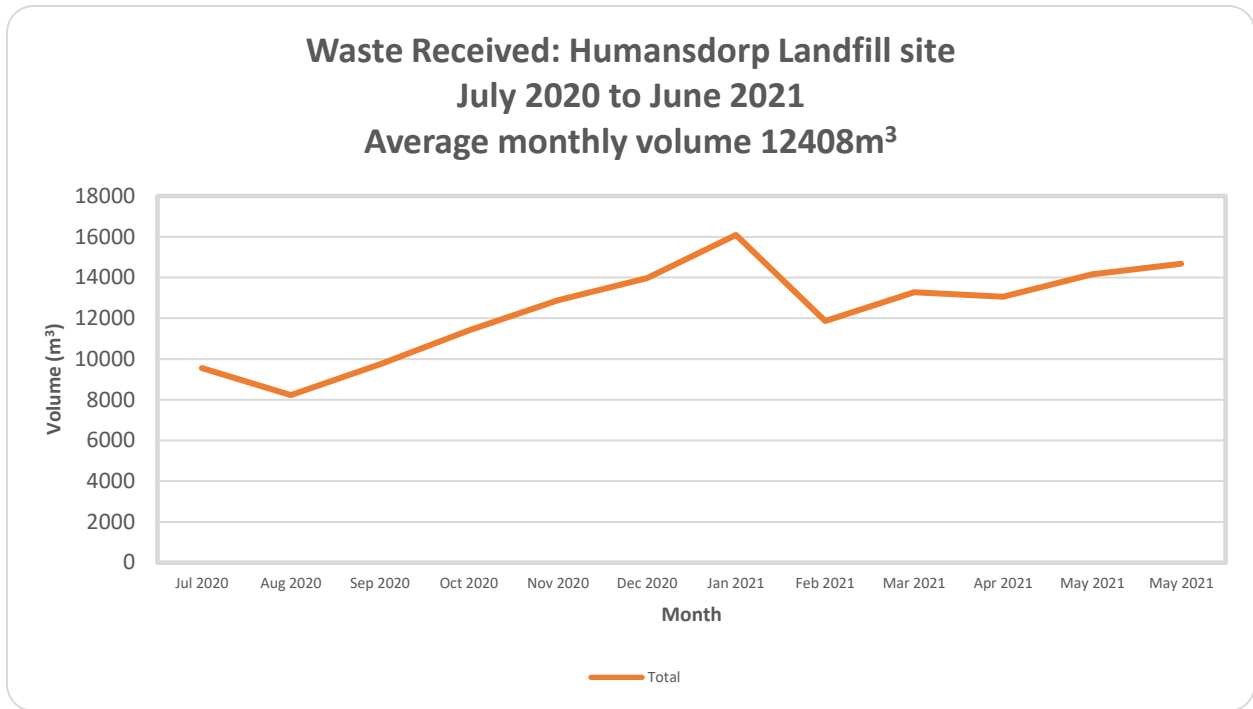
Graph: Hankey Landfill waste disposed per month



Graph: Monthly waste recycled at the Hankey Landfill



Graph: Humansdorp Landfill waste disposed per month









Graph : Monthly waste recycled at the Humansdorp Landfill





The Table below represents the actions carried out at the Humansdorp and Hankey landfill during July 2020 – June 2021.

Landfill action report

Item	Action	Remarks	
1.	The reclaimers operating on the landfill is in the process of being registered. This has been carried out to increase recycling tonnages and to ensure landfill compliance.	A landfill paper picking cleanup continues to be every Wednesday.	
2.	Replace stolen security doors at Humansdorp landfill site office.	New security doors installed.	
3.	Improve security at Toilet facility	Security doors and burglar proofing installed	
4.	New entrance signs ordered and received. Xhosa sign for Humansdorp, Xhosa, Afrikaans and English for Hankey.	Signs to be installed.	

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5.	Meeting held with Xtreme Recycling and Mzima Recycling.	Xtreme and Mzima will both buy recycled material	 <p>City of Frances Baard Municipality Lionel Lourenço Municipal Office 101 Main Street St Francis Bay 6001</p> <p>Postal: PO Box 21, Jefferys Bay, 6330 Tel: 042 200 2200 / 042 200 8300 Fax: 042 200 8606 Email: eghlyth@kouga.gov.za Website: www.kouga.gov.za</p> <p>MEETING: Xtreme Recycling DATE: 28/09/2020 VENUE: Humansdorp Landhuis</p> <table border="1" data-bbox="824 409 1416 646"> <thead> <tr> <th>NAME & SURNAME</th> <th>POSITION</th> <th>TEL.NR.</th> <th>E-MAIL ADD.</th> <th>SIGNATURE</th> </tr> </thead> <tbody> <tr> <td>1. Mrs. Kuylen</td> <td>Kouga EMS</td> <td>0659477524</td> <td>cr.alph@kouga.gov.za</td> <td></td> </tr> <tr> <td>2. Corrie Jordani</td> <td>Xtreme Recycle</td> <td>0446814715</td> <td>Corrie@xtremerecycling.co.za</td> <td></td> </tr> <tr> <td>3. Lee Glad</td> <td>Xtreme Recycle</td> <td>0659321093</td> <td>glad@xtremerecycling.co.za</td> <td></td> </tr> <tr> <td>4.</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>5.</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>6.</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>7.</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>8.</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>9.</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>10.</td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	NAME & SURNAME	POSITION	TEL.NR.	E-MAIL ADD.	SIGNATURE	1. Mrs. Kuylen	Kouga EMS	0659477524	cr.alph@kouga.gov.za		2. Corrie Jordani	Xtreme Recycle	0446814715	Corrie@xtremerecycling.co.za		3. Lee Glad	Xtreme Recycle	0659321093	glad@xtremerecycling.co.za		4.					5.					6.					7.					8.					9.					10.																																																																																																																																																																																																																																																													
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<td>0</td> <td>0</td> </tr> <tr> <td rowspan="2">17</td> <td rowspan="2">Textiles</td> <td>01</td> <td>1.5512</td> <td>1000</td> <td>1.6</td> </tr> <tr> <td>02</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td rowspan="2">18</td> <td rowspan="2">Other</td> <td>01</td> <td>0.0978</td> <td>1000</td> <td>0.1</td> </tr> <tr> <td>02</td> <td>0</td> <td>0</td> <td>0</td> </tr> </tbody> </table>	LEVEL 1	LEVEL 2 - Major Waste Type	LEVEL 3 - Specific Waste Type	Volume (m ³)	Density (kg/m ³)	Ton	01	Municipal Waste (Compacted)	01	1839	500	1839.5	02	0	0	0	Municipal Waste (Noncompact)			0	0	0	Municipal Waste Total			1839	500	1839.5	02	Commercial and Industrial Waste	01	1124	500	1124	02	0	0	0	03	Biome	01	0	0	0	02	0	0	0	04	Fly ash and dust from miscellaneous filter sources	01	0	0	0	02	0	0	0	05	Bottom Ash	01	0	0	0	02	0	0	0	06	Slag	01	0	0	0	02	0	0	0	07	Mineral waste	01	0	0	0	02	0	0	0	08	Waste of Electric and Electronic Equipment (WEEE) from which hazardous components/substances have been 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11	Household refuse	01	0	0	0																																																																																																																																																																																																																																																																																																														
		02	0	0	0																																																																																																																																																																																																																																																																																																														
12	Construction and demolition waste	01	0	0	0																																																																																																																																																																																																																																																																																																														
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13	Paper	01	0	0	0																																																																																																																																																																																																																																																																																																														
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		10	0	0	0																																																																																																																																																																																																																																																																																																														
14	Plastic	01	6.184	1000	6.2																																																																																																																																																																																																																																																																																																														
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15	Glass	01	11.7885	1000	11.8																																																																																																																																																																																																																																																																																																														
		02	0	0	0																																																																																																																																																																																																																																																																																																														
16	Metals	01	11.8816	1000	11.9																																																																																																																																																																																																																																																																																																														
		02	0	0	0																																																																																																																																																																																																																																																																																																														
17	Textiles	01	1.5512	1000	1.6																																																																																																																																																																																																																																																																																																														
		02	0	0	0																																																																																																																																																																																																																																																																																																														
18	Other	01	0.0978	1000	0.1																																																																																																																																																																																																																																																																																																														
		02	0	0	0																																																																																																																																																																																																																																																																																																														
Item	Action	Remarks																																																																																																																																																																																																																																																																																																																	

1.	Xhosa signboard installed at Humansdorp Landfill site.		
2.	Recycling area extended to manage increase in volumes.		

COMPONENT D: COMMUNITY AND SOCIAL SERVICES

3.9 LIBRARIES, MUSEUMS AND COMMUNITY FACILITIES

3.9.1 LIBRARIES

Overview

Kouga Municipality Libraries provide the community of Kouga with access to educational, informational, and recreational material in general or for specific users regardless of race, gender, age, language, financial or educational status.

Strategic objective

- To ensure that the communities of Kouga have access to facilities and resources that libraries offer.
- To develop skills, preserve and conserve their culture and natural heritage.
- Provision of a safe and free library service for reading and learning.
- Provision of a free and guided access to knowledge and information to support formal and informal education.

LIBRARY INFORMATION SERVICES STATUS QUO

Library name	Email address	Computers for staff	Computers for public
Hankey South Library	hankeysouthlibrary@kouga.gov.za	1	5
Hankey North Library	hankeynorthlibrary@kouga.gov.za	1	1
N. B Methodlana	nbmethodlanalibrary@kouga.gov.za	1	3
7de Laan Library	7delaanlibrary@kouga.gov.za	1	2
Humansdorp Library	humansdorplibrary@kouga.gov.za	1	4
Kruisfontein Library	kruisfonteinlibrary@kouga.gov.za	1	4
Ukhanyiso Library	ukhanyisolibrary@kouga.gov.za	1	4
Jeffreys Bay Library	Jeffreys Baylibrary@kouga.gov.za	2	4
Tokyo Sexwale	tokyosexwalelibrary@kouga.gov.za	0	4
Loerie Library	loerielibrary@kouga.gov.za	1	4
Mbuyiseli Nkosinkulu Library	mbuyiselinkosinkululibrary@kouga.gov.za	1	6
Patensie Library	patensielibrary@kouga.gov.za	1	5
Thornhill Library	thornhilllibrary@kouga.gov.za	1	4
Sea Vista Library	Sea Vistacommunitylibrary@kouga.gov.za	2	14

Helpdesk Computers, Network and Telephones

Out of fourteen libraries of Kouga Local Municipality, the computers and network connections of twelve are fully operational. Thornhill and Ukhanyiso Libraries both have working computers but no network connection. Twelve Libraries have working telephones. It is only Ukhanyiso and Thornhill Libraries that have no telephones.

BOOK REVIEW ACTIVITIES

- Things Fall Apart
- Buzani Kubawo
- Dis Ek, Anna
- Spelling Bee: English, Afrikaans & Isixhosa

Library Programmes

READ ALOUD DAY

On the 5th of February 2021 we had a Read Aloud Day



LIBRARY WEEK IN HANKEY

We had a Library Week Event, and it was held in Hankey North Library on the 19th of February 2020, some learners from the Kouga schools participated at the event.



Due to Covid 19 Libraries did not do any outreach programmes from March 2020 until 30 June 2021 but we do library displays and issue out pamphlets to the public



Jeffreys Bay Library Renovation and Extensions Project

Jeffreys Bay Library Renovation and Extensions Project was handed over to the contractor on the 14th of May 2021 and the project is a 12-month project.

Circulation Services

Due to COVID 19 only Circulation Services are offered by the libraries

- Circulation of books from October 2020 – 30 June 2021 = 59 670
- Total number of Walk in Patrons that used the library = 10 778
- Total number of Registered members of the library that used the library = 204 207

3.9.2 PARKS AND OPEN SPACES

Overview

The establishment and maintenance of public open spaces within the Kouga area.

Strategic objective

The Communities have access to Public Open Spaces and Gardens which are well managed and maintained.

Description of activities

- Mowing of Grass (Verges, Picnic Areas, Public Open Spaces, Play Parks, Municipal installations, and offices)
- Alien Vegetation/ Bush Clearing.
- Removal of debris.
- Beautification of open spaces, gardens, and entrances.
- Development of new play parks.
- Planting, Trimming, and felling of trees.

Achievements

- Procurement of 2 x Chippers
- Procurement of 14 Chain saws
- Upgrading of the Pellsrus Park, Kabeljous Park which included the installation of benches, installation of waste containers, installation and painting of poles, landscaping, erection of braai stands
- Procurement of 12 x Outdoor benches and 19 x bins for Parks along the beach

Delivery of 14 Chainsaws



Procurement of 2 x Chippers



PARKS: Beautification of the parks

Kabeljouw's Park:



Pellsrus Park



Main Beach- Playpark



Overview

The identification of land, planning and co-ordination of all cemetery management activities throughout the Kouga (15 cemeteries).

Strategic objective

- Communities to have access to affordable and adequate cemetery services.
- Description of activities
- Identification and applications for the establishment of new cemeteries
- Maintenance of existing cemeteries
- Digging, trimming, and closing of graves
- Cleaning and beautification of cemeteries
- Cleansing of public amenities at cemeteries
- Administration and maintenance of; The Wall of Remembrance

Challenges

- Most cemeteries have reached full capacity
- There is no dedicated team to provide the maintenance service at all the cemeteries.
- Fencing of new and old Cemeteries
- The Standard Operating Procedures are not adhered to.

Solutions

- Workshopping the Cemetery Standard Operating procedure to all cemetery officials
- Apply for Environmental authorization for more new Cemeteries
- Budget for Fencing of new Cemeteries be made available on the 2021/22 Financial year

Status Quo of Cemeteries

AREA	WARD	BURIALS PER YEAR 2020/21	AVAILABLE SPACE
HUMANSDORP			
Town	15	192	Yes
Kwanomzamo	6	77	Yes
Graslaagte	15	None	Full
Jeugkamp	4	None	Full
JEFFREYS BAY			
C-Place	11	191	Yes
Dr BB Keet	8	None	Full

Pellsrus Duine Weg	2	None	Full
Pellsrus Roman street	2	None	Full
GAMTOOS VALLEY			
Centerton	9	2	Full New Hankey Cemetery was approved through EIA process
Hankey Town	9	81	Full, only reserved plots available
Milton	9	111	Full Congregational church land
Weston	13	4	Almost full Church land
Ramaphosa	10	None	Full
Patensie Town	10	75	Almost Full New Patensie Cemetery was approved through EIA process
Thornhill Private Land	7	9	Almost full Extra space was given by Farm owner New Thornhill Cemetery approved through EIA process
Loerieheuwel	7	22	Almost full Explore new Cemetery

Achievements

- Procurement of 4 Jack hammers, 4 Water pumps and 4 Generators
- Fencing of Hankey Cemetery
- Council is currently making use of local SMME's for the cleaning and upkeep of the existing cemeteries.

Jack Hammers and Generators



Fencing of Hankey cemetery



Cleaning of Thornhill Cemetery



COMPONENT E: ENVIRONMENTAL PROTECTION

3.11 ENVIRONMENTAL MANAGEMENT

Overview

Environmental resource management is the management of the interaction and impact of human societies on the environment. It is not, as the phrase might suggest, the management of the environment itself. Environmental resources management aims to ensure that ecosystem services are protected and maintained for future human generations, and also maintain ecosystem integrity through considering ethical, economic, and scientific (ecological) variables. Environmental resource management tries to identify factors affected by conflicts that rise between meeting needs and protecting resources. It is thus linked to environmental protection, sustainability and integrated landscape management. Kouga Municipality strives to have zero impact on the environment throughout its operations.

The long-term vision is to manage, protect and sustainably use the natural assets of all Kouga areas, in partnership with the relevant communities, to preserve and ensure the continued existence of our rich biodiversity and its associated ecological processes and services of our environment.

HIGHLIGHTS: ENVIRONMENTAL MANAGEMENT SERVICES

Keep Kouga Green

Kouga Municipality commenced their environmental conservation efforts by launching its first Waste Management and Recycling Programme at KwaNomzamo in Humansdorp in March 2021. The municipality partnered with Maru Ciberconnect, as well as Chisomo Incubation Hub, National Lotteries Commission and the National Department of Environment, Forestry and Fisheries. The first phase of the programme employed 20 women (Friends of the Environment) from three wards in Humansdorp to work for three months doing door to door Education and Awareness in and around Humansdorp. The recruited friends of the environment were trained on sustainable waste management and recycling, as well as community-based education and effective communication.

The municipality has also created community gardens in and around Kouga Municipality. Community gardens are part of the sharing economy. They make it possible for many people to enjoy a resource that they couldn't afford on their own. However, it's not just the gardeners themselves who gain from community gardens the benefits extend to the rest of the neighbourhood and even to society as a whole.



Construction of an Emergency Revetment:

Kouga Municipality declared a disaster after the Spit breached in April 2020 which allowed the activation of the emergency plan and begin repair work on the most vulnerable areas of the Spit. The municipality immediately reinforced the Spit dune with sand and commenced to provide further protection by constructing emergency rock revetment protection in the most vulnerable areas. In doing this emergency work, the Municipality is continuously working with the Department of Economic Development, Environmental Affairs and Tourism (DEDEAT) to ensure environmental compliance.

The municipality completed 533 meters rock revetment on the St Francis Bay SPIT, the municipality has also constructed sandbag revetment in September to protect municipal infrastructure and affected properties on Shore Road. Regular monitoring of the sandbags will be done to ensure safety.

In December 2020 the municipality has also started with the repair of the main beach revetment and reinstalling the staircases to the beach.

Tree Planting:

Kouga Municipality continues its drive for tree planting as a commitment to combating climate change. Trees do not only create the oxygen we breathe and need to survive, but they also remove harmful greenhouse gases from the air and plays a major role in cooling down the planet. During the financial year 2020/2021 Kouga Municipality Planted 1080 trees around Kouga.



3.11.1 ENVIRONMENTAL PROTECTION

Environmental protection is a practice of protecting the natural environment on an individual, organization and government level, for the benefit of both the environment and humans. Due to the pressure of overconsumption, population and technology, the biophysical environment is being degraded, sometimes permanently. This has been recognised, and government has started placing restraints on activities that cause environmental degradation.

Kouga Municipality landfill sites are licensed through the National Environmental Management: Waste Act of 2008 and Environmental Conservation Act of 1989 that set out the conditions which we must comply with to ensure that the environment is protected against any degradation or pollution. To comply with the set conditions and to ensure that there is minimal damage to the environment, legal compliance audits are conducted quarterly and annually by an independent auditor and on an ad-hoc basis by the licensing authorities. In addition, inspections are conducted monthly at waste drop off sites and landfill sites to monitor the level of compliance with the various statutory licenses and best environmental practices.

The department's strategy is premised on waste minimisation to remedy and minimise the negative environmental impact caused by its operations to the environment and has appointed a recycling service provider. The recycling programme is aimed at socio-economic upliftment of communities as they are based on partnerships with the community. The implementation of the programme recovers recyclable material from drop off centres, commercial businesses, and events.

The section is increasing its focus on partnerships and stakeholder involvement to change behaviour and create awareness. During the year various successful events were held in collaboration with various

partners including the “Keep Kouga Clean” campaigns in collaboration with the Mayor in some instances and special day events such as Mandela Day.



3.11.2 POLLUTION CONTROL

Sarah Baartman District Municipality has embarked on development of a District Wide Environmental Pollution Control plan and other environmental management strategies. Pollution Control is the process of reducing or eliminating the release of pollutants (contaminates, usually human – made) into the environment. It is regulated by various environmental agencies that establish limits for the discharge of pollutants into the air, water, and land. A wide variety of devices and systems have been developed to control air and water pollution and solid waste.

Air pollution control can be divided into two categories: the control of particulate emissions and the control of gaseous emissions.

Environmental Management and Environmental Health share this mandate due to the nature of contaminants that affect people and the environment. Pollution cases that have been reported were pertaining to sewage spills and illegal dumping have been referred to the relevant department. The department is also running environmental awareness campaign to address illegal dumping.

Beaches are cleaned constantly and further provides protection services to ensure discipline, but there is currently not enough capacity to do this on a fulltime basis. Visits are seasonal and weather permitting.

3.11.3 BIODIVERSITY PROTECTION

The functions of biodiversity reside with Department of Economic Development and Environmental Affairs as the municipality does not have capacity. The municipality supports the mission to conserve the rich biodiversity and promotes initiatives to proclaim protected areas in terms of NEM: Protected Areas Act while enhancing ecotourism through our nature reserves.

Our mission is to conserve the rich biodiversity, diverse natural ecosystems, and cultural heritage characteristics of our environment through the implementation of management programmes that have

clearly defined management goals and objective for the enlightenment, enjoyment and benefit of present and future generations.

The municipality has partnered with FOSTER to protect the nature reserves in Cape St Francis. Additional properties have been identified of high ecological and biodiversity importance and will be consolidated into the Erma Booysen Nature Reserve.

Kouga municipality has started developing a management plan for the Noorsekloof Nature Reserve. The municipality will also develop plans for Yellowwood and Erma Booysen Nature Reserves. The Municipality aims to protect the biodiversity within the municipality.

3.11.4 COASTAL MANAGEMENT

The District Municipality developed a Coastal Management Plan with a section for Kouga Municipality which will be adopted and implemented as the local coastal management plan during the year 2019/2020. Coastal Management is currently a new concept within the municipality and Kouga municipality has adopted a Coastal Management Plan in terms of the Integrated Coastal Management Act. Coastal Management will have an impact on various functions within the Municipality such as Planning & Development as well as Infrastructure and Engineering.

Oyster Bay – The rehabilitation and maintenance of the Oyster Bay dunes is a continuous project.

Oyster Bay dune Maintenance



Slang River maintenance



Seekoei Estuary Management

The MEC adopted the Estuary Management Plan for Seekoei in August 2019 and Kouga Municipality council also adopted the Management Plan in council. The municipality continues to manage the health of the Seekoei Estuary to ensure sustainability of the



St Francis Bay – Rock Revetment

Kouga Municipality appointed PRDW consulting to construct emergency revetment on the St Francis Bay Spit. Kouga Municipality declared a disaster at the St Francis Bay Spit after horrific storm surges that made the spit to breach. Kouga Municipality constructed a 533 meters emergency rock revetment after a continuous breach by horrific storm surges that caused the spit to breach. The Main Beach revetment was also repaired to protect municipal infrastructure.



Boat Launching

Kouga Municipality has applied to reopen the Paradise Beach and the Kromme River Boat launching sites in terms of the Integrated Coastal Management Act from the Department of Economic Development, Environmental Affairs and Tourism. Kouga Municipality in partnership with the Paradise Neighbourhood Watch, Kromme Joint Trust has increased security in these areas with surveillance cameras and appointment of Peace Officers. Kouga Municipality was also invited to present these boat launching sites at the Provincial Coastal Technical Committee in Port Elizabeth. Kouga Municipality is currently awaiting the Gazetting of the Boat Launching site by DEDEAT.

Working for the Coast Programme

The working for the coast programme plays a crucial role in the cleaning and maintaining of our coastline covering an area of 92 km from Van Stadens until Oyster Bay. The programme has appointed participants in all coastal wards and has trained them in areas such as alien clearing and dune rehabilitation.

Additional units are funded by the EPWP Programmes:

Working for the Coast Programme (WftC): The Department appointed a new Service Provider in March 2019, Enviro-Acsys to implement the Working for the Coast project for the 2019-2021 cycle. The Project has again received a R12.3 million budget shared between Kouga and Koukamma Municipalities but only for the cleaning of the coast. The project is envisaged to start in August 2019.



Good Green Deeds (Thuma Mina): The Department of Environmental Affairs has realized that more efforts are needed if the environment is to be protected from pollution and has decided on a national #Thuma Mina Green Deeds - for a clean and beautiful South Africa Programme to mobilise every citizen. The aim of the #Thuma Mina Green Deeds, also known as the Green Good Deeds Programme, is to ensure a clean



and beautiful South Africa and to promote environmental actions that take into consideration sustainable living practices. Kouga Municipality received 22 Ambassadors, 15 as general workers for cleaning illegal dumping sites and 7 for environmental education and 1 Youth Environmental Coordinator, Mr Athenkosi Maqolo that is seconded to the Municipality for the next two years and will be coordinating the activities of the Youth Ambassadors.

3.12 ENVIRONMENTAL HEALTH

SERVICE DELIVERY STRATEGY

- To improve the health status of communities through the identification, evaluation and control of critical factors that affect the physical, social, and mental well – being of communities.
- Environmental Health Services are mainly preventive health services, and are therefore largely protecting public health and preventing health hazards / risks and diseases

FUNCTIONS OF ENVIRONMENTAL HEALTH SERVICES

The functions of Environmental / Municipal Health Services for the Municipality are as follows:

- Water Quality Monitoring,
- Food Control,
- Waste Management: illegal dumping,
- Health Surveillance of premises,
- Pauper Burials: attending to applications for exhumations and reburials,
- Surveillance and Prevention of Communicable Diseases,
- Vector Control,
- Environmental Pollution Control, attending to complaints and health nuisances,
- Evaluation of Cemeteries, Mortuaries, and funeral undertakers' premises,
- Active Environmental Education Sessions and Awareness Campaigns / Programs,
- Business registration & hawker programs

The above functions as rendered by the Municipality excludes Port Health, Malaria Control and Hazardous Substances which are functions and competency of the Eastern Cape Department of Health.

ANNUAL PERFORMANCE AS PER KEY PERFORMANCE INDICATORS IN ENVIRONMENTAL HEALTH SERVICES

Description of the Activity and Analysis of the Function	Environmental Health	2018/19	2018/19	2019/20	2019/20	2020/21	2020/21
		No. of Facilities	No. of Visits	No. of Facilities	No. of Visits	No. of Facilities	No. of Visits
Surveillance of premises	Inspection and evaluation of food premises, milk farms and other facilities to ensure compliance to all Health Regulations and to ensure that products sold to the	795	1984	805	3006	823	3192

Description of the Activity and Analysis of the Function	Environmental Health	2018/19 No. of Facilities	2018/19 No. of Visits	2019/20 No. of Facilities	2019/20 No. of Visits	2020/21 No. of Facilities	2020/21 No. of Visits
	public is fit for consumption						
Water Quality Monitoring	Water Quality Monitoring: Sampling of water for bacteriological and chemical analysis to ensure compliance with SANS 241 and to ensure that the water is fit for human consumption.	35 Sampling Points 12 x 35 Bacteriological 4 x 35 Chemical 112 x Failures	637	35 Sampling Points 12 x 35 Bacteriological 4 x 35 Chemical 73 x Bacteriological 73 x Chemical Extra sampling points for Covid19	706	35 Sampling Points 12 X 35 Bacteriological Samples 4 X 35 Chemical Samples Extra for Covid 19: 253 Bacteriological Samples	813 Samples Collected
Waste Management	Waste Management: identification of illegal dumping sites to ensure a clean and healthy environment.	23 Illegal dumping sites	136	20 Illegal dumping sites	40	18 Illegal dumping sites	22
Health Surveillance of Premises	Health Surveillance of Premises: Assessment of factors including ventilation, lighting, moisture and approval of building	54 Building Plans	54	89 Building Plans	89	105 Building Plans & Land Use Applications	105

Description of the Activity and Analysis of the Function	Environmental Health	2018/19 No. of Facilities	2018/19 No. of Visits	2019/20 No. of Facilities	2019/20 No. of Visits	2020/21 No. of Facilities	2020/21 No. of Visits
	plans to ensure safety.						
Surveillance & Prevention of communicable diseases	Surveillance & Prevention of communicable diseases: Health and hygiene promotion to prevent communicable diseases and disease outbreaks.	Ongoing as per visit to facilities	Ongoing as per visit to facilities	Ongoing as per visit to facilities	Ongoing as per visit to facilities	Ongoing as per visit to facilities	Ongoing as per visit to facilities
Vector Control	Vector Control: Vector control of public health interest including the control of anthropoids, rodents and other alternative hosts of diseases.	42 Facilities (Municipal Buildings)	42	15 Facilities (Municipal Buildings)	15	15 Facilities (Municipal Buildings)	9
Environmental Pollution Control	Environmental Pollution Control: Identification of polluting agents and their sources to ensure hygienic working living and recreational environment, e.g. management of overgrown plots.	908 Notices for Plot Clearing	Cleared by owners: 8	830 Notices for Plot Clearing	Cleared by Owners: 10	1140 notices issued	299 Cleared
Disposal of the Dead	Disposal of the Dead: Manage, control and	11 Applications	11 Approved	9 Applications	9 Approved	15 Applications	15 Approved

Description of the Activity and Analysis of the Function	Environmental Health	2018/19 No. of Facilities	2018/19 No. of Visits	2019/20 No. of Facilities	2019/20 No. of Visits	2020/21 No. of Facilities	2020/21 No. of Visits
	monitoring exhumations and reburial or disposal of human remains						
Business Registration & Hawkers Programme	Business Registration & Hawkers Program: Registration of all new businesses in terms of the Business Act, including hawkers.	231 Applicatio ns	231 Approve d	117 Applicatio ns	117 Approve d	52 Applicati ons	52 Approve d

KEY ISSUES FOR 2020/21:

ENVIRONMENTAL HEALTH COVID 19 PUBLIC EDUCATION AND AWARENESS: JEUGKAMP, HUMANSDORP 25 AUGUST 2020

Following the outbreak of Covid19 in the country and the announcement by the President of South Africa, on measures to be taken to curb the spread of the Corona Virus, the Eastern Cape Department of Water and Sanitation, in collaboration with other Sector Departments and Municipalities planned on embarking on awareness campaigns targeting all communities, mostly vulnerable rural communities.

The Department has communicated with other sector Departments and Municipalities through District Joint Operations Committee's (District JOC) on the plans to conduct awareness and distribute hygiene material (Sanitizers and bar soaps) at communities through working with the Environmental Health Practitioners at local level.

The Environmental Health Sections were required to identify areas within their local municipalities where such program was to be conducted and material distributed. Kouga Municipality's Environmental Health with the assistance of the Ward Committee of ward 4 identified Jeugkamp in Humansdorp as a target area and the program with the Department of Water and Sanitation was scheduled as follows:

Date	Activity	Municipality	Lead & support	Responsible Officials	Area
18 August 2020	Health and Hygiene Awareness (COVID19 Awareness Campaign, Proper Hand wash demonstration), and Hygiene Material distribution (Sanitizers & Hand Soaps).	Kouga LM	DWS Officials & Kouga LM EHPs	DWS: Munyai K, Mema S, Jumba L Kouga: N. Blom J. Madatt	Ward 4 Jeugkamp Humansdorp

The program with the Department of Water and Sanitation was scheduled for the 18th of August 2020 but due to weather conditions (rain) could not be conducted on the said date. The Department however distributed 100 bar soaps and hand sanitizers on the 18th of August 2020 and the program was conducted on Tuesday, 25 August 2020, and a total of 99 households at Jeugkamp were reached through:

- Door – to – door education and awareness]
- Issuing of bar soaps for hand hygiene
- Issuing of Covid 19 educational pamphlets printed in Afrikaans and English.



WORLD ENVIRONMENTAL HEALTH DAY – SEPTEMBER 2020: SPAZA SHOPS COVID 19 & FOOD SAFETY EDUCATION AND AWARENESS PROGRAM.

The Environmental Health Section conducted a Covid 19 and Food Safety Education and awareness program for Spaza Shops in line with the World Environmental Health Day commemorated annually on

the 26th of September. The program was conducted for all Spaza Shops within the Kouga Municipal during the entire month of September 2020.

The program focused on Spaza Shops as one of the business sectors that is frequented by most residents within the communities as they are within easy access for the communities.

The main purpose for conducting Covid 19 related program was to provide ongoing education and awareness relating to Covid 19 and the necessary precautionary measures that needs to be in place and are critical in curbing the spread of the virus.

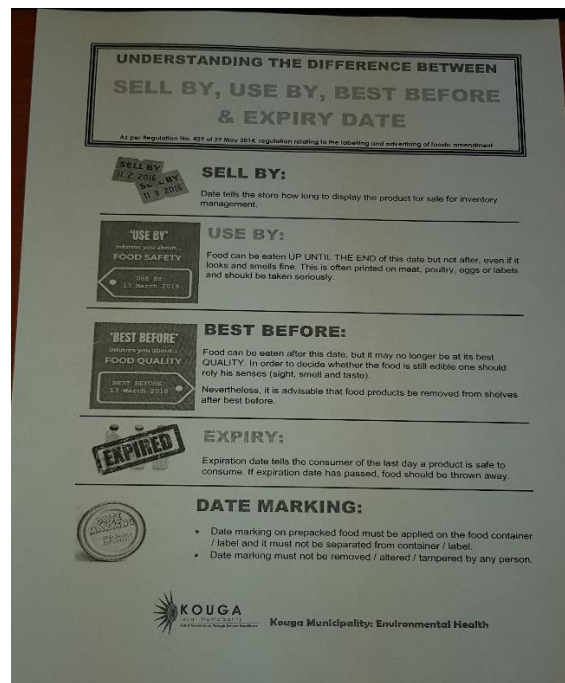
Education and awareness on Covid 19 prevention were mainly focused on the following items:

- General knowledge on Covid 19
- Hand hygiene and handwashing as a primary prevention measure
- General Environmental Hygiene including sanitizing of premises and surfaces
- Social Distancing measure that must be in place
- Donning of masks as a measure of curbing the spread of the virus

The focus on Food Safety during the education and awareness program was mainly on the following items:

- Discussing and explaining the difference between the different dates on the labels i.e., *Sell By; Use By; Best Before and Expiry*
- Explaining and discussing the importance on not tampering / altering / removing the original date marking on the food package
- General food safety and hygiene requirements in terms of Regulation R638 and
- General hygiene requirements for food premises

A total of 154 Spaza Shops was reached with the program and the owners were also issued with a pamphlet detailing the different date markings on the labels of food products.



GLOBAL HANDWASH DAY COVID 19 EDUCATION AND AWARENESS PROGRAM: EARLY CHILDHOOD DEVELOPMENT CENTRES (ECDC’S)

Celebrated annually on October 15, Global Handwashing Day (GH Day) is an annual global advocacy day dedicated to increasing awareness and understanding about the importance of handwashing with soap as an easy, effective, and affordable way to prevent diseases and save lives.

The 2020 Global Handwashing Day theme was **“Hand Hygiene for All”**. The theme followed the global initiative calling on all of society to scale up hand hygiene, especially through handwashing with soap. The emphasis of hand hygiene during 2020 was also in line with the current Global Pandemic of Covid 19, and it aims to raise awareness on the importance of handwashing as an important measure in preventing infections and the spread of diseases including Covid 19.

The Environmental Health identified Early Childhood Development Centres / Creches within the communities of Kouga Municipality that needed support in terms of education and awareness relating to general hygiene and Covid 19 compliance. The focus on ECDC’s was also because of reports of children also being susceptible to infections by the Covid 19 virus.

The focus of the education and awareness campaign was the following:

- The importance of hand washing and hygiene for health
- Demonstration of how to wash hands properly
- Covid 19 education and awareness
- Emphasizing the importance of practicing social distancing
- Education on keeping the environment as well as all surfaces clean and sanitized as a result of the virus surviving for long on touched surfaces
- Wearing of face masks as a means of protecting oneself and others

The program was conducted from the 20th – 22nd October 2020 and 8 ECDC’s were reached through:

- Door – to – door education and awareness
- Issuing of hand sanitizers for hand hygiene
- Issuing of Hand Hygiene and Covid 19 educational pamphlets and posters.

NAME OF THE CRECHE	AREA	DATE	TIME
1. Siembamba Creche	Humansdorp	20 October 2020	10:00 – 10:45
2. Kate Van Der Merwe Creche	Humansdorp		11:00 – 11:45
	Hankey		12:20 – 13:00
3. Umzamomhle Creche	Patensie		13:30 – 14:00
4. Noxolo Creche			
1. Masikhule Creche	Kwanomzamo	21 October 2020	09:00 – 10:00
2. Kokkewiet Creche	Oyster Bay		11:00 – 12:00

1. Madiba Bay Creche	Jeffreys Bay	22 October 2020	9:00 – 10:00
2. Tokyo Sexwale Creche	Jeffreys Bay		10:30 – 11:30



JOINT INITIATIVE: FORMAL FOOD PREMISES' COVID – 19 COMPLIANCE & OPERATION COCA “MAAK SKOON”: NOVEMBER 2020

Environmental Health conducted a Health & Hygiene and Covid 19 Education and Awareness program for formal food premises in line with the Operation Coca “Maak Skoon” which was an initiative that formed part of the Keep Kouga Clean campaign. The operation commenced on the 4th of November and continued throughout the month of November 2020.

The purpose for focusing on health & hygiene was mainly to check on whether these facilities were applying and maintaining hygiene protocols. It was therefore to create awareness on the importance of cleanliness, safety, and hygiene measures with the aim of preventing communicable diseases and to ensure compliance with Regulation 638 which governs the general hygiene requirements of food premises.

The program also focused on providing ongoing education and awareness relating to Covid 19 and the necessary precautionary measures that needs to be in place and that are critical in curbing the spread of the virus.

Education and awareness were conducted on the following items:

- Compliance with General Hygiene Requirements as per Regulation Governing Food Premises i.e., R638
- COVID-19 compliance.
- Waste collection standards and collection days

A total of 117 formal food premises were reached with the program and the owners were also issued with a notice detailing the reason for the visits & different dates which areas will be serviced with the Coca “Maak Skoon” campaign.

JOINT OPERATION WITH DEPARTMENT OF LABOUR & EMPLOYMENT AT SHOPPING MALLS WITHIN THE KOUGA MUNICIPAL AREA: NOVEMBER 2020

The Joint Covid 19 Compliance Operation between Kouga Environmental Health and the Department of Employment and Labour was initiated because of shopping malls being crowd pullers especially during the month of November and Black Friday which is a norm during this time.

The operation was therefore planned and conducted at the Fountains and Equinox Malls of Jeffreys Bay on the 25th November 2020 with the purpose of checking on Covid Compliance and compliance to Regulation R638 by the Malls and their tenants as well as to check the Malls and tenants readiness for Black Friday on the 27th November 2020.

The operation also focused on emphasizing the importance of the Covid 19 precautionary measures that must be in place to curb the spread and these include:

- The Malls and Tenants Covid 19 Workplace Plans
- Measures for access control and capacity monitoring at each shop
- Additional measure put in place for Black Friday and the Festive Season
- General hygiene regulations and compliance thereto
- Social distancing measure in the malls and in shops
- Hand hygiene including hand sanitizing as a precautionary measure for both the Malls and tenants
- Keeping the work environment as well as all surfaces clean and sanitized
- Wearing of face masks by employees and customers as a means of protecting oneself and others

The following Major Retailers which are frequented by customers especially during black Friday were identified and visited for inspections during the operation:

FOUNTAINS MALL:	EQUINOX MALL:
• Game Stores	• Checkers
• Pick n Pay	• Food Lovers Market
• Edgars	
• Pep Stores	
• Truworths	
• Mr Price	

The coin operated facilities / machines used for kids' entertainment were also checked and the mall managements were discouraged from displaying these for use because these are independently owned and there is currently a lack of monitoring and sanitizing of the machines between usage.

The program for the joint operation between Environmental Health and the Department of Employment and Labour Water was scheduled as follows:

DATE	NAME OHS INSPECTOR	CONTACT	KOUGA EHP	CONTACT
24/11/2020	Mphumzi Gwiliza	0736221762	N. Blom	067 106 5663
	Erica. Burke	0609929063	D. Petersen	
25/11/2020	Mphumzi Gwiliza	0736221762	N. Blom	067 106 5663
	Erica. Burke	0609929063	D. Petersen	

TRAINING SESSION WITH FUNERAL UNDERTAKERS, THEIR EMPLOYEES AND CEMETERY CARETAKERS ON THE MANAGEMENT OF HUMAN REMAINS IN THE CONTEXT OF COVID 19 DECEMBER 2020

The Environmental Health Section conducted training and sharing of information for Funeral Undertakers their staff and cemetery caretakers on the handling and disposal of Covid 19 bodies. The purpose of the session was to give the funeral undertakers updated information on the management of Human Remains in the context of Covid 19 bodies as well as the process of conducting funerals.

Funerals have also been reported as being one of the super spreader events / gatherings for the Covid 19 virus due to the following issues:

- Number of attendees to the funeral
- Non – compliance with the set precautionary measures
- Mass catering after the funerals
- Gatherings after the funerals i.e. after tears

As a result of the above reasons, a session was conducted on the 22nd December 2020 for the following Funeral Parlours:

HUMANSDORP	JEFFREYS BAY	HANKEY
- Group Ex Funerals in Humansdorp	- Martens Funerals	• J & S Funerals
- Avbob Funerals in Humansdorp	- Stardust Funerals	
- Forever Funerals in Humansdorp	- Kouga Funerals	
- Bosman Funerals in Humansdorp		
- Ruhe Funerals in Humansdorp		
- Ten to Nine in Humansdorp		
- Ooskaap Funerals Humansdorp		
- Doves Funerals Humansdorp		



JOINT OPERATION WITH LAW ENFORCEMENT & FIRE SAFETY FOCUSING ON TAVERNS: DECEMBER 2020

AREA	ESTABLISHMENTS VISITED
Jeffreys Bay/Ocean View	MK Trading Tavern
	Velem's Tavern
Pellsrus/Tokyo Sexwale	New Brezz Sports Bar
	Sipho's Tavern
Hankey/Rosedale	Mirriams Tavern
Weston	BigNix Tavern
Humansdorp	Galaxy Tavern
	Mr Dee's Tavern

JOINT OPERATION WITH LAW ENFORCEMENT & FIRE SAFETY FOCUSING ON RESTAURANTS, PUBS & GRUBS: DECEMBER 2020

The Joint Covid 19 and Hygiene Compliance Operation between Kouga Environmental Health, Law Enforcement and Fire Department was initiated because of these facilities operating mostly after hours and the possibility of doing Covid19 & Hygiene Compliance assessment during normal working hours was restricted.

The operation also focused on emphasizing the importance of the Covid 19 precautionary measures that must be in place to curb the spread of the virus and these include:

- The premises Covid 19 Workplace Plans
- Measures for access control and capacity monitoring at each premises
- Additional measure put in place for the Festive Season

- General hygiene regulations and compliance thereto
- Social distancing measure in the premises
- Hand hygiene including hand sanitizing as a precautionary measure
- Keeping the work environment as well as all surfaces clean and sanitized
- Wearing of face masks by employees and customers
- Record keeping and staff training on Covid 19 protocols

The operation was conducted at facilities within Jeffreys Bay and St Francis Bay during the month of December 2020 with the purpose of checking on compliance with Covid 19 regulations as well compliance to Regulation R638 by these facilities.

A total number of 29 facilities falling within the above categories were identified and visited for inspections during the operation

Jeffreys Bay:		
Facility	Date	Time
1. Ocean basket	09 Dec 2020	19:00 – 21:00
2. J-Bay Bru CO		
3. Nina's Real Food		
4. Kitchen Windows		
5. Je Vista		
6. The Wildside Pub & Grub		
7. Wild Fig Farm	11 Dec 2020	19:00 – 22:00
8. The Mexican		
9. JBay Bru CO		
10. Quitschy's		
11. @Work Pub		
12. Grand Prix		
13. Ocean Basket		
14. Bay Pasta CO		
15. Die Viswif		
16. Hotel Savoy		
St Francis Bay / Cape St Francis Bay		
17. St Francis Brewing Co & Grill	17 Dec 2020	18:30 – 19:30
18. Tails & Thyme		
19. Praia Prawns		
20. Christy's Catch	18 Dec 2020	17:00 – 19:30
21. Prommes Frites Gastro Pub		
22. Gavins Kitchen		
23. Pizza @167		
24. Village Mini Market		
25. Port St Francis Yacht Ski Boat Club		

26. Clives Chokka Block		
27. Port Sushi Co.		
28. Port View Diner		
29. Mauro's Restaurant		



VACCINATION ROLL – OUT PROGRAM: SITE VISITS

The Environmental Health Practitioners in collaboration with IT, Communications, Law Enforcement, Facilities Management, Public Participation & the Office of the Mayor, as well as the Department of Health, embarked on a program to evaluate the Kouga Municipal community for preparedness for the vaccination roll – out.

The community halls were evaluated on amongst other factors:

- Assessment of factors including ventilation, lighting to ensure safety.
- Floor space / capacity to allow for proper social distancing measures to be put in place during the vaccination program
- Accessibility for disabled persons
- Availability of additional rooms for emergency purposes
- Availability of cooling facilities for the proper storage of the vaccines

The inspections of these community halls were done on 05 & 08 March 2021 as per the schedule below:

COASTAL AREAS INCLUDING HUMANSDORP							
DATE	AREAS	FACILITIES	TIME	TEAMS			
05 March 2021	Jeffreys Bay	Newton Hall	09:00 – 09:30	Team 1			
		Aston Bay Hall	10:00 – 10:30				
	Humansdorp	Kruisfontein Civic Centre	11:00 – 11:30				
	Kwa - Nomzamo	Kwa – Nomzamo Community Hall	09:00 – 09:30	Team 2			
			Sea Vista			Sea Vista Community Hall	10:15 – 10:45
			Oyster Bay			Oyster Bay Community Hall	11:30 – 12:00
INDLAND AREAS: GAMTOOS RIVER VALLEY							
08 March 2021	Thornhill	Katriena Felix Hall	09:00 – 09:30	Team 1			
	Loerie	Loerie Community Hall	10:00 – 11:30				
	Hankey	Weston Community Hall	11:15 – 11:45				
	Patensie	Dan Sandi Community Hall	09:00 – 09:30	Team 2			
			10:00 – 10:30				
			11:15 – 11:45				
	Andrieskraal Hall	11:15 – 11:45					
TEAMS							
Team	Name	Section / Dept	Team	Name	Section / Dept		
TEAM 1	Nomfundo Blom	KLM EH	TEAM 2	Darrol Petersen	KLM EH		
	Jeane Madatt	KLM EH		Amanda Sobuwa	KLM EH		
	Siyanda Camagu	KLM Public Amenities		Luyolo Gulwa	KLM EH		
	Nelson Kepe	KLM OHS		Caretakers	KLM Public Amenities		
	Glynis Plaatjies	KLM OHS		Denzil van Vuuren	KLM OHS		
	Adam Floors	KLM Safety & Security		Adam Fortuin	KLM OHS		

	Bessil Jafta	KLM Public Participation		Adam Floors	KLM Safety & Security
	Jaen Schaap	KLM ICT		Eric Blaauw	KLM Public Participation
	Eugene Goliath	Office of The Mayor		Jaen Schaap	KLM ICT
	Nokuthula Makupula	Media		Eugene Goliath	Office of The Mayor
		Dept of Health		Monique Basson	Media
					Dept of Health

ENVIRONMENTAL HEALTH EVALUATION OF SCHOOLS FOR COVID 19 READINESS: FEBRUARY – MARCH 2021.

Environmental Health visited schools within the Kouga Municipal area were visited prior opening and receiving learners back for the 2021 school year. The visits were conducted in collaboration with the Department of Education and the focus of the visits was to check compliance with the general guidelines relating to Covid 19 as well the general hygiene and safety requirements prior to the schools reopening for learners and these included:

- Guidelines for receiving learners at school
- Social distancing measures in place within classrooms and outdoors
- Sanitizing facilities for learners, teachers, premises, and surfaces are in place
- Learners and teachers PPE
- Measures for monitoring of symptoms for both learners and teachers
- Monitoring by school staff to ensure compliance

A total number of 37 schools were visited and evaluated during the programme and these are as listed on the table below and the program is ongoing.

Jeffreys Bay Unit	Humansdorp Unit	St Francis Unit	Gamtoos Unit
- Global Leadership Academy (GLA)	- Kruisfontein Primary School	- Sea Vista Primary School	- Hankey Primary School
- J-Bay Academy High School	- Graslaagte Primary School	- Kleinplaas Primary School	- Laerskool Hankey
- J-Bay Academy Primary School	- Humansdorp Senior Secondary School	- Mzingisi Primary School	- Bodka Primary School
- Makukhanye Primary School	- St Patrick Primary School	- Lungiso High School	- Vukani Combined School
- Pellsrus Primary School	- Nico Malan High School	- Sandwater Primary School	- Chigwell Primary School
- Kings College	- Stulting Primary School		- Patensie Primary School
- Jeffreys Bay Comprehensive School			- Patensie High School

Jeffreys Bay Unit	Humansdorp Unit	St Francis Unit	Gamtoos Unit
- Victory Christian School			- Andrieskraal Primary
- Mondplaas Primary School			- Masisebenze Primary School
- Pharos Primary School			- Quagga Combined School
- Oakridge Primary School			- Weston Combined School
- Jeffreys Bay Primary School			- Loerie Heuwel
			- Phumlile Primary School
			- Thornhill Combined School

JOINT OPERATION WITH LAW ENFORCEMENT, SOUTH AFRICAN POLICE SERVICES FOCUSING ON BUSINESS PREMISES INCLUDING SPAZA SHOPS.

The Joint Covid 19 and Hygiene Compliance Operation between Kouga Environmental Health, Law Enforcement and the South African Police Services was initiated because these facilities are operating daily and being frequented by customers. The program was also initiated because of the need to continuously assess Covid19 & Hygiene Compliance at the said premises.

The operation also focused on emphasizing the importance of the Covid 19 precautionary measures that must be in place to curb the spread of the virus and these include:

- Measures for access control and capacity monitoring at each premises
- General hygiene regulations and compliance thereto
- Social distancing measure in the premises
- Hand hygiene including hand sanitizing as a precautionary measure
- Keeping the work environment as well as all surfaces clean and sanitized
- Wearing of face masks by employees and customers
- Record keeping and staff training on Covid 19 protocols

The operations were conducted at facilities within the entire Kouga Municipal area during February – June 2021. A total number of 293 facilities were identified and visited for inspections during the operation

DATE	AREA	WARD	NUMBER OF SHOPS
04 February 2021	Hankey	9	24
05 February 2021	Kwa – Nomzamo	6	11

DATE	AREA	WARD	NUMBER OF SHOPS
23 February 2021	Ocean View	14	9
24 February 2021	Patensie	10	7
25 February 2021	Sea Vista	1	12
15 April 2021	Humansdorp:	4	15
22 April 2021	Patensie:	10	10
28 April 2021	Jeffreys Bay:	2	12
12 May 2021	Thornhill	7	5
14 May 2021	Humansdorp CBD	15	67
17 May 2021	Oyster Bay	1	5
19 May 2021	Arcadia Hankey	5 13	15 5
01 June 2021	Loerie	7	9
17 June 2021	Hankey Hankey Sea Vista	9 13 1	11 4 14
23 June 2021	Jeffreys Bay Humansdorp	2 4	6 7
24 June 2021	Jeffreys Bay: Kwa - Nomzamo	14 6	12 12
25 June 2021	Kwa – Nomzamo Kwa - Nomzamo Humansdorp Humansdorp Sea Vista	6 15 4 5 1	5 2 6 4 4
Totals			293



JOINT OPERATION WITH LAW ENFORCEMENT AND SAPS FOCUSING ON TAVERNS FOR HEALTH & HYGIENE AND COVID COMPLIANCE APRIL 2021:

The Environmental Health Practitioners in collaboration with the Kouga Law Enforcement and the South African Police Services embarked on a Covid 19 and Hygiene compliance assessment and education program targeting taverns in Jeffreys Bay and Humansdorp.

The operation was conducted during the month of April 2021. A total number of 11 facilities falling within the above categories were identified and visited for inspections during the operation, and these are listed below:

JEFFREYS BAY:		
Tokyo Sexwale	Date	Time
1. Siphos Tavern: Joe Slovo Drive	21 APRIL 2021	10:00 – 13:00
2. Nix Tavern: Ramaposa Street		
3. Duncan's Tavern: Chris Hani Street		
Madiba Bay		
1. Lovely Hollow Wood Tavern: John Dube Street		
2. Ezola Tavern: Oliver Tambo		
Ocean View	23 APRIL 2021	18:00 – 20:00
1. Velem's Tavern: Winnie Mandela		
2. Phaki's Tavern: Fort Calata Street		
HUMANSDORP CBD		
1. Hen Den Sports Bar	23 APRIL 2021	18:00 – 20:00
2. Mr. Dee's Sports Bar		
3. La Dee Das Sports Bar		



COMPONENT F: SAFETY AND SECURITY

3.13 FIRE AND RESCUE SERVICES

FIRE SERVICES AND DISASTER MANAGEMENT

As a modern emergency service which consists of the Fire, Disaster and Lifesaving sections, our focus is on providing emergency response to a wide range of complex incidents, prevention, preparedness, and specialized operational support.

As emergency services, we can pride ourselves on the professionalism and influence over issues we demonstrate, such as the many awareness and prevention programs. Often our influence, while not always visible, can have a broad and lasting safety benefit for our people and the community.

We continue to see improvements in the equipment we provide our firefighters, lifeguards, and disaster practitioners. Enhancements to the operational response, improved the safety of crews by providing incident controllers with an overview of the environment and essential situational awareness.

Our fifty-one (51) permanent employees and fifty (50) seasonal employees help safeguard the Kouga residents, workers, and visitors along with assets and infrastructure worth millions of Rands. Our day-to-day service covers an area of over 2670 square kilometres. Our significant resources can also be called on to support emergency management anywhere in Kouga.

Fire Services is responsible for the following functions:

- Firefighting of structural fires, veld and bush fires and any other fire.
- Fire safety (the application of the National Building Regulations, Fire codes and municipal by-laws with regard to fire safety).
- Rescue services.
- Support services to municipal and other instances.
- Fire pre-planning and related preparedness plans.
- Testing and basic maintenance work on emergency vehicles and equipment; and
- Fire communications facilities for the service.
- The Disaster Management Act 57 of 2002 provides for an integrated & coordinated disaster management plan that focuses on:

- Preventing or reducing the risk of disasters (Prevention).
- Mitigating the severity of disasters (Mitigation).
- Emergency preparedness.
- Rapid & effective response to disasters, and
- Post-disaster recovery and rehabilitation

Our Lifesaving section is the Local Authority in the effort to prevent drowning and to keep the visitors and bathers safe. This past year was the most significant year whereby no drowning related incidents were reported, and rescues were conducted to near drowning and shark attack victims.

During the past months we have made great strides as a lifesaving section and have seen many positive achievements.

Lifesaving Services is responsible for the following functions:

- Overseeing activities at aquatic facilities.
- Explaining and enforcing rules, regulations, and policies to ensure safety of patrons and maintaining order in swimming areas.
- Monitoring designated areas to recognize signs of danger.
- Warning swimmers regarding unsafe situations.
- Training of local youth to become SAQA qualified lifeguards
- Responding to emergencies and rescuing swimmers in danger of drowning.
- Performing first aid procedures.

FIRE AND RESCUE SERVICE

The main duties of firefighters are to help protect the public in emergency situations. They respond to a wide variety of calls, such as car crashes, chemical spills, flooding, water rescue, and general rescue as well as fires.

Fire kills. Preventing fires saves lives and reduces injuries.

Statistics of Kouga in its analysis of the cause of death is mainly informal structure fires and motor vehicle accidents.

The fire problem is further compounded by the living conditions in informal settlements characterized by narrow streets which are inaccessible to fire service vehicles as well as the lack of street names which complicates endeavours to reach people in need.

These informal settlements comprise of shacks built with highly combustible materials (frequently wood and plastic) and positioned close to each other which increases the risk of fires spreading in these areas.

To keep up with the demand, fire stations are situated in Humansdorp (headquarters), and satellite fire stations in Jeffrey's Bay, Hankey, and St Francis Bay.

Satellite fire stations are intended to reduce the response time to incidents to render a more effective firefighting service.

Kouga Fire Service aims to eliminate or reduce the incidence or severity of emergencies. Prevention activities include both physical and legal measures, such as compliance inspections, approval of building plans, controlled burn, public awareness, and educational campaigns. The Fire Service works with the community, other emergency management agencies, government, and the private sector to ensure the knowledge, behaviours and regulatory and legislative frameworks exist to protect life and minimize injury and damage to assets.

Kouga Municipality advocates for safety in the built environment and the community, with the goal of reducing the occurrence, impact and severity of fires and other emergencies. Preparedness activities include ensuring response plans and arrangements are in place before emergencies occur. This may include conducting risk assessments (likelihood and severity), planning for the continued availability of essential services, and identifying ways to mitigate the potential impacts of an emergency.

Functional strategies:

- Improve firefighting and rescue capabilities
- Improve personal safety of all staff
- Improve public knowledge of fire safety as well as risk management measures
- Improve training levels of all staff

Staff Compliment

We are a professional service (originally referred to as a Fire Brigade). We currently consist of 4 fire stations in the municipal area, namely, Humansdorp, St Francis Bay, Jeffreys Bay and Hankey.

This service responds to and deals with all types of fires and emergencies, ranging from structural, informal settlement, mountain and veld fires to small vessel and motor vehicle fires. The service extends its work to medical emergencies and rescues including urban search and rescue, diving, motor vehicle extrications and high angle incidents, as well as hazardous material emergencies.

The department strives to provide a safer environment for the residents and visitors, by creating awareness of the dangers associated with fire in the communities.

Number of Staff Trained	Firefighter 1 & Awareness Training	Firefighter 2 & Operational HAZMAT Training	Other Training
Manager: Fire & Disaster	1	1	1
Deputy Chief	2	2	2
Divisional Officer	1	1	1
Senior Fire Fighter	7	7	7

Number of Staff Trained	Firefighter 1 & Awareness Training	Firefighter 2 & Operational HAZMAT Training	Other Training
Fire Fighters	31	28	32
Admin officer	0	0	1
Total	42	39	44

Vehicles

Additional vehicles have been procured to ensure compliance with the SANS 10090: Community Protection Against Fires. The following vehicles have been procured in the 2020/21 financial year:

- 1 x Rescue Vehicle
- 1 x Mini Pumper
- 1 x 4X4 6000L Fire Fighting Water Tanker Single Cab
- 1 x 2.5 Ton 4x4 Chassis Fire Fighting Vehicle

The section works over a vast and wide area within the municipal boundaries, covering the entire municipal area. Reaching emergencies in outlying areas has in the past been challenging, but with the procurement of the new fleet within the section, such challenges will be met. The procurement of the additional vehicles for the section and will also help to improve the response time to emergencies.

Type of vehicle	Model	Stationed in	Operational	Need replacement Yes/No
Ford LDV - Rescue	2007	Humansdorp	Yes	No
Toyota Land Cruiser – Bush fire fighting	2009	Humansdorp	Yes	No
Toyota Hino – structural fire fighting	2006	Humansdorp	Yes	No
Dennis – Structural fire fighting	1994	Humansdorp	Yes	Yes
Iveco – bush and structural fire fighting	2018	Jeffreys Bay	Yes	No
Nissan Tanker – structural fire fighting	1990	Jeffreys Bay	Yes	No
Nissan Patrol 4x4 – Bush fire fighting	2007	St Francis Bay	Yes	No
Toyota Tanker – structural fire fighting	1991	St Francis Bay	Yes	No
GMC – structural fire fighting	1987	St Francis Bay	Yes	Yes
Toyota Land Cruiser – Bush fire fighting	2009	Hankey	Yes	No

Type of vehicle	Model	Stationed in	Operational	Need replacement Yes/No
Dennis – Structural fire fighting	1993	Hankey	No	Yes
Iveco -Pumper	2018	Jeffreys Bay	Yes	No
Iveco -Pumper	2020	Humansdorp	Yes	No
Iveco -Tanker	2020	Humansdorp	Yes	No
Ford Ranger - Disaster Management	2020	Humansdorp	Yes	No
Ford Ranger - Lifesaving	2020	Humansdorp	Yes	No

Training and Development

The Kouga Municipality, like all other local authorities, must submit a Workplace Skills Plan to LGSETA in terms of the Skills Development Act, (Act 97 of 1998) and related legislation. No specialized firefighting training is currently provided to fire fighters and this department relies on the Sarah Baartman District Municipality for such training.

Awareness and Training 2019/2020	1st Quarter July - Sep 2020	2nd Quarter Oct - Dec 2020	3rd Quarter Jan -March 2021	4th Quarter April - June 2021	Grand Total 2020/2021
Number of civilians reached	155	52	43	34	284
Type of institutions visited (e.g., Old age home/Hospital / Clinic / Factory / Govt. buildings / Library etc.)	Awareness and training were conducted at various institutions and community members. Taverns Spaza Shops Restaurants Humansdorp & Isivivana Hospital Woodlands Diary Old Age Homes				
Number of children and teachers reached	7	20	12	201	600
Number of schools covered	1	4	1	3	9

Achievements

1. Completion of Fencing at Humansdorp Fire Station

2. Procurement of a 6000 L Water Tanker & Mini Pumper



3. Procurement of a Rescue Vehicle and a 2.5 Ton 4 x 4 Chassis Fire Fighting Vehicle

4. Procurement of Uniforms for Fire & Disaster Management Personnel

5. Completion of Servicing of Fire Hose Reels

6. Working on Fire

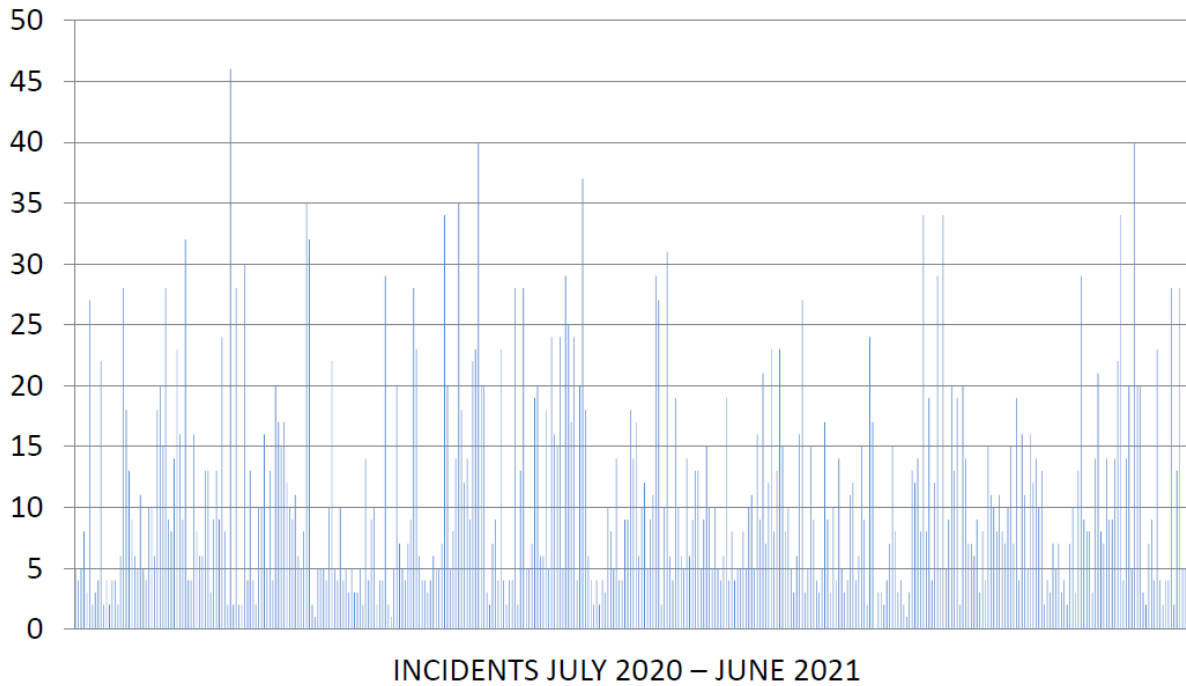
Working on Fire has joined forces with Kouga Municipality to address the issues faced by the municipality with public open spaces. The team of 17 crew members, are stationed in St Francis Bay and assist the department with awareness campaigns, drills, bush clearing and removal of alien vegetation of public open spaces.



7. Achieved a response time of 73.21% within 15 minutes from leaving the station to the scene

TURNOUT TIME INCIDENTS

July 2020 - June 2021 – 73.21%



8. Fire Awareness Campaigns at Schools and Wards: A total of 12 Fire Awareness Campaigns were conducted at schools for the 2020/21 financial year and a total of 13 Fire Awareness Campaigns were conducted at wards for the 2020/21 financial year.

Challenges and Solutions

Description	Challenge	Solutions
Vehicles and Equipment	<p>Kouga Fire and Rescue, Disaster Management was non-compliant with the SANS 10090: Community Protection Against Fires.</p> <p>Our oldest vehicle is 33 years old, a medium Pumper Type GMC, is 23 years over the prescribed life expectancy. This vehicle is stationed in Humansdorp.</p>	Council is allocating funding towards the capital budget for the acquisition of the new plant equipment to better the service.
Staff compliment	The staff compliment in all spheres of the department need to be increased in order to build capacity for the	To plan for the addition of new staff to the sector.

Description	Challenge	Solutions
	<p>department to function efficiently and effectively. This is especially true since there is currently no Disaster Management practitioner.</p> <p>Capacity is required in the following spheres:</p> <ul style="list-style-type: none"> - Fire Safety - Operational Department - Disaster Management - Lifesaving <p>Additional staff is required in order to be in compliance with the SANS 10090: Community Protection Against Fires.</p>	
Lack of infrastructure	<p>Due to the increase of informal settlements, little or no infrastructure is available to assist the firefighters. These include fire hydrants and wide enough access roads.</p>	<p>To coordinate a pro-active approach towards the planning of informal settlements.</p> <p>To provide fire services to the communities in need where fire risks increases arises.</p> <p>To provide more education and awareness in the communities.</p>
Rapid expansion of Informal Settlements	<p>Kouga Municipality has been experiencing a rapid influx of residents which resulted in the increase of the number of informal dwellings. The areas are; Sea Vista and Ocean View</p> <p>This could result in an increase in the attendance of informal settlement fires. These areas can cause fires to spread rapidly, leaving a devastating effect on the communities.</p>	<p>To have a pro-active collective approach between sector departments towards planning of informal settlements.</p>

Legal requirements

In terms of Section 84(1)(j) of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998), the district is responsible for the functions mentioned below:

- Planning, co-ordination, and regulation of fire services.
- Specialized firefighting services such as mountain, veld, and chemical fire services.
- Coordination of the standardization of infrastructure, vehicles, equipment, and procedures.
- Training of fire officers.

Kouga Municipality entered into a service level agreement with the Sarah Baartman District to perform the services on behalf of the district.

The Fire Brigade Service Act 99 of 1987, SANS 10090, Community Protection against fire, National Veld & Forest Act 101 of 1998, National Building Regulations Act 103 of 1977, and Occupational Health and Safety Act 85 of 1993.

3.14 DISASTER RISK MANAGEMENT

DISASTER MANAGEMENT

Overview

The purpose of Disaster Management is to promote integrated, coordinated, and multi-disciplinary disaster management for the community of Kouga. Kouga Municipality faces increasing levels of disaster risk. It is exposed to a wide range of weather hazards, including drought, severe storms, and diseases that can trigger widespread hardship and devastation as well as fires. Climate change is altering the face of disaster risk, not only through increased weather-related risks and sea-level and temperature rises, but also through increases in societal vulnerabilities. Kouga Municipality also dealt with the devastating effects of the COVID-19 pandemic.

Legislative mandate

The Disaster Management Act, 2002 (Act 57 of 2002) provides:

- An integrated and coordinated disaster management focused on rapid and effective response.
- Recovery from disasters as well as the reduction of disaster risk.
- The establishment municipal disaster management centres; and
- A framework under which the municipal disaster management centre operates and liaises with all spheres of government and relevant stakeholders on disaster-related matters.


The focus of Disaster Management is to establish the necessary institutional arrangements for implementation of a Disaster Risk Management Plan within Kouga Municipality. It also emphasizes the involvement of all stakeholders in strengthening the capabilities of the Municipality to reduce the likelihood and severity of disasters.

Staff Compliment

A coordinated local response during an emergency is expected, and it is important that the municipality meets this expectation. Fulfilling these expectations, however, takes many partners, and it is important to have a clear idea of who is involved in emergency preparedness and the response of each partner's role. The Disaster Management section currently has no staff, following the resignation of the previous employee.

Position	Number of Positions	Number of positions filled
Disaster Management Specialist	1	0
Disaster Management Coordinator	1	0
Disaster Management Practitioner	2	0
Control Room Supervisor	1	0
Control Room Officer	4	4
Total	9	4

Vehicles – Disaster Management A new 4x4 bakkie has been procured for the Disaster section. The section works over a vast and wide area within the municipal boundaries, covering the entire municipal area. Reaching emergencies in outlying areas has in the past been challenging, but with the procurement of the new fleet within the section, such challenges will be met. The 4x4 bakkie is an addition to a 2009 Isuzu Double Cab for the section and will also help to improve the response time to emergencies.

Type of vehicle	Model	Stationed in	Operational	Image
Ford Ranger – D/Cab	2020	Humansdorp	Yes	
Isuzu D/Cab	2009	Humansdorp	Yes	-

Joint Operations Command Meetings

During the COVID-19 pandemic the Joint Operation meetings had to be chaired by a practitioner but in absence, the Manager Fire & Disaster has taken up the role.

Kouga JOC Meetings		
Quarter 1		
July 2020	August 2020	September 2020
3 July 2020	7 August 2020	05 September 2020 Virtual
25 July 2020	14 August 2020	12 September 2020 Virtual
31 July 2020	18 August 2020	17 September 2020 Special JOC @ FNB
-	21 August 2020	-
-	22 August 2020	-
-	28 August 2020	-
Quarter 2		
October 2020	November 2020	December 2020
2 October 2020	11 November 2020	15 December 2020
9 October 2020	17 November 2020	22 December 2020
15 October 2020	19 November 2020	29 December 2020
23 October 2020	24 November 2020	-
30 October 2020	-	-
Quarter 3		
January 2021	February 2021	March 2021
5 January 2021	2 February 2021	2 March 2021
12 January 2021	16 February 2021	16 March 2021
19 January 2021	-	-
26 January 2021	-	-
Quarter 4		
April 2021	May 2021	June 2021
6 April 2021	2 May 2021	2 June 2021
20 April 2021	4 May 2021	3 June 2021
-	20 May 2021	10 June 2021
-	26 May 2021	17 June 2021
-	27 May 2021	23 June 2021
-	-	24 June 2021
-	-	30 June 2021

Risk within the different areas in Kouga

AREA	HIGH	LOW	Challenges
Humansdorp	Floods Domestic Fire		Storm Water System Maintenance. Informal Settlement Areas. Social factors
St Francis Bay	Domestic Fire Structure Fire Flooding	Sea level	Domestic fires are high in the formal and informal areas due to social challenges. Structure fires are a high-risk due to electrical and social factors. Sea Risen due to Climate Change and Global Warming factors. Formal and informal areas get flooded due to lack of storm water system and maintenance
Oyster Bay	Flooding Domestic Fire	Sea level	Formal and informal areas get flooded due to lack of storm water system and maintenance. Domestic fires are high in the formal and informal areas due to social challenges Sea Risen due to Climate Change and Global Warming factors
Jeffreys Bay	Domestic Fire Flooding	Sea level	Domestic fires are high in the formal and informal areas due to social challenges Formal and informal areas get flooded due to lack of storm water system and maintenance. Sea risen due to Climate Change and Global Warming factors.
Thornhill	Flooding Domestic Fire	Veld Fire (Bush Plant)	Formal and informal areas get flooded due to lack of storm water system and maintenance Domestic fires are high in the formal and informal areas due to social challenges. Bush fires and Plantation forestry
Hankey	Domestic Fire Flooding		Domestic fires are high in the formal and informal areas due to social challenges. Informal Settlements
Patensie	Domestic Fire Flooding		Domestic fires are high in the formal and informal areas due to social challenges. Flooding is more in the low line farm areas

Achievements

9. Draft Disaster Management Plan

Kouga Municipality is committed to build a safer environment for its community. The Draft Disaster Management Plan of Kouga Municipality which has been compiled in terms of Section 53(1)(a) of the Disaster Management Act, 2002 (Act 57 of 2002).

DRAFT

The Disaster Management Act states that “Disaster Management is a continuous and integrated multi-sectorial and multi-disciplinary process of planning and implementation of measures aimed at disaster prevention, mitigation, preparedness, response, recovery, and rehabilitation”.

The Draft Disaster Management Plan is due for tabling at the following Council meeting for final adoption and approval.

10. Emergency Disaster Relief

Kouga Local Municipality offers emergency disaster relief following incidents within the area. The Disaster Management section responds promptly to the affected victims by issuing of blankets, mattresses as well as food parcels to fire and flooding affected victims.



Emergency Relief Blankets



Emergency Relief Food Parcels



11. Disaster Management Volunteers

The disaster management volunteers were appointed as a contingency measure to address the spike in Covid-19 cases within the Kouga municipal area. They perform this function with the cooperation of Law Enforcement and the South African Police Services.

The objective was and still is to flatten the curve with the introduction of control and monitoring measures within the public domain. They monitor and control the high congested areas with social distancing, wearing of masks and sanitizing the public's hands.





Disaster Management Volunteers in Action!



Social Distancing at ATMs & Pay points



Sanitizing and Implementation of COVID-19 Measures at the Vaccination Sites



Sanitizing in the Streets

12. Compliance with the Implementation of Covid-19 Risk Departmental Workplan

The departmental COVID-19 Risk Operational Plan was adhered to throughout the year. All positive employees were isolated correctly, as per the plan and received the necessary personal protective equipment. The entrances were manned by security to take temperatures and ensure compliance with sanitization of all entrances. The stations were sanitized every Thursday on schedule. The staff has been trained with regards to COVID-19. Daily sanitizing was conducted at all premises of all the frequently touched areas. All premises were fogged with decontaminating liquid after a positive test has been received. The department thus was in 100% compliance with the Implementation of COVID-19 Risk Departmental Workplan.

Challenges and Solutions

Description	Challenge	Solutions
Vehicles and Equipment	<p>Kouga Disaster Management remains in non-compliance with the SANS 10090: Community Protection Against Fires.</p> <p>Only one (1) vehicle is operating in the entire Kouga area.</p> <p>Additional vehicles are required in order for the department to be compliant.</p>	<p>Council is allocating funding towards the capital budget for the acquisition of the new plant equipment to better the service.</p>
Staff compliment	<p>The staff compliment in the department needs to be increased in order to build capacity for the department to function efficiently and effectively.</p> <p>Capacity is required in the following spheres:</p> <ul style="list-style-type: none"> - Disaster Practitioners - Disaster satellite officers - Disaster Management as a whole <p>There is currently no Disaster Practitioner in place which causes strain within the operations of the department.</p> <p>Additional staff is required to be compliant with the SANS 10090: Community Protection Against Fires.</p>	<p>To appoint Disaster Management staff and enlarge the service</p>
Lack of infrastructure	<p>No proper Disaster Management facility, which includes a functional Disaster Management Centre.</p> <p>No proper office spaces.</p>	<p>To establish a well functional disaster management centre.</p>
Disaster risk assessment to be conducted	<p>No qualified staff to do assessments in Kouga area and to do Classifications in terms of the different risk's categories.</p>	<p>To provide Disaster Management Services to the communities in need where fire risks increase arises.</p>

Description	Challenge	Solutions
		To have a pro-active collective approach between sector departments towards mitigating and risk reduction planning.
Awareness and training	Inadequate staff to conduct regular awareness and training.	To provide more education and awareness in the communities.

Overview: The main duties of lifeguards are to maintain constant surveillance of patrons within the aquatic environment, to prevent any incidents, injuries, and drownings in and around the aquatic environment. They act immediately and appropriately to secure safety of patrons in the event of emergency. Provides emergency care and treatment as required until the arrival of emergency medical services. They also enforce rules and regulations within the aquatic environment.

Prevention: The Lifesaving Service section focuses on creating awareness through water safety programs towards schools and the community, providing training for locals, preventing, or reducing the risk of drownings, mitigating the severity of emergencies, emergency preparedness, rapid and effective response to emergency situations and post- emergency assistance.

Lifesaving is an essential life skill.

Preparedness: Kouga advocates for safety in the aquatic environment and the community, with the goal of reducing the occurrence, impact and severity of drownings and other water related emergencies. Preparedness activities include ensuring response plans and arrangements are in place before emergencies occur. This may include conducting risk assessments (likelihood and severity), planning for the continued availability of essential services, and identifying ways to mitigate the potential impacts of an emergency.

Functional strategies:

- Improve lifesaving capabilities
- Improve personal safety of all staff
- Improve public knowledge of water safety as well as risk management measures
- Improve training levels of all staff
- Improve staff interaction with the public


Staff Compliment: The Lifesaving section consists of 2 permanent Senior Lifeguards, 50 contractual Lifeguards, and 2 contractual Shark Spotters for the summer festive season annually. The lifeguards ensure that all swimming beaches within Kouga Local Municipality are safe for patrons during the summer festive season. The contractual staff are monitored and coordinated by the permanent staff during this time.

Position	Number of Positions	Staff trained in Lifeguard Awards, PWC (Jet Ski) Skippers, Lifeguard Instructors, Maritime Emergency Care First Aid, Quad (ATV), Navigation, Coxswain Qualification, Radio Operations, Shark Spotter
Permanent Staff		
Senior Lifeguard	2 (filled)	2 Senior Lifeguards are trained in: <ul style="list-style-type: none"> • Lifeguard Awards, • Personal Watercraft (Jet Ski) Skippers, • Lifeguard Instructors, • Maritime Emergency Care First Aid, • Quad (ATV), • Navigation, • Coxswain Qualification, • Radio Operations • Shark Spotters Training
Contractual Staff		
Blue Flag Lifeguards	12	12 Lifeguards are trained in: <ul style="list-style-type: none"> • Lifeguard Awards
Shark Spotters	2	2 Shark Spotters are trained in: <ul style="list-style-type: none"> • Shark Spotters Training
Lifeguards	38	38 Lifeguards are trained in: <ul style="list-style-type: none"> • Lifeguard Awards
Total	54	54

Lifesaving Vehicles: A new quad bike and 4x4 bakkie have been procured for the Lifesaving section. The lifeguards work over a vast and wide area within the municipal boundaries, covering the coastline from Oyster Bay to the Gamtoos Mouth.

Transporting the lifeguards to their designated areas or reaching emergencies off the beaten track have in the past been challenging, but with the procurement of the new fleet within the section, such challenges will be met. The quad bike will also help to improve the response time to emergencies that happen away from the main swimming beaches, where the lifeguards are usually situated.

The safety of Kouga's beaches is a big drawing card for tourists and the municipality continues in its efforts to strengthen the lifeguard section year on year.

Type of vehicle	Model	Stationed in	Operational	Image
Ford 4x4 lifesaving LDV	2020	Jeffreys Bay	Yes	
Polaris Quad Bike	2020	Jeffreys Bay	Yes	
Jet Ski	2011	Jeffreys Bay	Yes	-

Kouga Municipal Grant-In-Aid Recipient National Sea Rescue Institute (NSRI – Station 37)

Kouga Municipality supports organizations and bodies who qualify for financial assistance in terms of the criteria and prescriptions contained in the Grant-In-Aid Policy and Section 67 of the MFMA 2003. The NSRI work in conjunction with the Kouga Local Municipality to provide training to the Kouga community to create lifeguard jobs on local beaches. The partnership between the municipality and the NSRI has been strong, and the programme has created some excellent lifeguards.

The focus of Sea Rescue Lifeguards is prevention. The teams are chosen from residents who are trained to understand their area of operation intimately. The skills that are taught emphasize anticipating dangers and educating visitors about these dangers, thus reducing the need for rescues. Sea Rescue lifeguarding protocols are designed to reduce the dangers that visitors face. This includes a mobile app that gives the local and national managers real-time information on exactly what is happening in the area, including weather conditions and incidents. The very best equipment available is used, including 4x4 vehicles, quad bikes, and custom-designed jet skis. This allows lifeguards to respond to incidents faster and in a wider

area than just between the flags, as statistics show that most drownings happen outside of the flags. The Sea Rescue Lifeguard unit uses its own training curriculum for volunteers, the Surf Rescue Swimmer qualification. This allows them to bridge that gap between lifeguards and sea rescue crew and brings their skill level closer together. Sea Rescue Lifeguards are on standby 24 hours a day to respond to emergencies.

The NSRI – Station 37, successfully applied for the Grant-In-Aid for the 2020/21 financial year and these are the achievements for the year.

Achievements:

13. Lifeguard Training

Lifeguard training was conducted by the NSRI for the 2020/21 financial year, where volunteers from all areas within Kouga could join. The training was catered for individuals with swimming backgrounds as well as those who have no swimming experience.

14. First Aid Training

The training that was provided included first aid training for all the candidates.



15. Local Training Bases

Lifeguard training has been conducted from both St Francis Bay and Oyster Bay, a first for these areas as historically, training has always been in Jeffreys Bay. These new bases allow the local youth to be trained instead of lifeguards from outside of Kouga being brought in to guard the beaches.

16. Lifesaving Containers

A new satellite sea rescue and lifesaving station was opened at the Aston Bay Beach in a joint venture by Kouga Municipality and the National Sea Rescue Institute (NSRI). A container, fitted with rescue equipment such as a radio, oxygen cylinders, automated external defibrillators (AED), and a patient bed was placed in the area to help improve lifesaving operations. The container has been modified to have a lifeguard tower on top and will also be equipped with a quad bike, a jet ski and other medical supplies to help with emergency cases.



Thank you Kouga Municipality for your generous and continuous investment in our work. Your contribution helps us to save lives.



You are allowing us to do what we do best, saving lives in and on South African waters. We look forward to continue this partnership in the next financial year.

17. Lifesaving Awareness Campaigns and Meetings

A total of 10 Lifesaving Awareness Campaigns were conducted at wards for the 2020/21 financial year. The annual target was 8 Lifesaving Awareness Campaigns for the year. The department overachieved by 2 Lifesaving Awareness Campaigns.

A total of 4 meetings were held with the NSRI, Lifesaving Eastern Cape and Kouga Municipality for the 2020/21 financial year. The annual target was 4 meetings to be held with the NSRI, Lifesaving Eastern Cape and Kouga Municipality for the year.



Senior Lifeguards conduction Water Awareness on Oasis FM



Lifesaving Awareness Campaign at Schools to address the challenge of lack of water knowledge and swimming ability within the communities

Challenges and Solutions

Description	Challenge	Solutions
Vehicles and Equipment	<p>Training during the COVID-19 pandemic was a challenge, as the candidates became demotivated and some even resigned from the programme.</p> <p>The beaches have closed several times with the new lockdown regulations.</p>	To stress the importance and change the mindset of the community, through education and awareness programmes on importance of compliance with COVID-19 measures.
Awareness and training	<p>Lack of water knowledge and swimming ability within the communities.</p> <p>The public does not adhere to the regulations and are swimming at high risk and non-designated areas.</p> <p>Inadequate signage at high-risk zones</p>	<p>Increase of water awareness programs and introducing lifesaving skills through training.</p> <p>Media and social awareness initiative to be introduced to defer public that does not adhere to regulations and swim at high risk and non-designated areas.</p> <p>Installation of more warning signage to minimize risks and liability to Council.</p>

3.15 SAFETY AND SECURITY

This Department includes Traffic, By- Law enforcement and Security services.

The aim of Council is to ensure that all residents and visitors live in a safe and harmonious environment within Kouga municipal area, through high visibility and presence of law enforcement agencies.

Currently municipal law enforcement officers work closely with the South African Police Services (SAPS) to combat crime. Traffic law enforcement focus on keeping the local roads and streets in the municipal area safer and minimize road fatalities. Integrated operations are held to prevent crime increase in this municipal area through proper planning. The section works closely with other enforcement agencies within Kouga municipal area to fight crime in all forms.

3.16.1 TRAFFIC LAW ENFORCEMENT

Overview

Traffic and Licensing Services aims to provide a professional service to all road users and the community of Kouga Municipality by promoting road safety and creating a safe road environment through effective management, education, engineering, and enforcement.

The goals and functions are to educate road users to comply with the rules and regulations of the road and to enforce it. Traffic Law enforcement is guided by the National Road Traffic Act 93/1996, National Land Transportation Act 5/2009 and supported by the Criminal Procedure Act 51/1977.

Functions:

The Traffic Safety is the mandate of the department of Transport and has been delegated to Provincial and local authorities.

Our operational activities include roadblocks at strategic areas, high visibility in identified hotspots zones.

High visible traffic policing is essential daily to ensure a safe road environment. The traffic law enforcement section works closely with other relevant law enforcement stakeholders for example the South African Police Service (SAPS) and the Department of Justice.

Patrols are performed on various National, Provincial and Local roads/ streets in the Kouga area. Roadblocks are held to check driver driving behaviour and vehicle fitness. Speed checking by camera and manual operation is conducted on daily.

Traffic Services: Roadblocks



Scholar Patrol Program



There are nine (9) schools that are participating in the scholar patrol program. They receive regular training and are supplied with the necessary equipment.

SCHOOL	WARD	AREA
Graslaagte primary school	5	Acadia
St Patrick's primary school	15	Graslaagte
Stulting primary school	15	Humansdorp
Mzingisi primary school	6	KwaNomzamo
Hankey primary school	9	Phillipsville
Makhukanye primary school	2	Tokyo Sexwale
Sea-Vista primary school	1	Sea vista
Jeffreys bay Primary school	11	Central J-Bay
Kings College	14	Ocean view

Traffic Control Activities

Description	2017/18	2018/19	2019/20	2020/21
	Total	Total	Total	Total
Handwritten fines	4238	3523	2602	4296
Paid fines	26 000	7868	682	875
Disable Parking discs	160	162	166	107
Warrant of Arrests	1201	333	161	114

Challenges

- The number of towns to be serviced versus the number of officers employed remains a challenge

Solutions

- The Safety and Security Section went out on tender for Speed camera enforcement equipment.

Roadblocks/Joint operations and accident scenes attended



Traffic Technical team assisting with flooding, road markings and erecting signs



3.16.2 REGISTRATION AND LICENSING/ DRIVERS LICENSE/ VEHICLE TESTING

OVERVIEW: Registration and Licensing

Municipalities act as Agents for the Department of Transport to register and license vehicles and conducting driver/ learners' licenses. The municipality receives a 19% agency fee for rendering this service.

Function:

- The registration and licensing as well as Deregistration of Motor vehicles within the jurisdiction of the Kouga Area.
- The capturing of data onto the e-Natis system is done daily.
- The forwarding of complicated vehicle registration transactions to the Provincial Department of Transport helpdesk for support and advice.
- Motor Vehicle Disbursement Reports are compiled on a weekly basis for direct payment to the Provincial Department of Transport.
- Audits are being performed by the Provincial Department of Transport once a year to determine compliance of the National Road Traffic Act.

REGISTRATION & LICENSING CUBICLES



FILING:

Filing of documentation is done daily according to Motor Vehicle Register Numbers to ensure correct classification during Audit Inspections.

CHALLENGES:

Since the Covid 19 pandemic happened, critical transactions done by the Provincial Helpdesk takes longer due to staff rotation.

CHANGES THAT TOOK PLACE IN THE REGISTRATION & LICENSING SECTION:

- 2 E-Natis users are operational on the System
- 4 Filing Clerks have been appointed on a Permanent basis.

Description	2017/18 Total	2018/19 Total	2019/20 Total	2020/21
HUMANSDORP				
Duplicate Certificates	230	399	171	273
Special Permits	95	44	23	13
Temporary Permits	41	117	14	22
Search Fees		1	-	-
Hankey				
Duplicate Certificates	0	17	12	16
Special Permits	0	13	1	3

Overview: Driving Licence Testing Centre and Vehicle Testing Station

The driving license testing centre (DLTC) makes provision to test learners licences, light and heavy motor vehicles licences, as well as renewal of driver licenses and professional driving permits for the community of Kouga municipality and neighbouring municipalities. Humansdorp centre operates 5 days a week.

Hankey driving license testing centre is fully operational and now also does renewal of driving licences and professional driving permits.

The Vehicle Testing Station (VTS) in Humansdorp is not operational due to the requirement for a play detector. The acquisition of this equipment is imminent. Free tests are conducted on scholar transport as part of the provincial program from the Department of Transport. A total of 71 roadworthy tests were conducted during the financial year

Driving License testing centre (DLTC) statistics: Humansdorp and Hankey

Description	2017/18	2018/19	2019/20	2020/2021
	Total	Total	Total	Total
Learners License Applications	3815	4357	2679	3280
Applicants passed	2354	2785	1959	2394
Driving License Renewals	5357	5594	3908	4160
Driving License tests light m/v	1631	1966	1128	1266
Driving License tests heavy m/v	3140	3469	2260	2010
Applicants passed	2625	3155	2508	2374
Roadworthy tests conducted	0	283	243	71

Challenges

Covid 19 caused huge backlogs with learner and driving licence tests due to office closures and staff affected.

- The stolen equipment in Hankey was replaced and is fully functional
- The centralization of the function for efficient monitoring, control, and supervision.
- Office space not conducive for the rendering services to the public.
- The backlog of learners and driving license tests are being dealt with and are well on track.
- Test appointment availability came down from 3 months to just one month ahead at most.

Solutions

- One cashier was trained by Department of Transport
- The backlog of learners and driving license tests are being dealt with and are well on track.
- Test appointment availability are just one month ahead at most.
- Continuous refresher courses and training of staff is needed to be keep up with latest legislation,
- Additional filing cabinets were built to make provision for new files. New counter and aluminum partitioning for cashier were build inside old boardroom
- The Section is adhering to National guidelines of Covid Protocol

New filing space created at Hankey DLTC



Social distancing compliance at Humansdorp DLTC



3.17 SECURITY LAW ENFORCEMENT

3.17.1 SECURITY

Overview:

Performing access control, monitoring and visible patrolling on a 24/7 basis. To ensure Municipal key points e.g., water treatments plants, sewerage & plants are guarded 24/7. A current staff compliment of 19 permanently employed guards ensuring safety in 20 municipal sites. During the festive season, the municipality employs guards on fixed term contracts.

Functions:

- Performing access control,
- Adhering to National guidelines of Covid 19 Protocol
- Monitoring and response to incidents
- Visible patrolling on a 24/7 basis on sites
- Investigation and reporting of theft and vandalism to SAPS



This section strives to ensure that municipal assets/property is protected against theft, burglary, and vandalism. Its mandate is also to ensure the human capital is safeguarded when on duty.

Temporarily guards are contracted as and when needed. Private security is being procured to guard high risk areas, e.g. water treatment plants etc.

Challenges

- A shortage of permanent guards appointed to cover all municipal key priority sites
- Roll out of CCTV Cameras are not finalized at all Municipal Buildings
- Breaking inns and theft occurred where there were no guards placed.

Solutions

- CCTV cameras are being put up at Municipal Buildings
- Upgrade the entire security system with digital security equipment is in a roll out phase



3.17.2 LAW ENFORCEMENT

Overview:



The Law Enforcement Section is responsible for Law Enforcement through Municipal Law Enforcement which is mandated by Government Gazette 23868 of 26 September 2002, to address short falls and hardships experienced by Municipalities in South Africa relating by-law empowerment. To ensure all municipal bylaws are adhered too, and that the law and order in respect to the regulations of Kouga Municipality legislation are adhered to by the residents and visitors.

Functions: Daily duties entail patrol duties on the main beaches, CBD areas and other high priority areas. High visibility

in residential areas is important.

Operations in co-operation with other law enforcement agencies are done on a regular basis.

High visibility and patrols are carried out by-law enforcement officers during events hosted in Kouga Municipality.

The Impoundment of stray animals is part of the monthly programmes;

The removal of illegal signage erected; and

Assistance of other department and relevant law enforcement agencies



Description	2018/19	2019/20	2020/21
	Total	Total	Total
Impoundment of animals, (cattle, goats, and pigs)	133	185	148
Complaints investigated	412	472	620
Arrests	27	13	9
Fine issued	749	934	709
Fiela Operations in Humansdorp Hankey, Patensie, St Francis bay and Thornhill	13	21	57
Illegal Signage	279	313	309
Funerals monitored: Covid 19 (April – June 2020)	-	231	636

Challenges

Roaming and Stray animals remain a concern as municipal boundaries are not properly fenced.

A municipal animal pound is needed for the impoundment of stray animals.

Solutions

- Council is exploring the provision of Pound services through the external mechanism
- Additional two law enforcement officers were appointed to assist with bylaw enforcement
- Also investigating strategies to ensure that animals are marked by their owners for easy identification



COMPONENT H: SPORTS AND RECREATION

3.18 CARAVAN PARKS AND CAMPING

Strategic objective

The Communities have access to caravan parks and resorts which are well managed and maintained

Description of activities

- The maintenance of all Council Caravan Parks and Resorts
- To identify needs and respond to customer complaints to ensure customer satisfaction.
- Reconciliations of bookings and invoices.
- Reservations and bookings

Challenges

No marketing plan for the parks.

Vandalism at Gamtoos mouth Caravan Park

Solutions:

Plans are in progress to develop a marketing strategy in conjunction with Tourism section.

Installation of Security Cameras and Safety gates will be prioritized for the 2021/22 Financial year

Achievements

- Fencing of Yellow Woods Caravan Park and Resort
- Upgrading of 2 x Caravan Parks (Yellow woods and Jeffreys Bay Caravan Park. Material procured for the Pellsrus Caravan Park

Jeffreys Bay Caravan Park upgraded

works included, Wall painting, installation of barbed wire, Installation of Gysers, plumbing repairs renovating the Caretakers house and tiling the women's toilet (small ablution block), installation of a play park.

Installation of signboards – Jeffreys Bay Caravan Park



Installation of a play park: Jbay Caravan Park



Yellowwoods upgraded,

Works included fencing and installation of barbed wire, painting, ceiling, Electrical Wiring, plumbing, , building of new braai stands and Fencing of 2 ablution building, building of septic tank

Fencing of the ablution at the Yellowwoods



3.19 SPORTS AND RECREATION

Strategic Objective

Communities have access to affordable sporting and community recreation facilities that are well maintained and managed.

Description of the Activity:

The provision of various community and social services within the municipality is administered as follows and includes:

- Control of all existing sport facilities
- Control of all existing community recreation facilities
- Maintenance programs for both sport & recreation facilities
- Marking of pitches
- Preparation for special events at all facilities.
- Identification and application for new facilities as the need arises
- Handling of reservations
- Reconciliations
- Procurement of required amenity equipment.

Challenges

- Vandalism of Community halls and Sport fields is still a challenge
- Insufficient budget for establishment of new sports fields and maintenance thereof.
- No proper Indoor or Multi-Purpose Centre for Kouga Region.

Solutions:

- Installing Security Cameras to all hotspot facilities
- Council is in a process of entering into a custodianship with sport clubs for the upkeep and maintenance of the existing sport facilities.
- Business plans were submitted to the Department of Sport, Recreation Arts and Culture for the upgrading of Sport facilities as well as the development of new sport facilities.

Achievements

- Upgrading of Kwanomzamo Sport field through MIG Funding
- Clubhouse upgraded (Tokyo Sport field & Patensie Sport field)
- Upgrading of Community halls (Newton Hall, Kruisfontein Civic Centre, Pellsrus Hall + Loerie Hall)

UPGRADING OF COMMUNITY HALLS

Loerie Hall: Painting the roof, installation of hand basins and toilet cisterns, tiling and painting of the toilets, repairing and painting all window frames, repairing the crack and installation of a sign board



Pellsrus Hall: Works included painting in and out, tiling of toilets, hall, kitchen, the foyer and the stoep, installation of a sign board, installation of doors, installation of hand basins and urinals.



Kruisfontein Civic: Works included. Outside painting, Installation of blinds, Floor sanding and vanish, Tiling of toilets on the Stage



SPORT FIELDS

Two Clubhouse upgraded (Tokyo Sport field & Patensie Sport field). Patensie clubhouse upgraded, works included roof repair, ceiling installation, Electrical Wiring, painting in and outside and extension of the boundary wall

Tokyo Sport field: Clubhouse upgraded, works included Electrical Wiring, plumbing, tiling in and outside, painting in and outside, purchasing of Flood lights and poles for the field



Installation of the crowd control fence



3.20 BEACHES AND ABLUTION FACILITIES

Strategic Objective

Communities have access to clean beaches with clean facilities that are well maintained.

Description of the Activity:

The provision of various beach ablution facilities within the municipality is administered as follows and includes cleaning ablution facilities and the beach areas.

Challenges

Vandalism of facilities especially after hours.

Solution

- Installing Security Cameras to all hotspot facilities

Achievements:

- Blue Flag Beach status awarded for 2020/21 Season
- Upgrading of public ablution facilities (Kabeljows, Pellsrus, Cape St Francis)
- Major repairs were implemented to all the ablution facilities

The following facilities in these units were upgraded (Jeffreys Bay, STF Bay, Gamtoos Valley)

Jeffreys Bay Unit:

Kabeljows 1 & 2, Tacoma, Pagoda, Checkers, Super tubes, Main beach, Friendly, Pellsrus, Aston Bay, Paradise Lagoon, Dawn View, Botha Street

Pagoda toilet



Main Beach: Jeffreys Bay



Repairing of walk way



St Francis Bay: Shore Road 1, Aldabara, Shearwater drive, granny's toilet, main beach, Seal point, CSF main beach.

Main Beach- St Francis Bay



Aldebara, St Francisbay



Cape St Francis



Shear Water Drive



DIRECTORATE PLANNING, DEVELOPMENT AND TOURISM
COMPONENT G: PLANNING AND DEVELOPMENT

3.21 SPATIAL PLANNING

SPATIAL PLANNING

The municipality has a credible SDF that meets the required standards as set by the Eastern Cape Provincial Government through the implementation of the Comprehensive SDF Guidelines developed by Department of Rural Development & Land Reform, 2014. The Draft Spatial Development Framework was approved by Council on 12 June 2020 Council resolution No. 20/06/PD1. In terms of the SPLUM Act (Act No. 16 of 2013) the SDF must be Gazette to comply with the Act and was gazetted in the Provincial Gazette on the 18 March 2021.

At a Glance, the current SDF responds to issue highlighted in the status quo as per below:

<p>The map displays the Kouga Municipality with various land use zones, roads, and infrastructure. A legend on the right side of the map includes categories such as 'Designated Spatial Form', 'Primary Roads', 'Secondary Roads', 'Rural Nodes', 'Rural Settlement Areas', 'New Settlements', 'Water Bodies', 'Agriculture', 'Pastoral/Heritage Areas', 'Urban', 'Industrial', 'Residential', 'Public Open Space', 'Green Space', and 'Water'. The map also shows neighboring municipalities like Sani and Zani.</p>	<p>The Status Quo Analysis for KLM is based on 3 themes, i.e., Biophysical, Socio Economic and the Built Environment (refer to Chapter4). In support of the KLM vision, the following outlines the key issues and objectives based on the 3 SDF themes.</p> <ol style="list-style-type: none"> 1. Built Environment 2. Biophysical 3. Socio Economic <p>(Pg.50; Chapter 6.1 SDF 2021)</p>
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1. Built Environment:

- Lack of Municipal owned land for expansion of lower income and indigent populations
- Inadequate land for provision of basic social facilities, i.e., churches, community halls, sports facilities, etc.
- Lack of land for expansion and development of commonages and promotion of urban agriculture
- Re-assessment of existing urban edges and urban structure
- Strategic land portions include Thuyspunt, Gamkab area, Kromme River, Critical Biodiversity Areas, the coastline, and estuaries
- Ensure well-defined and structured urban areas including urban edge, identification of growth nodes and strengthening of accessibility and transportation corridors
- Residential integration and the promotion of mixed-use development to support sustainability to be encouraged
- Ensure and maintain an adequate land use management system to ensure the implementation of the Spatial Development Framework
- Lack of capacity to deal with SPLUMA requirements and SPLUMA readiness
- Defragmented land use schemes and the need for an Integrated Land Use Scheme for the entire Kouga area
- Inadequate land for future expansion of human settlements with emphasis on subsidy dependent beneficiaries
- Subsidized future residential developments to be based on sustainability principles, integration, and acceptable densities
- Slow housing delivery process and unavailability of pre-planned and surveyed land
- Lack of acceptable service levels and service maintenance
- Lack of land for bulk service provision and service integration
- Lack of land for 'commonage' purposes.
- There is a need develop a food gardens plan to enhance food security for the urban poor.

2. Biophysical Environment:

- Low levels of investment in the rural area and limited opportunities for development, job creation and tourism development
- Identify areas for future rural livelihood prioritization
- Support and expansion of the smaller rural nodes to provide services and function to the surrounding area, with emphasis on the Oyster Bay / Gamtoos River and Loerie / Thornhill areas
- Impact of Climate Change:
 - 2.06 decrease in Mean annual precipitation
 - 3.2% increase in mean annual evaporation
 - 10.17% decrease in mean Annual runoff
 - Increase in average temperature of less than 2.5 C
- Inadequate environmental management and environmental support strategic plans
- Lack of environmental by-laws and environmental management strategies

3. Socio-economic Environment:

- SDF should promote economic development and proactive planning to ensure economic growth
- Expansion of CBD areas and opportunities for industrial development
- Support tourism industry based on environmental sustainability principles
- Environmentally sensitive areas to be identified and protected through the Spatial Development Framework

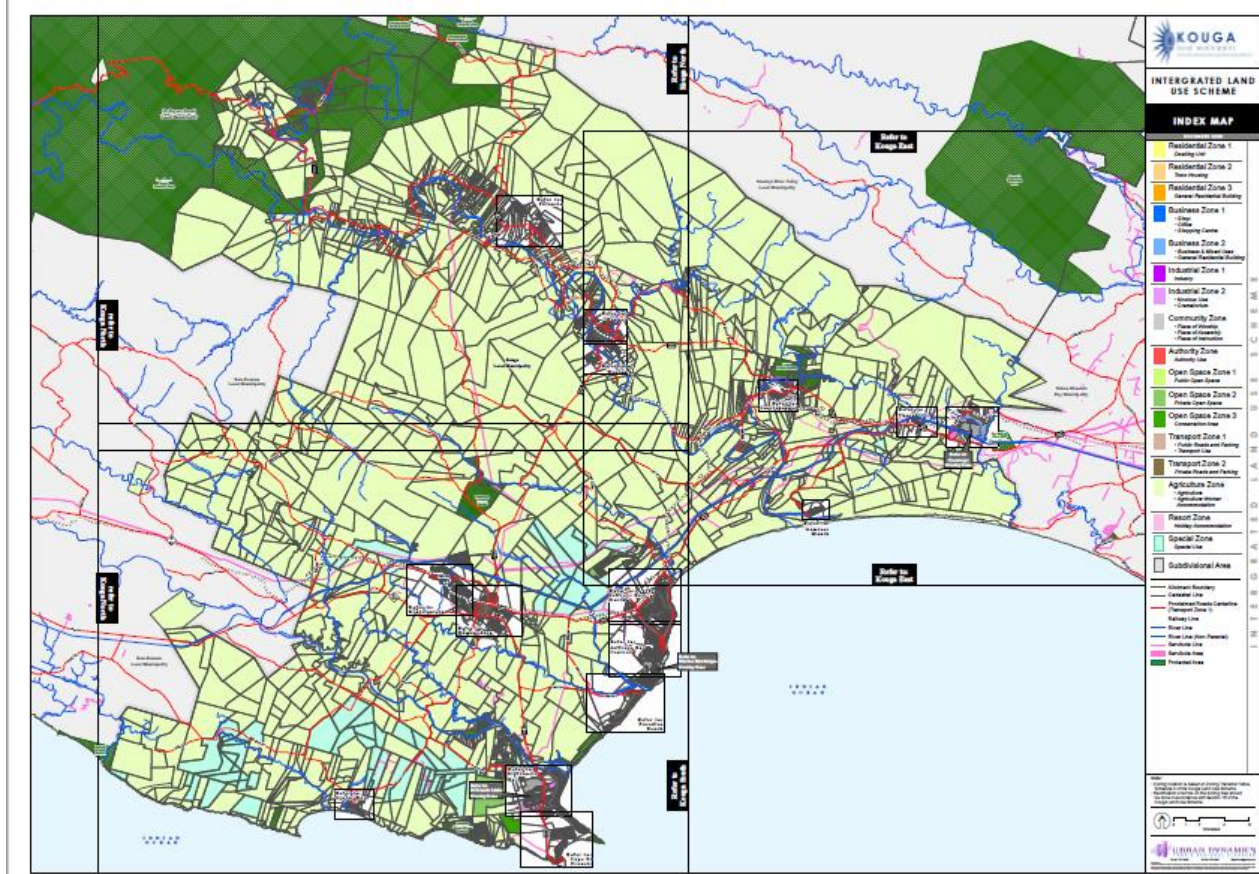
INTEGRATED LAND USE SCHEME (ILUS)

The Draft Integrated Land Use Scheme (ILUS) has been finalized in the 2020/2021 financial year and was tabled to Council for adoption on the 26 February 2021.

On the 19th of March 2021 the Kouga Integrated Land Use Scheme was promulgated in the Provincial Gazette (No.EC 4245)

The main objective is to create an Integrated Land Use Scheme that will replace the old Section 8 Scheme, Act 4 Regulations and the Jeffreys Bay Town Planning Scheme which exist for the towns in the Kouga Municipal area. The Kouga ILUS complies with the current legislative framework, and with the provisions of the Spatial Planning and Land Use Management Act, (Act 16 of 2013) as well as the Kouga Spatial Planning and Land Use Management By-law, 2016. It must also fit within the policy parameters established by the Provincial Government in the Eastern Cape, the Eastern Cape Spatial Development Framework, and the Kouga Spatial Development Framework.

In terms of the Spatial Planning and Land Use Management Act, 2013, all municipalities must adopt a wall-to-wall land use management scheme before the end of 2020.

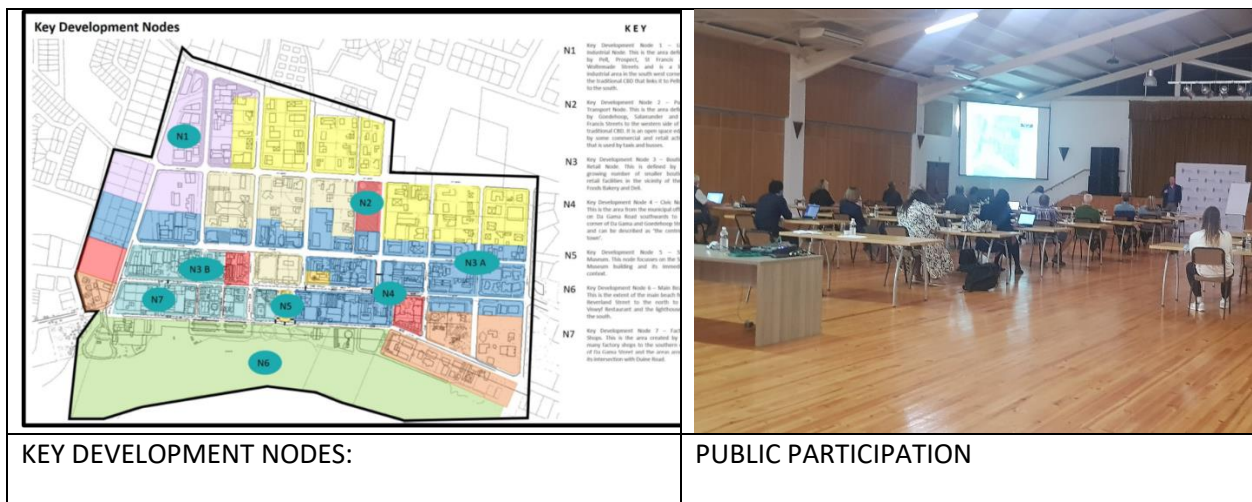


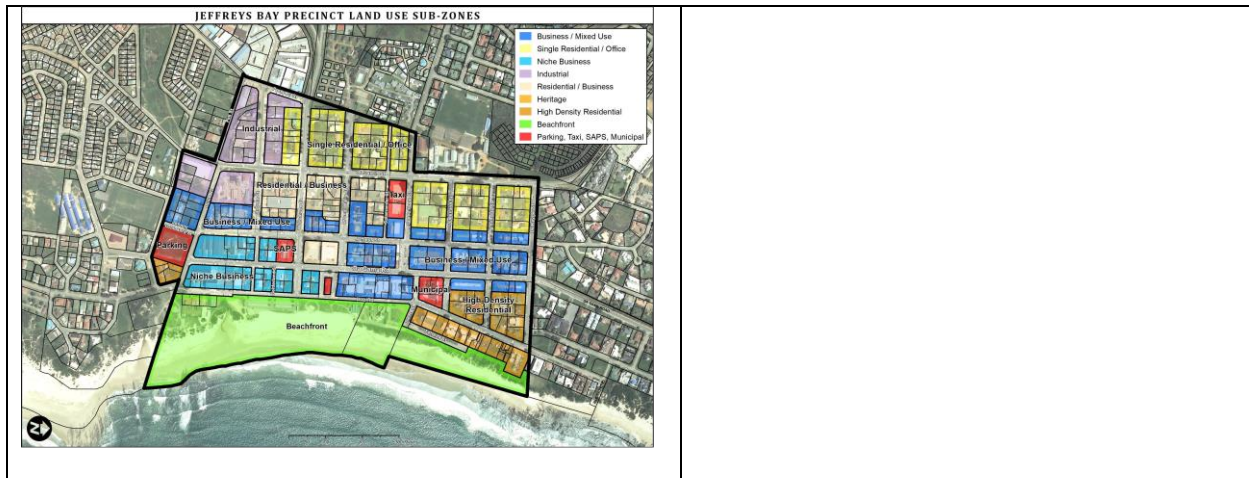
LOCAL SPATIAL DEVELOPMENT FRAMEWORK: PRECINCT PLANS:

a) JEFFREYS BAY PRECINCT PLAN:

The municipality initiated a process to develop the Jeffreys Bay Precinct Plan on 03 June 2020. The draft document was Published for comments from 29 April 2021 until 27 June 2021. After receipt of the updated document, the PSC resolved that an extension be granted until 30 July for comments. It is the intention of the department to submit the updated 3rd draft to the next Council meeting for adoption. The focus of the project is:

- To develop a spatial vision for the Jeffreys Bay CBD
- To leverage private and community/ public investment within Jeffreys Bay
- To enhance the collateral value of properties within the CBD
- To create conditions for broadening of capital formation and business development
- To achieve efficiency in the movement of goods and people by restructuring the spatial form of the CBD by introducing proper land use zones and supporting the introduction of activity nodes and movement corridors
- To create vibrant public and economic spaces
- To build institutional and development capacity that will contribute to social and economic cohesion



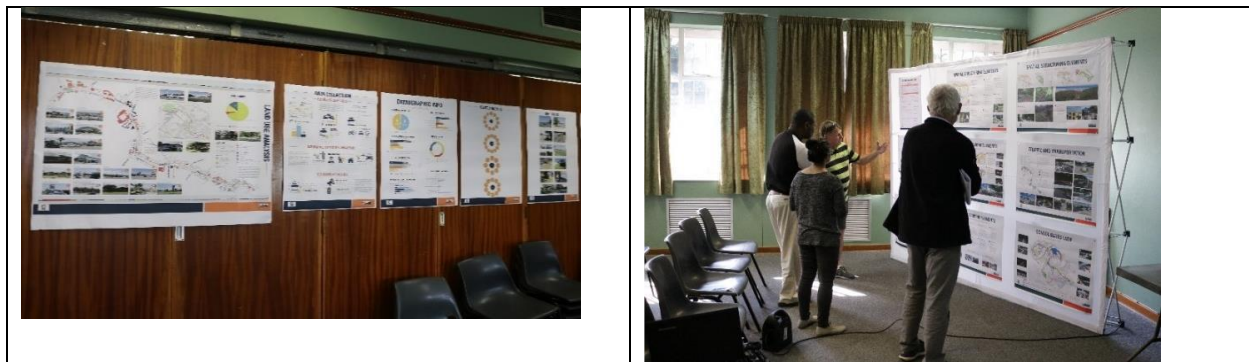


b) HUMANSDORP CBD PRECINCT PLAN

In February 2021, the municipality initiated a process to develop a precinct plan for the Humansdorp CBD. The inception report spells out the milestones that needs to be achieved by the service provider.

A Status Quo report was draft for discussion by the various stakeholders, through workshops and virtual platforms. Workshops were conducted with stakeholders for their inputs and comments.

A Draft document is expected within the first quarter of the new financial year for a final public participation process and comments, before tabled to Council for adoption.



A detailed close-out report will be prepared which will identify challenges, opportunities, lessons learnt short- and long-term benefits as well as the actual budget used, etc. so that the Local Municipality can relate to these highlights for future projects.

The final consolidated report will include: -

- Final Report with maps, tables, and figures (hard and soft copies),
- A0 Plan
- Executive Summary
- All maps in electronic format (Jpeg format), and
- All shapefiles

Prioritising Projects and Interventions

- Development scenarios or opportunities will be assessed and evaluated in terms of a decision matrix, and selected criteria. Potential criteria include:
 - Sustainable job creation
 - Linkages with other sectors to create multiplier/leverage-effects. Implementation time frame of the projects
 - Capital gearing ratio of the project
 - Environment friendliness of project
 - Potential of project to enable communities to benefit from integrated development

	<ul style="list-style-type: none">• Financial feasibility of the project• Economic sustainability of the project.
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LAND USE MANAGEMENT

All Land Use Management is done in accordance with legislation requirements e.g., Zoning Scheme Regulations, Kouga Spatial Planning and Land Use Management By-law, 2016, and other applicable legislation.

The land use management application process has also been converted to an online submission via the OVVIO portal. All planning applications are captured on the land use application portal. The Town Planning section can now monitor all the necessary processes that have to be followed for an application to be finalized and approved.

The following **Land Use Management applications for 2010/2021** have been dealt with in terms of said legislation: The table underneath depict the number of applications received during the financial year.

Aston Bay	TOWN EXTENSION
	Amendment or cancellation of a subdivision plan (Section 57)
3	Combined - Departure and Removal, suspension, or amendment of restrictive condition of
	Combined - Rezoning, Departure, Subdivision of land (Into 2 Erven)
	Combined - Rezoning, Departure, Subdivision of land (Into 3 - 250 Erven)
	Consent use
	Consent use RDP
	Consolidation
	Exemption of a subdivision or consolidation from the need for approval in terms of this By-
	New Site Development Plan Assessment (Not Amended SDP)
	Occup Practice or Other Rights - Approval ito condition of title, a condition of subdivision or
	Other Applications
6	Permanent departure
4	Permanent departure (Building Line)
	Permanent departure (Building Line) RDP
	Removal, suspension, or amendment of restrictive condition of title deed
	Rezoning of Land
	Site Development Plan Amendment
	Spaza Shop - Approval ito condition of title, a condition of subdivision or condition of an
	Subdivision of land (Into 2 Erven)
1	Subdivision of land (Into 3 - 250 Erven)
	Temporary departure
14	Grand Total

Crossways								2				1										3
Hankey			1							1	1											3
Humansdorp		1		1	1			1				5			1	1			3			14
Jeffreys Bay	1	4	2	2	6				7			9	26		2	8			2			69
Cape St Francis		3											3			1					1	8
Kruisfontein												5			1				1			7
Oyster Bay									1			1			1							3
Paradysstrand		3			1							2			1							7
Patensie						1		1							1							3
Pellsrus									1	2			1	1	1			1				7
Sea Vista		8	3	1			1	1	1				6		3	1			2	1		28
St Francis Links					1											1						2
Humansdorp RD				1	1			1			1		2						1		1	8
Uitenhage RD					1																	1
Grand Total	1	22	6	5	11	1	1	6	10	3	2	29	42	1	9	12	2	1	9	2	2	177

A total of 177 land-use applications were recorded for abovementioned period.

BUILDING CONTROL SECTION:

As from the Financial Year 20/21, the Building Control Section has implemented an electronic plan submission system via an online submission portal OVVIO. All building plans are submitted via this electronic submission portal by external users e.g., architects and draught persons. Building plans are circulated to internal departments for comments through this platform. During this period, the time frame for plan circulation and the final approval of building plans, has been reduce from over 60 days to an average of 26 days and less, depends on the category of application.

Building Applications														
Date Captured between 1 Jul 2020 and 30 Jun 2021														
	Boundary Wall	Exempt Building Work	Garden Walls and Fixed Fences	Garden Walls and Fixed Fences - (RDP & Sub economic area)	General Building Work	Industrial Rural	Minor Building Work	Minor Work - Internal Changes	RDP Informal Housing	Revised Plan / Alterations: Other	Revised Plan / Alterations: RDP Informal	Swimming Pool	Test Work Type - Pls ignore	Total
	1	2	2	0	8	0	0	0	0	4	0	0	0	17
Amaninzi	0	0	0	0	1	0	0	0	0	0	0	0	0	1
Aston Bay	1	0	0	0	88	0	4	0	0	19	0	2	0	114
Crossways	0	0	0	0	20	1	0	0	0	2	0	0	0	23
Gamtoos Mouth	0	0	0	0	50	0	1	0	0	9	0	0	0	60
Hankey	0	1	0	0	5	0	0	0	3	0	0	0	0	9
Humansdorp	0	0	0	0	23	1	2	0	2	19	0	0	0	47
Humansdorp RD	0	0	0	0	53	3	2	0	0	9	0	0	0	67
Jeffreys Bay	31	1	1	0	479	2	75	11	4	96	1	7	1	709
Kaap St Francis	1	0	0	0	85	0	7	0	0	14	0	7	0	114
Kruisfontein	1	0	0	1	8	0	0	0	4	2	0	0	0	16
Loeriehuwel	0	0	0	0	0	0	0	0	0	1	0	0	0	1
Oesterbaai	0	0	0	0	9	0	0	0	0	1	0	0	0	10
Paradysstrand	0	0	1	0	70	0	6	0	0	10	0	0	0	87

Patensie	0	0	0	0	11	0	0	1	0	2	0	0	0	14
Pellsrus	0	140	0	1	6	0	0	0	5	3	0	0	0	155
Sea Vista	6	1	0	0	178	1	33	3	0	42	0	2	0	266
St Francis Links	0	0	0	0	51	0	7	0	0	16	0	2	0	76
Uitenhage RD	0	0	0	0	11	0	0	0	0	0	0	0	0	11
Total	41	145	4	2	1156	8	137	15	18	249	1	20	1	1797

BUILDING PLAN APPLICATIONS RECEIVED 20/21 FY.

Building	Applications	Fees	Received
Date Captured between 1 Jul 2020 and 30 Jun 2021			

	Floor Area	Estimated Cost	Number	Income Received
Assessment Phase	3520.04	26607250	16	77376
Closed	40376.47	281737200	209	84888
Inspections Completed	674	5096600	11	20740
Missing Documents	16737.61	110251450	76	20692
Occ Cert Issued	6361.51	35496350	188	251398
Open	21419.01	29830100	40	62491
Plan Approved	112495.83	697670050	824	2315184.5
Plan Refused	2151.55	16189200	12	49372.25
Recommendation: Deferred	22163.82	139287400	224	470853
Recommendation: Not Supported	187.71	1424050	7	6229
Recommendation: Supported	8528.17	28181200	161	97430
Resubmitted	5188.97	33427700	29	136802.3
Total	239804.69	1405198550	1797	3593456.05

Total of 1797 Building Plans were **received** with a total value of R 1 405 198 550-00 and Building **Plans approved** at a value of **R 725 851,250.00**

	Boundary Wall	Exempt Building Work	Garden Walls and Fixed Fences	Garden Walls and Fixed Fences - (RDP & Sub economic area)	General Building Work	Industrial Rural	Minor Building Work	Minor Work - Internal Changes	RDP Informal Housing	Revised Plan / Alterations: Other	Revised Plan / Alterations: RDP Informal	Swimming Pool	Test Work Type - Pls ignore	Total
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Amaninzi	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Aston Bay	683	0	0	0	204026	0	2049	0	0	16019	0	1366	0	224143
Crossways	0	0	0	0	38465	10090.3	0	0	0	930	0	0	0	49485.3
Gamtoos Mouth	0	0	0	0	117858	0	683	0	0	6510	0	0	0	125051
Hankey	0	0	0	0	21358	0	0	0	1886	0	0	0	0	23244

Humansdorp	0	0	0	0	49299	10172	1366	0	1660	15336	0	0	0	77833
Humansdorp RD	0	0	0	0	234725	41584.2	1376	0	0	6981	0	0	0	284666.2
Jeffreys Bay	18000	0	529	0	1183148.25	0	40637	2070	1530	70023	0	1366	0	1317303.25
Kaap St Francis	683	0	0	0	240997	0	8879	0	0	12868	0	683	0	264110
Kruisfontein	529	0	0	264.5	21693	0	0	0	3031	1860	0	0	0	27377.5
Loerieheuwel	0	0	0	0	0	0	0	0	0	930	0	0	0	930
Oesterbaai	0	0	0	0	28327	0	0	0	0	2061	0	0	0	30388
Paradysstrand	0	0	529	0	195737	0	3852	0	0	7440	0	0	0	207558
Patensie	0	0	0	0	50347	0	0	0	0	1820	0	0	0	52167
Pellsrus	0	0	0	264.5	15374	0	0	0	2500	2840	0	0	0	20978.5
Sea Vista	3415	0	0	0	542004	16261.3	21523	1506	0	32594	0	683	0	617986.3
St Francis Links	0	0	0	0	223040	0	5604	0	0	13414	0	1366	0	243424
Uitenhage RD	0	0	0	0	20817	0	0	0	0	0	0	0	0	20817
Total	23310	0	1058	529	3187215.25	78107.8	85969	3576	10607	191626	0	5464	0	3587462.05

A Total amount of **R 3 587 462.05** in **application fees** has been received for the 20/21 Financial year.

AMNESTY APPLICATIONS APPROVED FOR 20/21 FY:

Council took a decision in the 19/20 Financial year to grant relieve to homeowners with un-authorised buildings to give them amnesty for penalties to be paid. The exemption was for buildings build in the previous financial years before 2018, that was built without approved building plans.

A total amount of R 634,858.80 in penalties were exempted for the 20/21 Financial Year.

An item was submitted to Council for a further extension of time until the end of December 2021.

MEGA DEVELOPMENT PROJECTS APPROVED IN KOUGA MUNICIPAL AREA APPROVED IN 20/21 FY BY THE DEPARTMENT:

1. JEFFREYS BAY HOSPITAL DEVELOPMENT:

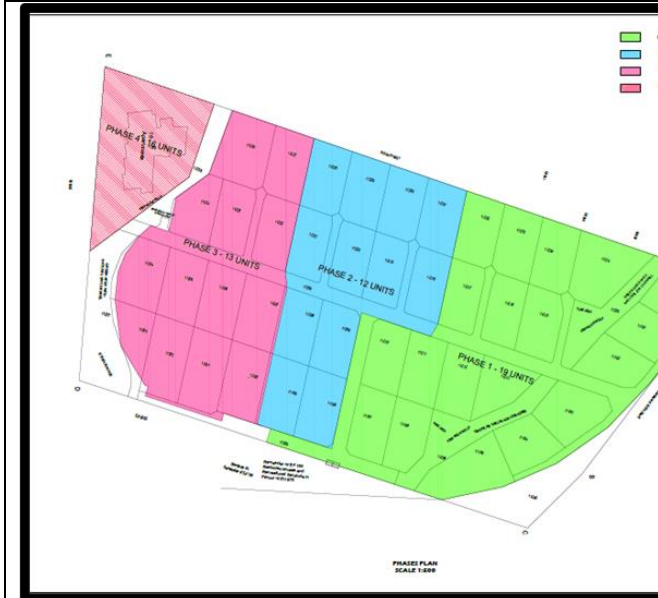
The development consists of a 60 Bed Hospital with specialist facilities within it. The estimate development cost is in the order of R 60 mil.

Building operations has already started and will be completed in the next financial year 21/22.



2. ERF 875, JEFFREYS BAY TOWN HOUSE DEVELOPMENT “FIG TREE ESTATE”:

This private housing development comprising 46 single residential erven, 5 private open space erven and a sectional title complex with 16 dwelling units. The estimated development cost amounts to ± R 250 million.



SITE DEVELOPMENT PLAN ERF 875 JEFFREYS BAY.



MAIN ENTRANCE TO “FIG TREE ESTATE DEVELOPMENT

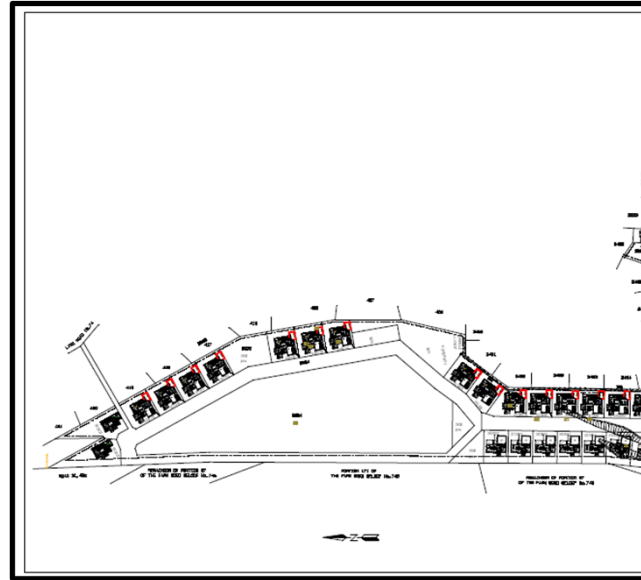
The developer is currently installing all internal engineering services on site. Number of building plans is in the process to be submitted for approval in the next financial year of 21/22.

3. ERF 3701, SEA VISTA: HOMESTEAD VILLAGE:

The private development comprising of 61 single residential stands and a sectional title complex comprising of 4 general residential blocks. The estimated development cost amounts to R 220 million. About 100 job opportunities will be created during the construction phase of the project. The installation of internal services will for the project



will take place in the new financial year 21/22.



SITE DEVELOPMENT LAYOUT

ARTIST IMPRESSIONS OF UNITS

Installation of services will take place in the new financial year of 21/22.

3.22 LOCAL ECONOMIC DEVELOPMENT

LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM, EVENTS MANAGEMENT AND MUSEUMS)

- 1205 Jobs Created.
- Fully functioning LED Forum.
- Successfully implemented Grant in Aid and events policies.
 - Humansdorp Museum Association: R 100 000.00
 - Oasis Radio Station: R 100 000.00
 - Jbay Animal Rescue: R 80 000.00
 - SPCA Assisi: R 240 000.00
 - KLTO: R 776 500.00
 - St Francis bay Animal Rescue: R 80 000.00
 - NSRI: R 261 000.00
- Promotion of Kouga as “Events Capital”.
 - Kouga Easter carnival – R 475 000.00 + R 130 000.00 =R 605 000.00
- Disbursement of District Municipality grant funding to local SMME’s:
 - Mesrazest (PTY) LTD: R 50 000.00
 - Maki’s Kitchen: R 50 000.00

- Successfully hosted 1st Tourism Symposium
- Hosted Kouga’s mini -Investment Conference
- Capital Budget expenditure of 91% for the LED Section.
- Implementation of SMME Training/ Capacity Programmes:
 - KLM/ SBDM SMME TREP programme: 81
 - Tourism Buddies: 08
 - Cell phone Repair Training: 05

Total: 94

MAIN ROLE PLAYERS and INSTITUTIONAL ARRANGEMENTS

Political Role Players

The Section reports to the Local Economic Development and Tourism Portfolio Committee which is chaired by the Portfolio Chairperson for LED and Tourism.

Staff role players

The staff component comprises of the current staff:

Filled:

- Director: Planning, Development and Tourism
- Manager: LED & Tourism
- Office Administrator: Director Planning, Development and Tourism
- 1 x Officer
- 1 x Events Coordinator (contract)
- 1 x Admin Officer (contract)

Vacant:

- 1 x LED Officer (funded)
- 1 x Tourism Information and Marketing Officer (funded)

Other role players

As part of inter-governmental relations, the LED/Tourism department works in collaboration with many partners to facilitate the functioning of the department. These include amongst others: Building Inclusive Green Municipalities Programme facilitated by South African Local Government Association (SALGA) and Federation of Canadian Municipalities, Dept. of Rural Development and Land Reform (DRDLR), Dept. of Rural Development and Agrarian Reform (DRDAR), Dept. of Economic Development, Environmental Affairs and Tourism (DEDEAT), Dept. of Trade and Industry (DTI), Dept. of Social Development, Coega Development Corporation (CDC), National Youth Development Agency(NYDA), Small Enterprise Development Agency(SEDA), Gamtoos Irrigation Board (GIB), Dept. Water and Sanitation, Fishing and Forestry (DAFF), Cooperative Governance and Traditional Affairs (COGTA), Sarah Baartman District Municipality (SBDM),Kouga Business Forum (KBF) and Kouga Wind Farms.

Community role players

These include the Kouga Local Economic Development Forum, Kouga Business Chamber, Kouga Business and Rural Chamber, Kouga Emerging Farmers Forum, Kouga Cooperatives Forum, Kouga SMME Forum, and various events organizers that are responsible for staging and organizing events in the Kouga area members of the public who visit the LED offices daily.

Other Collaborations

The LED department also collaborates with the National Youth Development Agency to bring about career opportunities for the youth as well as creating an enabling platform or capacity building and job opportunities for SMME's. The Department of Small Business Development through their various funding programmes e.g., Isiqalo Youth Fund, Imvaba Fund & the LRED Fund. The LED & Tourism Section also collaborates with the Sarah Baartman District Municipality through its annual SMME funding programme.

LED/TOURISM PROGRAMMES 2020/21

SMME ROADSHOWS

Kouga Municipality hosted the SMME Roadshow which was held on the 20th of October 2020 in Jeffreys bay in Newton Hall. This was a collaboration between Kouga Municipality, Sarah Baartman District Municipality, and the Office of the deputy minister for Small Business Development Department.



The event was organized to introduce various programmes and offerings that the Department have in support of Small Micro Medium Enterprise. The initiative benefitted 81 participants.

SMME DISTRICT GRANT FUNDING Through the Sarah Baartman SMME Annual Grant Funding, 2 Kouga SMME's were funded as follows:

Project Name	Grant Approved and Allocated	Purpose for funding
1. Mesrazest (PTY) LTD	R 50 000.00 (Fifty Thousand Rand)	Procurement of machinery for his landscaping and gardening services business.



2. Maki's Kitchen	R 50 000,00 (Fifty Thousand Rand)	Procurement of equipment for her restaurant business
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- **COVID -19 PPE EQUIPMENT TO EMERGING FARMERS**

The LED & Tourism in collaboration with the Supply Chain assisted Kouga emerging farmers with PPE to promote health and safety at farm level. As per our data base for emerging farmers the following groups were to receive PEE. (See picture below)

- Emgqubeni Small Scale Farmers – Livestock Farming
- Patensie Small Scale Famers – Livestock Farming
- Kwa Nomzamo Small Scale Farmers – Livestock Farming
- Sea Vista Small Scale Farmers – Livestock Farming
- Milton Farm – Crop Farming
- Jeffreys Bay Small Scale Farmers – Livestock Farming
- Thornhill Small Scale Farmers – Livestock
- Kah Landgoed – Crop Farming



Mr. L Katoo-Kah Landgoed, Ms.F. Mjanko – Milton Farm, Cllr.F Baxter -Portfolio Head LED & Tourism, V Adams – Manager LED and Tourism.

- Grant-in-aid Budget and expenditure report:

The Municipality approved a Grant – in -aid Policy in May 2017 as a mechanism to regulate funding of qualifying organization in support of the programmes and work they do in the Municipality area. In the 2020/21 Financial Year and amount of

NAME OF BENEFICIARY	BUDGET ALLOCATED
Humansdorp Museum Association	R 100 000.00
Oasis Radio Station	R 100 000.00
J Bay Animal Rescue	R 80 000.00
SPCA Assisi	R 240 000.00
KLTO	R 776 500.00 roll over funding 19/20 FY (due to Covid 19)
ST Francis Bay Animal Rescue	R 80 000.00
NSRI	R 261000.00

- **Festivals and Events**

Kouga Municipality in collaboration with Oomph Media Group hosted an outstanding Easter Carnival in Jeffreys bay Main Beach. The Carnival was held on the 1st – 5th April 2021 in Jeffreys and it comprised of various sporting codes such as, Soccer, Touch Rugby, and Swimming Competition (*See pictures below*). Due to covid -19 outbreak most of the approved events could not be implemented.



- **Soccer Tournament (Tokyo Sexwale Sports field)**



- **Swimming (Marina Martinique)**



- Dolphin Beach Carnival Activities (Main Beach)



The Municipality funded R475 000.00 for the Easter carnival Programme. The main activities were held in Jeffreys Bay area, whilst a few were in other towns of Kouga Municipality.

- LED PERFORMANCE INDICATORS IN 20/21 FY

Annual Performance as per Key Performance Indicators in Local Economic Development, including Tourism	Indicator name	Target set for the year 20/21	Achievement level during the year (absolute figure)	Achievement during the 2019/20 year	Achievement during the 2020/21
1.	Existence of LED Strategy	Completion of LED Strategy review	The LED strategy was adopted by council.	100% The LED strategy was adopted by council.	100%
2	Percentage of LED Budget spent on LED related Activities	90%		60%	91%
3	Number of LED Stakeholder Forum Meetings held	4	The LED Forum Continues to successfully run each quarter.	4	4

4	Number of jobs created through capital projects and LED initiatives	800	The LED & Tourism Department continue to create an enabling environment for job opportunities.		1205
5	100% completion of restoration of Fishermen Grave Site			-	4

- IMPROVEMENTS, REPAIRS AND MAINTENANCE TO HERITAGE ASSETS:**

The Municipality set aside a R100 000 in the 20/21 FY for the improvements, repairs, and maintenance of the Fishermen’s Grave site and the Pellrus grave as part of heritage and promotion of cultural tourism. The LED department worked with the Humansdorp Museum Association to in this project. A commemoration signage board was installed at the Pellrus Fishermen Site. (See pictures below)

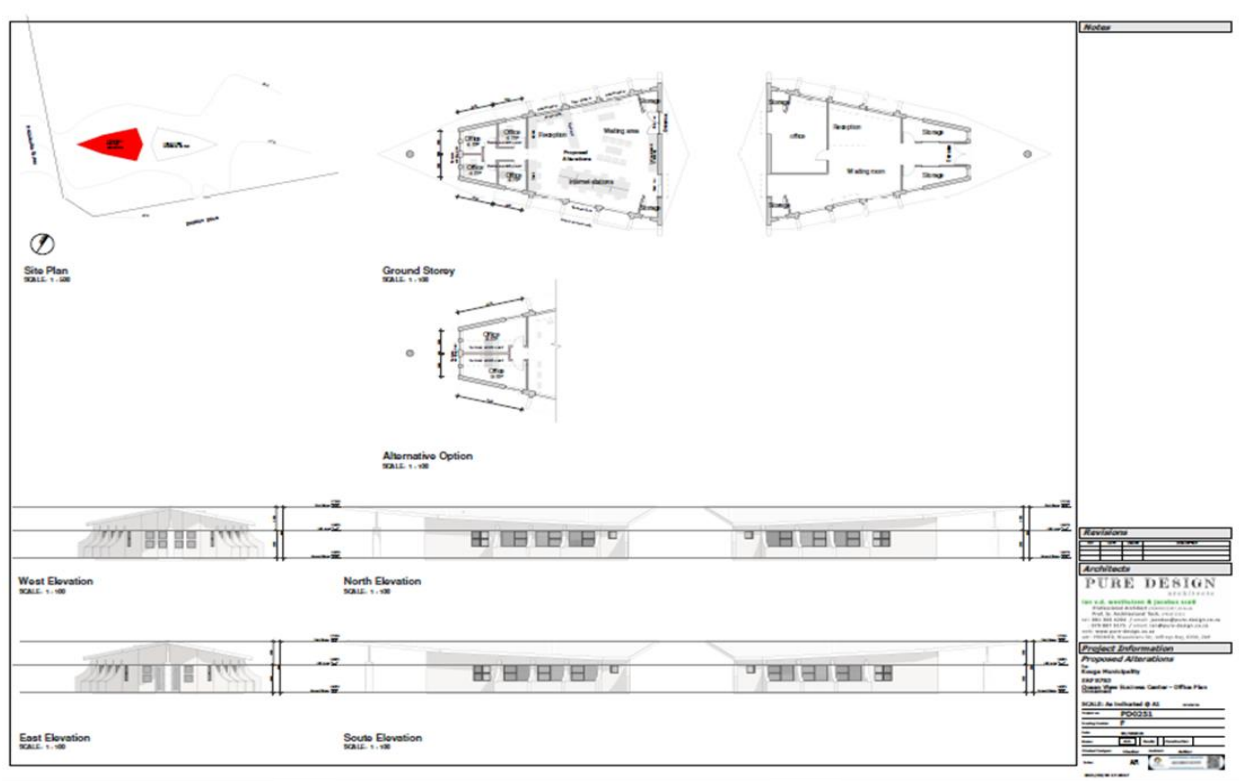
Pellrus Fishermen Gravesite Landscaping



Phase 1 of the refurbishment of the Pellrus Fishermen and Mr. Pell gravesite has been completed and phase 2 will be the installation of a commemoration board.

- OCEAN VIEW BUSINESS SUPPORT CENTRE

The Municipality set aside R300 000 to initiate this project to develop a 1 stop shop support center for entrepreneurs and local businesses and organizations. Architectural Impressions and designs have been completed and construction work to commence in 21/22 FY. The purpose of the Business Support Centre is to create a one stop shop where local SMME's can be assisted with business support services such as business registrations, business plans, access to internet, smme trainings etc. The long-term goal is to develop the entire area into a business hub where local venders and entrepreneurs can operate their businesses.



- BUILDING INCLUSIVE GREEN MUNICIPALITIES

In November 2016, the Federation of Canadian Municipalities (FCM) in partnership with the South African Local Government Association (SALGA) launched the Building Inclusive Green Municipalities (BIGM) Program to be implemented over a 52-month period. Practically the BIGM project will involve:

- Definition of mechanisms, tools, processes, and legislative revisions
- Training activities, workshops, conferences, etc.
- Cross-boundary learning and partnerships

- Training of staff and councillors.

The main objective of the partnership is to improve the capacity of Municipalities to deliver inclusive economic development services, in particular for women and vulnerable populations. Initiatives successfully completed in the 20/21 FY include Tourism Symposium and the BIGM Conference. The BIGM Hybrid Closing Conference was hosted on the 22 June 2021 in Mentors Kraal Estate. The conference was simultaneously hosted on a virtual and physical platform connecting participation of representatives from German University of Heilbron; WESGRO, Prince Edward County -Canada; Nelson Mandela University, SALGA, Federation of Canadian Municipalities and Eastern Cape Municipalities and organisations.

The specific objectives of the BIGM conference were to:

- To foster the exchange of information, ideas and experiences acquired in the execution of initiatives in the field of climate change and tourism, especially successful initiatives, and good practice.
- To provide tourism operators, tourism organizations, research institutions, universities, NGOs, government agencies and enterprises with an opportunity to display and present their works in the field of climate change and tourism.
- To discuss methodological approaches and experiences deriving from case studies and projects, which aim to show how the tourism sector can become less vulnerable and more resilient to the present and future impacts of COVID pandemic & climate change.
- To network the participants and provide a platform so they can explore possibilities for collaboration.



2.23 LAND AND PROPERTIES ADMINISTRATION

Land and Property Management Department functions to manage disposal and acquisition processes of Immovable assets (Land & Properties) to ensure optimum utilisation of Council property and ensuring optimum use of such Council assets. The main objective is to manage municipal owned land and the disposal to administer assets management and lease registers in line with council approved policy and all relevant legislation. Since its establishment in 19/20 FY, the department highlights strategic achievements as: -

- The Policy and Procedures for the Disposal of Immovable Assets was approved by Council on 29 October 2020, Item No: 20/10/PD8 to guide the municipality with land alienation processes.
- A Leasing Policy for Municipally Owned Immovable Property was also approved on 29 October 2020, resolution no. 20/10/PD8, in respect to the processing of short and long-term lease applications.
- A Policy on Street Naming and Numbering was approved on 29 October 2020, Item No. 20/10/PD8 to identify solutions to the common problems that are being experienced in with regards to street naming and numbering, including the need for a standardized procedure, to set out the responsibilities of the relevant parties involved in the process and to outline effective administrative and decision-making procedure in order to guide the Municipality's functions relating to street naming and numbering.
- Standard Operating Procedure for processing of Land Applications.

Additional Achievements:

- 17 new lease agreements concluded in 20/21 FY
- Alienation of erven 763, 2078, 2079, 2081, 2082, 3296 and 3297 and a portion of erf 2077 Humansdorp to Woodlands Dairy
- Land availability for FLISP/Social Housing Project
- Convening of meetings of the Land Evaluation Committee
- Acquisition of land for human settlements in Kwa Nomzamo and Loerie
- 35 New applications have been circulated and section 14's completed in financial year reported

Challenges

- Historic outstanding council resolutions
- Vacant positions to be filled
- Illegal occupying of municipal land

NEW LEASE AGREEMENTS/RENEWED LEASES AGREEMENT – 2020/2021

Leasing Entity	Type	Property Description	Location	Commencement Date	Termination Date	Contract	Rental Amount	Billing in place (Y/N)	Period
Khoisan Tribal House	Agriculture 1	Ptn 2	Kruisfontein	June 2021	May 2024	Y	0.00	N/A	3 years
Khoisan Tribal House	Agriculture 1	Portion of Erf 781/2	Kruisfontein	June 2021	May 2024	Y	0.00	N/A	3 years
JP Ackerman	Residential	Erf 13	Aston Bay	July 2021	June 2024	Y	R100pm	Y	New 3 years
Lerizo International Investment	Business	Erf 32	Loerieheuwel	May 2021	April 2024	Y	R270pm	Y	Renewed 3 years

Lerizo International Investment	Business	Erf 259	Patensie	May 2021	April 2024	Y	R320pm	Y	Renewed 3 years
Lerizo International Investment	Business	Erf 1826	Hankey	May 2021	April 2024	Y	R280pm	Y	Renewed 3 years
Lerizo International Investment	Business	Erf 7294	Oceanview	May 2021	April 2024	Y	R960pm	Y	Renewed 3 years
Hephzibah House of Prayer	Residential 1	Erf 130	Pellsrus	March 2020	March 2023	Y		N/A	3 years
JC Vorster	Business Humansdorp Mark	Erf 275	Humansdorp	May 2021	June 2024	Y	R2000pm	Y	New 3 years
Hive Solar SA t/a Cape Carbon	Carbon Generation	Ptn 499	Kruisfontein	September 2020	August 2030	Y	R3000pm	Y	New 9 years 11 months
Jeffreys Bay Golf Club	Sports Facility	Er 873	Jeffreys Bay	June 2021	May 2031	Y	R7460pm	Y	New 9 years 11 months

A Petersen Brand-On	Business	Erf 2360	Vaaldam	October 2020	September 2023	Y	R170pm	Y	New 3 years
JBay Animal Rescue	Business	Erf 8783	Jeffreys Bay	September 2020	August 2023	Y	n/a	Y	New 3 years
Milton Farmers Association	Agriculture	Ptn 17	Hankey	April 2021	March 2026	Y	Y	Renewed 3 years
MiNet Networks	Municipal Land	Reservoirs substations	Humansdor p	May 2021	April 2024	Y	n/a	Y	New 3 years
Mr. Mabusu	Brickmaking	Erf 1	Humansdoe p	October 2020	September 2023	Y		Y	New 3 years
Limited Racing Group	Horse Training Facility	Erf 150	Oyster Bay	October 2020	October 2023	Y			



Section 26 of the Constitution of South Africa says that “everyone has the right to have access to adequate housing” The National Housing Policy and Code sets the underlying policy principles, guidelines and norms and standards which apply to Government’s various housing assistance programmes introduced since 1994.

The Municipality has identified a number of Human Settlements projects which are intended to yield a number of housing opportunities.

CONSTRUCTION OF 220 TOP STRUCTURES (PELLSRUS)

90 Top structures were handed over in the 2020/2021 financial year

Project was completed in November 2020

CONSTRUCTION AND ELECTRIFICATION OF 232 TEMPORARY HOUSES FOR STOFWOLK

Municipality constructed 232 temporary shelters to accommodate families from the Old Stofwolk informal settlements, who had to be relocated for services that will be constructed in the 2021/22 financial year. The tender for the construction of 990 services will close on 23 August 2021

The construction of 232 temporary structures was completed on 15 December 2020.

Each temporary structure was provided with electricity



CONSTRUCTION AND ELECTRIFICATION OF 200 TEMPORARY STRUCTURES FOR DONKERHOEK

The electrical department received funding from INEP for the electrification of 200 informal settlements in Donkerhoek and upgrading of the current electrical infrastructure. Priority was given to the elderly, disabled, and most vulnerable. The project was completed on 17 June 2020



SELECTION OF KOUGA TO PARTICIPATE IN THE MUNICIPAL SOCIAL HOUSING SUPPORT PROGRAM

Kouga Municipality was chosen as one of the seven municipalities to participate in the SHRA Municipal Social Housing Support Program (MSHSP) under the management of NASHO. The MSHSP intends to assist those municipalities with a firm commitment to developing their institutional capacity to support delivery and have a structured strategy that ensures sustainable delivery. The project will also show the municipality how targeted social development anchor urban regeneration. Kouga is the only municipality in the Eastern Cape to have been selected for the Municipal Social Housing Support Programme and one of only seven municipalities countrywide. Contract agreement between SHRA/NASHO and KOUGA Municipality was signed in September 2020.

LAUNCH OF SOCIAL HOUSING AND FLISP DEVELOPMENT

Council resolution 19/02/PDT2 authorized call for FLISP/Rental Housing development proposals in Ocean View Portion 125 of The Farm Estate Klein Zeekoei River No 335. Finance Linked Individual Subsidy Program is an instrument that assists qualifying households by providing a once off down payment to those households who have secured mortgage finance to acquire a residential property for the first time. Depending on their income level, a qualifying beneficiary will qualify for a subsidy of between R 27 000 – R 121 626. Social Housing program provides for grant funding to establish, capacitate, and capitalize social housing institutions which may develop, hold, and administer affordable rental units within identified restructuring zones.

The FLISP and affordable Social Housing rental opportunities will be constructed at the corner of Koraal Street and Dolphin Street in Oceanview. Launched in February 2021, the project will open up housing opportunities for residents that do not qualify for Breaking New Ground Houses opportunities (RDP)

This program targets moderate income households, earning between R 1,500 -R 7, 500 per month with quality and affordable rental housing opportunities in well located areas. Construction will commence in the 2022/23 financial year.



APPROVAL OF GRANT FUNDING OF NATIONAL UPGRADING SUPPORT PROGRAMS (NUSP)

A funding application for the upgrading of informal settlements was submitted to the ECDHS. Funding approval of **R 18 055 384.92** for the upgrading of nine informal settlements was approved and announced by the MEC for Human Settlements on 31 July 2020.

Funding approval is for the provision of basic services like water, sewer, electricity, access roads, refuse points and removal.

The following informal settlements were approved for upgrading under the NUSP Programme:

1. Donkerhoek 363
2. Oceanview 730
3. Cyril Ramaphosa 278
4. Polar Park 350
5. Shukushukuma 250
6. Thornhill 160
7. Bungalows 103
8. Golf Course 153
9. No. R10 190

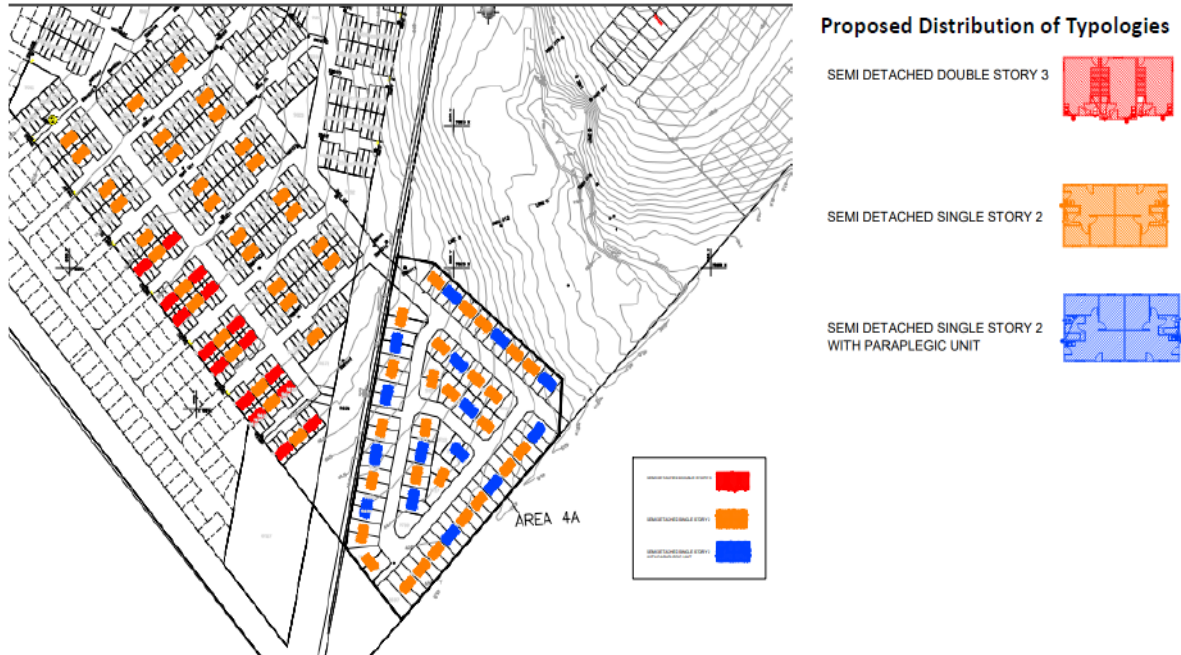
Funding agreement for the approved upgrading plans was entered between ECDHS and HDA who will act as an Implementing Agent.

APPOINTMENT OF PROFESSIONAL SERVICE PROVIDER FOR OCEANVIEW 200 TOP STRUCTURES

A professional service provider was appointed for the design, supervision, and project management of the 200 Oceanview top structures.

Tender for the construction of 200 top structures is closing on 13 August 2021. Different housing typologies were presented at the Planning and Development portfolio committee on 3 August 2021. Project will be implemented in the 2021/22 Financial Year

SITE LAYOUT AND TYPOLOGY



Levels and Standards in Housing Services

The objective of the levels and standards for the provision of sustainable and integrated human settlements is to be fully in compliance with the minimum norms and standards as outlined in the provisions of the National Housing Code of 2009. It spells out the minimum standard that a municipality may use for the connection and installation of internal reticulated infrastructure for subsidized housing. Quality control is also monitored internally by the building control section, provincial inspectors, as well as the National Home Builders Regulatory Council (NHBR).

COMPONENT A: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT**4.1 FINANCIAL HEALTH OVERVIEW**

In order to provide an overview of the financial outcomes for the 2020/21 financial year, it is necessary to compare the 2020/21 Adjustments Budget, the actual financial results, the actual cash inflows and outflows, and the actual expenditure and revenue trends for the period, 1 July 2020 to 30 June 2021.

The financial performance highlights, based on the audited results, are as follows:

4.1.1. STATEMENT OF FINANCIAL PERFORMANCE (refer to AFS page 6)

Actual operating revenue (excluding capital grants) amounted to R 887,083 million, whilst actual operating expenditure amounted to R 978,843 million, resulting in an actual operating deficit of R 91,760 million. The 2020/21 Adjustments Budget for operating revenue (excluding capital grants) amounted to R 922,858 million, whilst operating expenditure amounted to R 1,038 billion, resulting in a budgeted deficit of R115, 499 million.

It should be noted that the 2020/21 actual operating revenue of R 933,870 million, includes an amount of R 46,787 million, which relates to capital grants.

The following, however, needs to be noted:

Property Rates (refer to AFS page 6)

The actual property rates revenue raised amounted to R 210,205 million (101.16%), compared to the Adjustments budgeted amount of R 207,801 million.

Service charges – Electricity Revenue (refer to AFS page 80, note 24)

The actual electricity revenue raised, amounted to R 281,916 million (96.67%), compared to the Adjustments budgeted amount of R 291,625 million.

Service charges – Water Revenue (refer to AFS page 80, note 24)

The actual water revenue raised, amounted to R 80,983 million (96.82%), compared to the Adjustments budgeted amount of R 83,642 million.

Service charges – Sanitation Revenue (refer to AFS page 80, note 24)

The actual sanitation revenue raised, amounted to R 52,346 million (95.08%), compared to the Adjustments budgeted amount of R 55,057 million.

Service charges – Refuse Revenue (refer to AFS page 80, note 24)

The actual refuse revenue raised, amounted to R 53,974 million (101.38%), compared to the Adjustments budgeted amount of R 53,237 million.

Property Rates and Services Revenue: (refer to AFS page 6, 80, note 24)

Description	2020/21 Financial Year		
	Adjusted Budget (Including Indigent Subsidies)	Actuals as at 30 June 2021 (Including Indigent Subsidies)	Variance
R thousands			
Revenue By Source			
Property rates	207 801 359	210 204 642	-2 403 283
Service charges revenue	483 560 996	469 218 623	14 342 373
Service charges - electricity revenue	291 624 700	281 916 331	9 708 369
Service charges - water revenue	83 642 449	80 982 787	2 659 662
Service charges - sanitation revenue	55 056 740	52 345 869	2 710 871
Service charges - refuse revenue	53 237 107	53 973 636	-736 529
Total	691 362 355	679 423 265	11 939 090

Fines, Penalties and Forfeits: (refer to AFS page 6)

The actual revenue amounted to R 3,308 million, compared to the adjustments budgeted amount of R 2,150 million. The previous year's actual amounted to R 2,125 million.

The Fines Revenue raised was approximately R1,158 million more than budgeted. This is attributed to traffic fines issued, being higher than anticipated. The actual amount for 2020/21 includes fines paid, as well as fines issued.

Rental from Fixed Assets: (refer to AFS page 6)

The actual revenue amounted to R 2,347million, compared to the adjustments budgeted amount of R 1,122 million. The previous year's actual amounted to R 0,697 million.

The rental revenue raised was approximately R 1,225 million more than budgeted. This relates to the rental of municipal buildings, community halls and other municipal facilities. The revenue is influenced by the extent of rental agreements.

Transfers and Subsidies: (refer to AFS page 6)

The actual revenue amounted to R 213,768 million (97.02%), compared to the Adjustments budget amount of R 220,331million.

The transfers and subsidies recognised was approximately R 6,563 million less than anticipated. This is largely attributable to the unspent Municipal Infrastructure Grant (MIG), amounting to R 5,959 million.

Licences and Permits: (refer to AFS page 6)

The actual licences and permits revenue amounted to R 10,227 million (66.50%), compared to the adjustments budgeted amount of R 24,732 million. The Licences and Permits Revenue raised was approximately R 14,505 million less than the budgeted amount.

Interest Earned – External Investments: (refer to AFS page 6 and note 28)

The actual interest earned – external investments amounted to R4,192 million (75.50%), compared to the adjustments budgeted amount of R 5,552 million. This is largely influenced by the extent of municipal investment portfolio.

Interest Earned – Outstanding Debtors: (refer to AFS page 6 and note 28)

The actual interest earned – outstanding debtors amounted to R 9,982 million (97.36%), compared to the adjustments budgeted amount of R 10,253 million. Interest is also influenced by the extent of outstanding debtors. The interest raised on outstanding debtors may not necessarily result in a cash inflow for the Municipality.

Sales of Goods and Rendering of Services: (refer to AFS page 6)

The actual sales of goods and rendering of services revenue amounted to R 8,159 million (140.14%), compared to the Adjustments budgeted amount of R 5,822 million.

Operational Revenue: (refer to AFS page 6)

The actual operational revenue amounted to R 1,052 million (6.96%), compared to the Adjustments budgeted amount of R 15,119 million. The revenue was negatively influenced by the unrealised land sale for an amount of R 11,000 million and budgeted insurance refunds amounting to R 3,000 million.

Employee Related Costs: (refer to AFS page 6)

Employee related costs amounted to R 335,334 million (96.16%), compared to the adjustments budgeted amount of R 348,729 million.

Remuneration of Councillors: (refer to AFS page 6)

The remuneration of councillors amounted to R 12,780 million (93.62%), compared to the adjustments budgeted amount of R 13,651 million.

Depreciation and Amortization: (refer to AFS page 6)

The Depreciation and Amortization amounted to R 80,852 million (90.78%), compared to the adjustments budgeted amount of R 89,066 million.

Impairment losses: (refer to AFS page 6)

Bad debts are written off upon Council's approval. Debt impairment amounted to R 31,495 million (44.89%), compared to the adjustments budgeted amount of R 70,162 million.

Bulk Purchases - Electricity: (refer to AFS page 6)

The Bulk purchases electricity amounted to R 254,058 million (103.20%), compared to the Adjustments budgeted amount of R 246,173 million.

Inventory Consumed: (refer to AFS page 6)

The inventory consumed amounted to R 71,675 million (116.25%), compared to the Adjustments budgeted amount of R 61,657 million.

The inventory consumed expenditure was approximately R 10,018 million more than budgeted. This is attributable to the bulk water account from the Nelson Mandela Bay Municipality being higher than anticipated.

Interest: (refer to AFS page 6)

The interest costs amounted to R 3,094 million (222.91%), compared to the Adjustments budgeted amount of R 1,388 million.

The interest costs were approximately R 1,706 million more than budgeted.

Contracted Services: (refer to AFS page 6)

The contracted services amounted to R 95,785 million (102.75%), compared to the Adjustments budgeted amount of R 93,225 million.

The contracted services expenditure was approximately R 2,560 million less than budgeted.

(Refer to AFS page 6)

Item Description	Adjusted Budget 2020/21	Actuals as at 30 June 2021	%
Consultants and Professional Services	7 396 988	5 202 144	70.33%
Drivers Licence Cards	495 000	514 922	104.02%
Transport Services	315 119	20 889	6.63%
Dune Stabilisation	5 692 248	5 672 373	99.65%
Valuer	2 002 451	752 992	37.60%
Other Contracted Services	2 042 142	2 999 897	146.90%
Legal Advice and Litigation	2 749 703	3 585 578	130.40%
Maintenance of Buildings and Facilities	6 153 823	5 639 907	91.65%
Catering Services	229 738	137 352	59.79%
Maintenance of Vehicles	6 722 336	6 680 305	99.37%
Qualification Verification	950 000	921 305	96.98%
Maintenance of Water Infrastructure	1 653 900	655 170	39.61%
Maintenance of Equipment	583 375	446 568	76.55%
Burial Services	211 250	179 285	84.87%
Roads Maintenance	28 500 000	32 095 143	112.61%
Medical Health Services & Support	1 406 800	1 099 804	78.18%
Maintenance of Electrical Infrastructure	2 266 032	5 591 155	246.74%
Maintenance of Sanitation Infrastructure	1 339 000	1 112 115	83.06%
Laboratory Services:Water	555 517	342 700	61.69%
Special Rating Area	8 285 500	7 601 032	91.74%
Internal Auditors	100 000	25 300	25.30%
Legal Cost:Collection	1 250 000	- 702	-0.06%
Security Services	3 689 147	4 914 140	133.21%
Occupational Health and Safety	20 900	-	0.00%
Animal Care	401 575	400 000	99.61%
Personnel and Labour	4 854 615	6 196 304	127.64%
Professional Staff	317 460	157 600	49.64%
Employee Wellness	250 000	174 707	69.88%
Clearing and Grass Cutting Services	2 790 000	2 667 492	95.61%
Total	93 224 619	95 785 476	102.75%

Operating Leases: (refer to AFS page 6)

The operating leases amounted to R 6,551 million (79.09%), compared to the Adjustments budgeted amount of R 8,283 million.

The operating leases expenditure was approximately R1,732 million less than budgeted. Actual expenditure on the rental of photocopy machines was lower than anticipated.

Operational Costs: (refer to AFS page 6)

The operational costs amounted to R 84,467 million (80.24%), compared to the Adjustments budgeted amount of R 105,262 million.

The operating costs expenditure was approximately R 20,795 million less than budgeted. **(Refer to AFS page 6)**

Item Description	Adjusted Budget 2020/21	Actuals as at 30 June 2021	%
Accommodation	426 348	110 989	26.03%
Achievements and Awards	1 362 000	1 084 110	79.60%
Advertising, Publicity and Marketing	810 348	633 281	78.15%
Air Transport	218 398	4 348	1.99%
Bank Charges	599 180	706 307	117.88%
Bargaining Council	3 040 340	2 947 746	96.95%
Cellular Contract (Subscription and Calls)	1 552 723	985 580	63.47%
Claims paid to Third Parties	274 835	66 899	24.34%
External Audit Fees	4 499 999	4 320 105	96.00%
External Computer Service:Internet Charge	4 288 705	4 288 110	99.99%
Gifts and Promotional Items	198 048	72 051	36.38%
Hire Charges	32 591 616	33 487 369	102.75%
Insurance Claims	3 164 901	90 468	2.86%
Insurance Underwriting:Premiums	5 655 503	4 676 662	82.69%
Motor Vehicle Licence and Registrations	901 159	727 041	80.68%
Municipal Services	11 468 404	-	0.00%
Non-employees	217 000	156 194	71.98%
Other	6 869 703	5 736 177	83.50%
Own Transport	516 784	225 094	43.56%
Postage/Stamps/Frinking Machines	1 483 156	1 244 291	83.89%
Printing, Publications and Books	1 276 406	941 801	73.79%
Registration Fees:Professional and Regulatory Bodies	258 153	172 559	66.84%
Registration Fees:Seminars, Conferences, Workshops	1 754 400	1 525 533	86.95%
Remuneration to Ward Committees	3 000 000	3 407 166	113.57%
Signage	404 306	301 050	74.46%
Skills Development Fund Levy	1 760 001	1 685 716	95.78%
Software Licences	3 569 885	2 664 006	74.62%
Storage of Files (Archiving)	750 000	542 246	72.30%
Supplier Development Programme	50 000	41 509	83.02%
Tenders	720 000	839 562	116.61%
Third Party Vendors	5 452 329	5 873 363	107.72%
Uniform and Protective Clothing	3 913 935	3 174 022	81.10%
Vehicle Tracking	619 329	656 135	105.94%
Workmen"s Compensation Fund	1 594 581	1 079 991	67.73%
Total	105 262 475	84 467 479	80.24%

Conclusion:

The Municipality recorded an actual operating deficit of R 91,760 million, compared to the adjustments budgeted deficit of R115,499 million.

4.1.2 STATEMENT OF FINANCIAL POSITION (refer to AFS page 5)

Net Assets: (refer to AFS page 5)

Net Assets decreased from R 2,236 billion (2019/20) to R 2,191 billion (2020/21) due to the following:

Non-current Liabilities: (refer to AFS page 5)

- Long-term liabilities decreased from R 6,128 million in 2019/20 to R Nil million in 2020/21, due to the redemption of loans. No loans were taken up during the 2020/21 financial year.
- The Employee Benefit Liabilities increased during the 2020/21 financial year, based on an actuarial valuation.
The liabilities consequently increased from R 86,255 million in 2019/20 to R 101,797 million in 2020/21. The Employee Benefit Liabilities consist of Post-Retirement Health Care Benefits and Ex-Gratia Pensions.
- Non-current Provisions increased from R 72,317 million in 2019/20 to R 73,834 million in 2020/21, due to the increase in Long Service Awards and the Rehabilitation of Landfill Sites provisions.

The net result is that the increase in non-current liabilities, accounted for a movement of R 10,311 million in the net assets of the municipality.

Current liabilities:

Consumer Deposits (refer to AFS page 5)

Consumer deposits increased from R 18,076 million in 2019/20 to R 20,774 million in 2020/21, mainly due to an increase in applications for new water and electricity connections.

Provisions (refer to AFS page 5)

The current provisions increased from R 24,779 million in 2019/20 to R 27,574 million in 2020/21, mainly due to the leave provision and long service awards, being increased in the 2020/21 financial year.

Unspent conditional grants and receipts (refer to AFS page 5)

It is to be noted that unspent conditional grants decreased from R 26,927 million in the 2019/20 financial year to R 6,199 million in the 2020/21 financial year. The unspent grant amount mostly relates to the Municipal Infrastructure Grant.

Lease payables (refer to AFS page 5)

Lease payables decreased by R 0,27 million from R 0,646 million in 2019/20 to R 0,619 million in 2020/21.

Payables – Exchange Transactions (refer to AFS page 5)

Payables have decreased by R 54,223 million from R 143,107 million in 2019/20 to R 88,885 million in 2020/21.

Payables from Non-exchange Transactions (refer to AFS page 5)

Payables from non-exchange transactions increased by R 0,516 million from R 0,236 million in 2019/20 to R 0,751 million in 2020/21.

Current Portion of Long-Term Liabilities (refer to AFS page 5)

The current portion decreased by R 2,834 million from R 8,962 million in 2019/20 to R 6,128 million in 2020/21.

Employee benefit liabilities (refer AFS page 5)

The employee benefit liabilities decreased by R 0,443 million from R 8,316 in 2019/20 to R 7,873 million in 2020/21.

The net result is that the decrease in Current liabilities, accounted for a movement of R 72,245 million in the Net Assets of the Municipality.

Non-current Assets: (refer to AFS page 5)

- Property, Plant and Equipment decreased by R 22,436 million from R 2,077 billion in 2019/20 to R 2,055 billion in 2020/21.
- Intangible Assets increased by R 0,615 million from R 0,680 million in 2019/20 to R 1,295 million in 2020/21.
- Investment Property remained the same for 2019/20 and 2020/21 at R 2,645 million.
- Long-term receivables decreased by R 10,000 from R 10,000 in 2019/20 to R Nil in 2020/21.

The net result is that the decrease in non-current assets accounted for a movement of R 21,830 million in the Net Assets of the Municipality.

Current Assets:**Inventories** (refer to AFS page 5)

Inventories increased by R 2,889 million from R 9,681 million in 2019/20 to R 12,570 million in 2020/21.

Receivables from exchange transactions (refer to AFS page 5 and 43 note 2)

The increase in receivables amounted to R 0,885 million, or 1.30%, when compared to the previous financial year.

Year	Gross Balances	Impairment Allowance	Carrying Amount
	R	R	R
2019/20	197 001 893	129 072 796	67 929 097
2020/21	236 146 736	167 332 947	68 813 788
Increase	39 144 843	38 260 151	884 691

Statutory receivables from non-exchange transactions (refer to AFS page 5)

The Receivables from non-exchange transactions decreased by R 4,012 million from R 28,004 million in 2019/20 to R 23,992 million in 2020/21.

Cash and Cash Equivalents (refer to AFS page 5)

Cash and cash equivalents decreased by R 88,383 million from R 141,777 million in 2019/20 to R 53,394 million in 2020/21.

VAT Receivable (refer to AFS page 5)

VAT Receivable increased by R 3,589 million from R 44,161 million in 2019/20 to R 47,750 million in 2020/21.

Lease Receivables (refer to AFS page 5)

Lease Receivables decreased by R 0,63 million from R 0,171 million in 2019/20 to R 0,108 million in 2020/21.

Long-term receivables (refer to AFS page 5)

Long term receivables decreased by R 3,000 from R 3,000 in 2021/20 to R Nil in 2020/21.

The net result is that the decrease in Current assets accounted for a movement of R 85,099 million in the Net Assets of the Municipality.

Conclusion:

The Municipality's financial position has been influenced by the following factors:

- Cash and cash equivalents decreased by R 88,383 million (62.34%) from R 141,777 million in 2019/20 to R 53,394 million in 2020/21.
- Current Liabilities decreased by R 72,245 million (31.27%) from R 231,048 million in 2019/20 to R 158,803 million in 2020/21.
- Current assets decreased by R 85,099 million (29.17%) from R 291,727 million in 2019/20 to R 206,628 million in 2020/21.

4.1.3 FINANCIAL INDICATORS (refer to AFS pages 5 - 8)

The following ratios reflect the municipality's relative financial viability and sustainability:

Borrowing Management		Actuals as at 30 June 2016	Actuals as at 30 June 2017	Actuals as at 30 June 2018	Actuals as at 30 June 2019	Actuals as at 30 June 2020	Actuals as at 30 June 2021
Capital Charges to Operating Expenditure	Interest & principal paid/Total Operating	4.98%	2.51%	1.78%	1.21%	1.22%	1.13%

	Expenditure						
Borrowing Management		Actuals as at 30 June 2016	Actuals as at 30 June 2017	Actuals as at 30 June 2018	Actuals as at 30 June 2019	Actuals as at 30 June 2020	Actuals as at 30 June 2021
Borrowed funding of "own "capital expenditure	Borrowings /Capital expenditure excl. transfers & grants	0%	0%	0%	0%	0%	0%
Debt Servicing Costs to Operating Revenue	Debt Servicing Costs / Total Operating Revenue - Conditional Grants	0.05	0.03	0.02	0.01	0.01	0.01
Current Ratio	Current assets / current liabilities	0.86	0.97	1.58	1.44	1.26	1.30
Liquidity Ratio	Monetary assets / current liabilities	0.40	0.47	0.75	0.87	0.61	0.34
Annual Debtors Collection Rate	Billed Revenue / Receipted Revenue	97.60%	95.81%	90.73%	97.62%	95.42%	94.41%

Other indicators		Actuals as at 30 June 2016	Actuals as at 30 June 2017	Actuals as at 30 June 2018	Actuals as at 30 June 2019	Actuals as at 30 June 2020	Actuals as at 30 June 2021
Cost coverage	(Cash and cash equivalents - Unspent Conditional Grants - Overdraft) + Short term investment)/ monthly fixed operational expenditure excluding (depreciation, amortization, provision for bad debts, impairment and loss on disposal of assets)	1.59 Months	1.62 Months	1.73 Months	1.90 Months	1.79 Months	0.65 Months
Employee Costs	Employee Costs / Total Operating Expenditure	36.93%	33.39%	33.21%	31.15%	32.53%	34.26%
Capital Expenditure	Capital Expenditure / Capital Budget	81.97%	72.92%	72.98%	44.59%	75.33%	71.24%
Repairs and Maintenance as % of Total Operating Expenditure	Repairs and Maintenance / Total Operating Expenditure	4.78%	4.94%	3.82%	4.99%	6.68%	7.00%
Repairs and Maintenance as % of PPE (Book Value)	Repairs and Maintenance / Net PPE	1.46%	1.65%	1.41%	2.18%	2.90%	3.33%

Own Revenue Sources / Total Operating Revenue (Including operating grants)	Own Revenue Sources / Total Operating Revenue (Including Conditional Grants)	84.74%	78.69%	80.22%	75.36%	71.88%	77.11%
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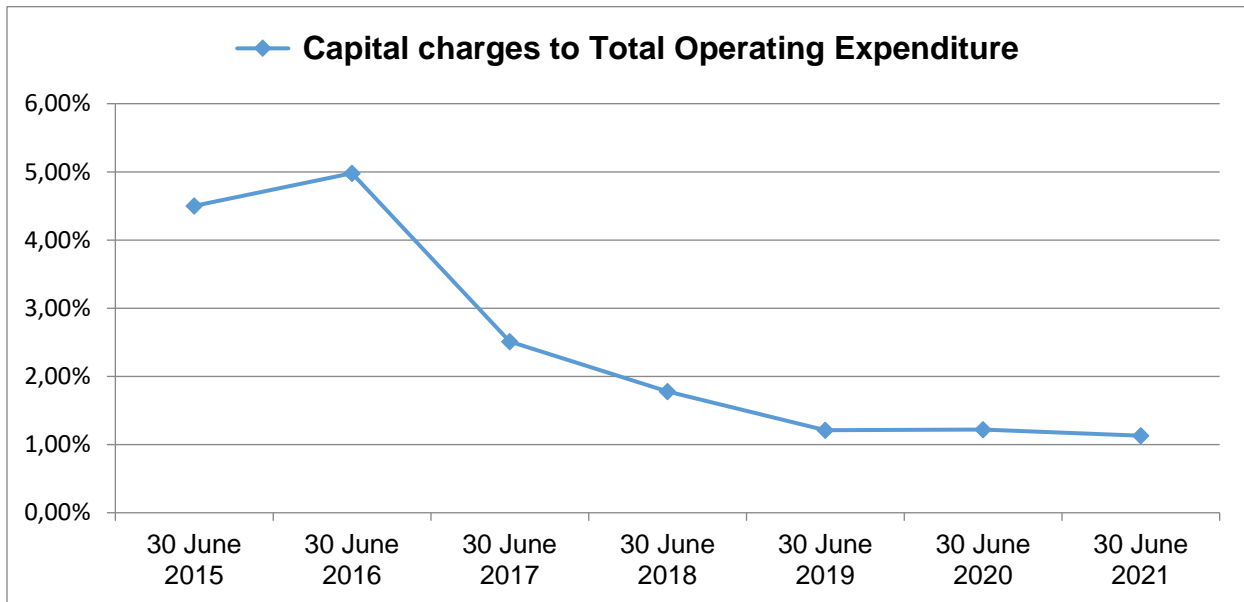
The above table is discussed in detail below.

4.1.3.1 CAPITAL CHARGES TO OPERATING EXPENDITURE

The Ratio indicates the cost required to service the borrowing. It assesses the Borrowing or Payment obligation expressed as percentage of Total Operating Expenditure.

Capital charges/Total Operating Expenditure to date

The ratio indicates that 1.13% of the Total Operating Expenditure was utilised for capital charges as at 30 June 2021, whilst the Municipality's audited ratio as at 30 June 2020 was 1.22%.



4.1.3.2 BORROWED FUNDING OF CAPITAL EXPENDITURE

This ratio indicates the proportion of borrowed funding to actual capital expenditure to date (excluding transfers and grants). The ratio also indicates the extent of capital expenditure being financed from borrowed funding compared to own and other funding sources, excluding transfers and grant funded expenditure.

The ratio is determined as follows:

Capital expenditure funded from Borrowings/Total Capital Expenditure to date (excluding transfers and grants)

As at 30 June 2021, the was 0% as no capital expenditure was funded from borrowings, whilst the Municipality's audited ratio as at 30 June 2020 was also 0%.

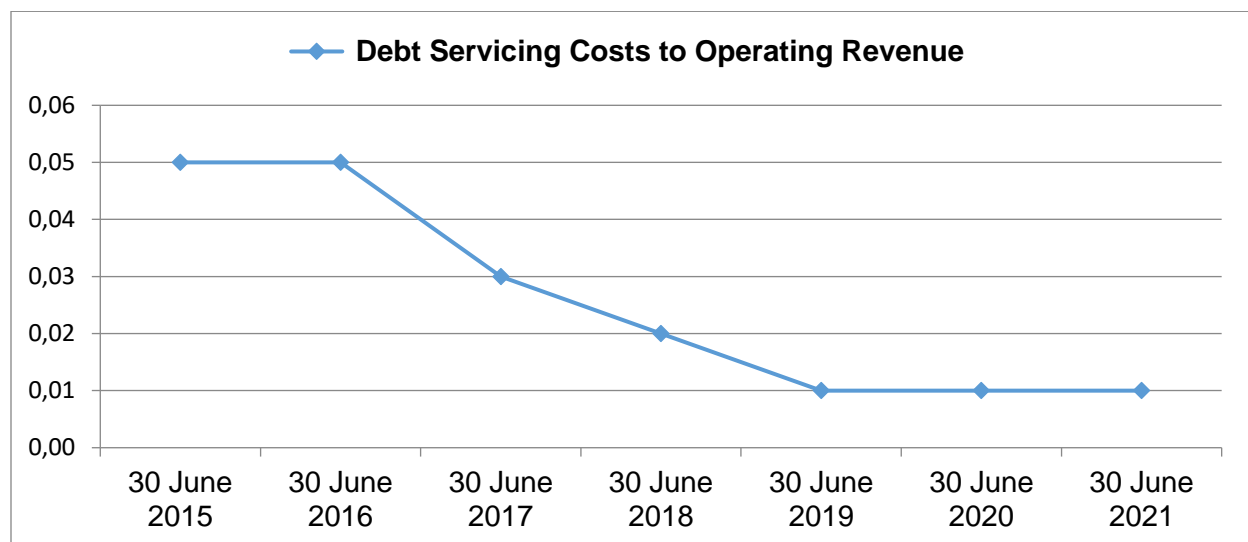
4.1.3.3 DEBT SERVICING COST TO OPERATING REVENUE RATIO

This ratio indicates the proportion of debt servicing costs (interest and principal paid on borrowing) to actual operating revenue to date.

The ratio is determined as follows:

Debt Servicing Costs/Operating Revenue

As at 30 June 2021 the ratio was 0.01:1, compared to the audited ratio of 0.01:1 as at 30 June 2020.



4.1.3.4 CURRENT RATIO

The Ratio assesses the Municipality's ability to meet its Short-term Liabilities (Debt and Payables) with its Short-term Assets (Cash, Inventory, Receivables etc.).

The ratio is determined as follows:

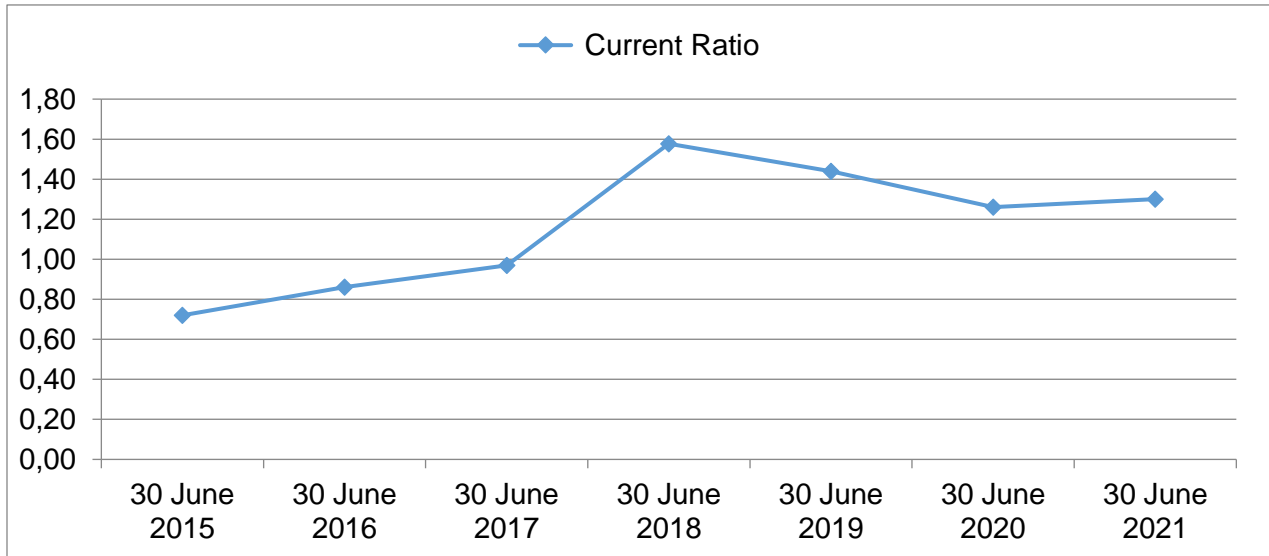
Current assets/Current liabilities

As at 30 June 2021, the Ratio was 1.30:1, whilst the Municipality's audited ratio as at 30 June 2020 was 1.26:1

In terms of the MFMA Circular No. 71, the norm is 1.5:1 to 2:1

The higher the current Ratio, the stronger the Municipality's financial capacity to meet its current obligations.

A ratio of below 1:1 would suggest that the Municipality would be unable to meet all its current obligations as and when they fall due.



4.1.3.5 LIQUIDITY RATIO

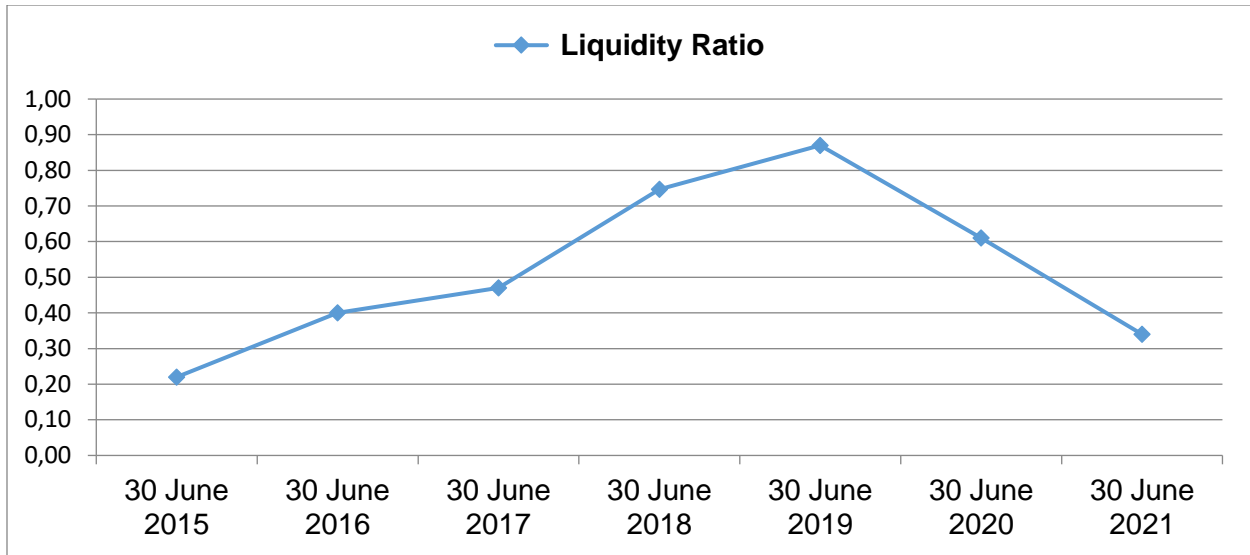
The liquidity ratio assesses a Municipality's ability to meet its short-term commitments from Monetary Assets.

The ratio is determined as follows:

Monetary assets/Current liabilities

A favourable ratio would ensure that the Municipality is able to settle its short-term commitments from monetary assets. The liquidity ratio as at 30 June 2021 was 0.34:1, whilst the Municipality's audited ratio as at 30 June 2020 was 0.61:1.

The liquidity ratio is of the utmost importance to measure the financial liquidity and sustainability of the municipality.



4.1.3.6 ANNUAL DEBTORS' COLLECTION RATE

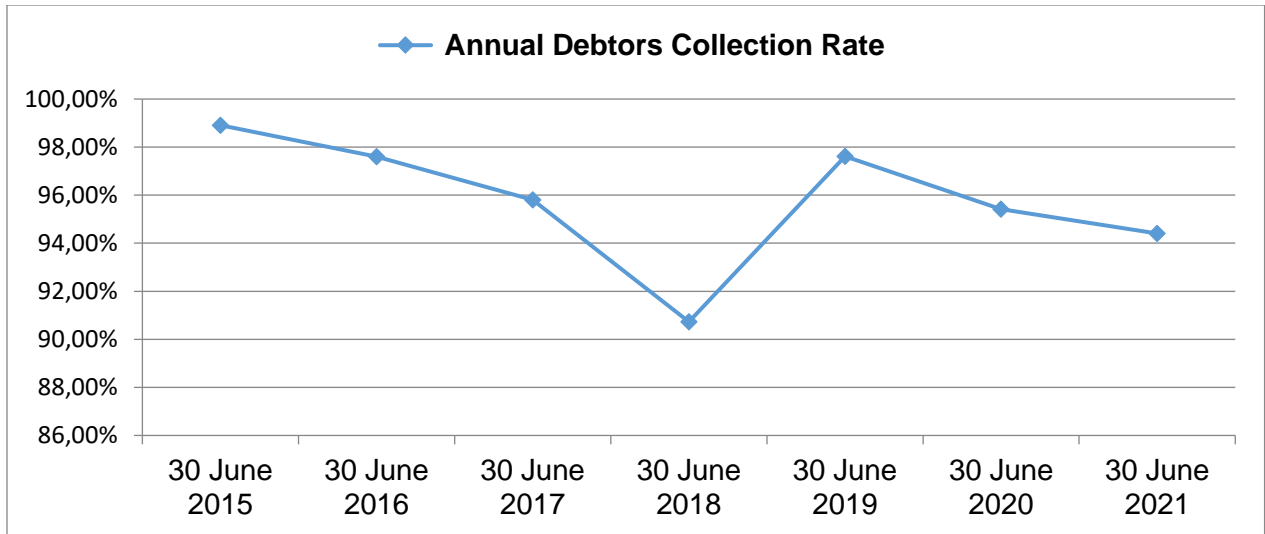
This ratio assesses the actual cash collected, compared to the monetary value of the municipal accounts rendered for municipal rates and services.

The ratio to determine the percentage collection rate is as follows:

Total Payments Received in Current month/Total Value of Accounts Rendered in the Previous Month X 100

Note: the reason for using the previous month's billing is due to the accounts only being payable the following month (i.e. account holders are given one calendar month to pay their current accounts).

The average collection rate as at 30 June 2021 was 94.41%, compared to the average collection rate of 95.42% for the 2019/20 financial year. These percentages are calculated based on revenue receipted, compared to revenue billed on a month-to-month basis.



4.1.3.7 COST COVERAGE

The Ratio indicates the Municipality's ability to meet at least its monthly fixed operating commitments from cash and short-term investments, without collecting any additional revenue, during that month.

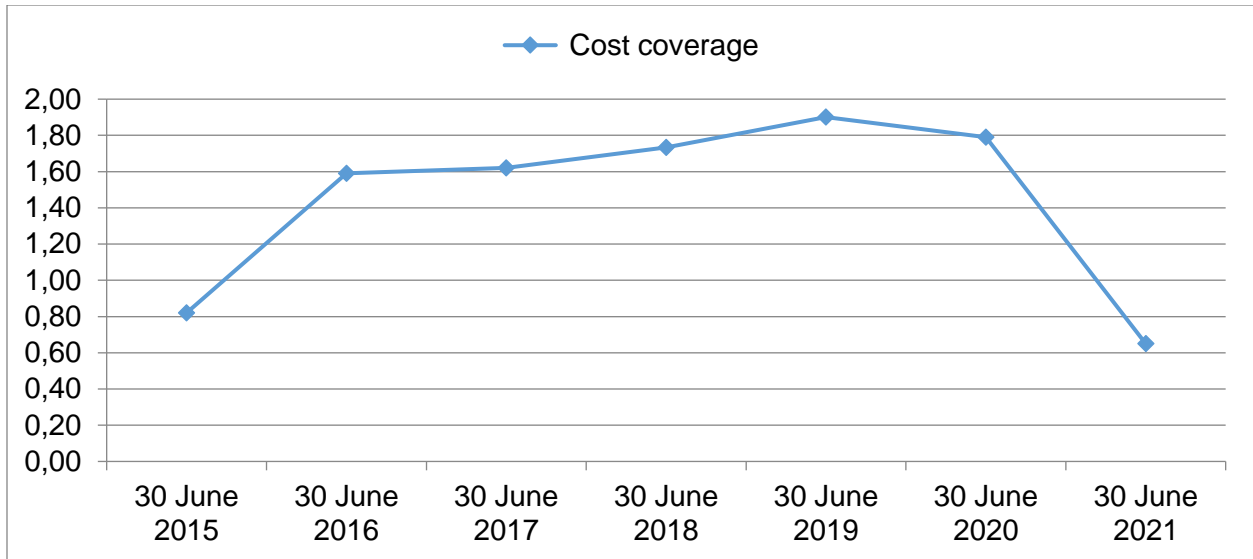
The Ratio is adjusted for Unspent Conditional Grants as the cash is not available for normal day-to-day operational expenditure, but rather reserved for Grant related expenditure.

The ratio is determined as follows:

Cash and cash equivalents – unspent conditional grants – overdraft + short-term investments / monthly fixed operational expenditure excluding (depreciation, amortisation, provisions for bad debts, impairment and loss on the disposal of assets)

As at 30 June 2021, the Ratio was 0.65 months, whilst the Municipality's audited ratio as at 30 June 2020 was 1.79 months.

In terms of MFMA Circular No. 71, the norm is 1 month to 3 months



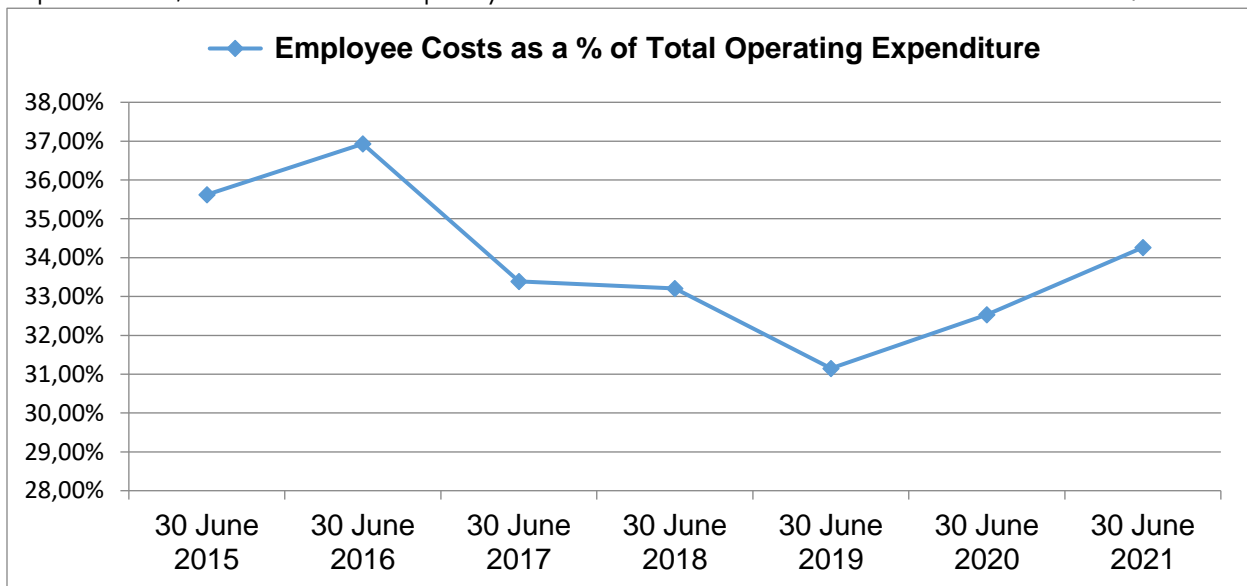
4.1.3.8 EMPLOYEE COSTS AS A % OF TOTAL OPERATING EXPENDITURE

This ratio assesses the extent to which the Municipality's Total Operating Expenditure is consumed by costs associated with the employment of human resources.

The ratio is determined as follows:

Employee Costs to date/Total Operating Expenditure to Date

As at 30 June 2021, Employee Related Costs constituted 34.26% of the Total Operating Expenditure, whilst the Municipality's audited ratio as at 30 June 2020 was 32.53%.



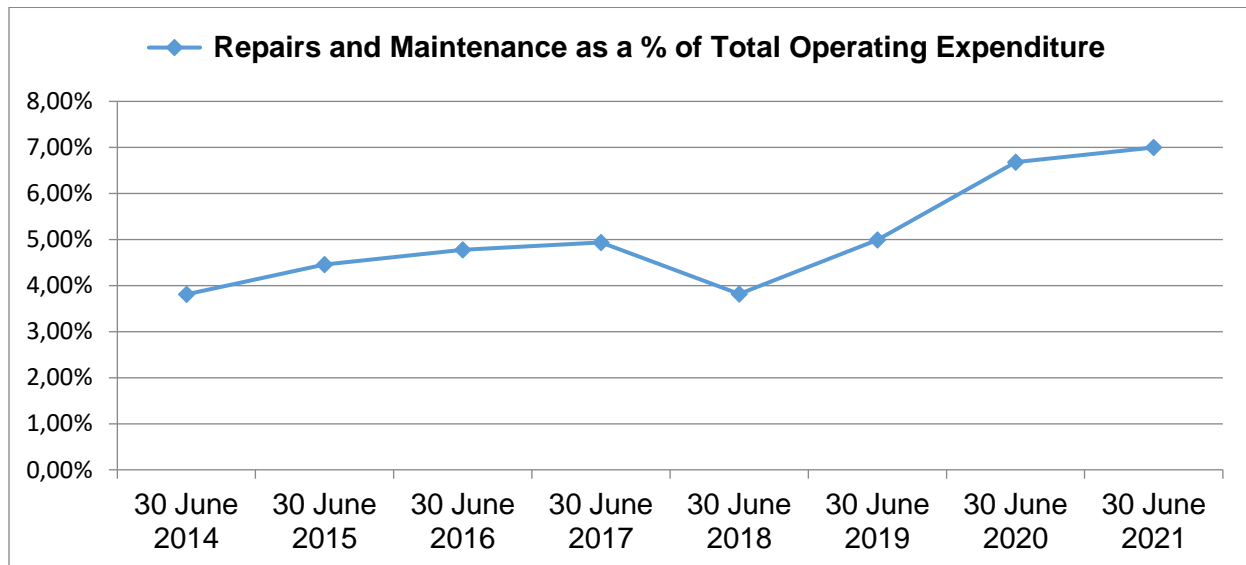
4.1.3.9 REPAIRS AND MAINTENANCE AS A % OF TOTAL OPERATING EXPENDITURE

This ratio assesses the extent to which the Municipality's Total Operating Expenditure is consumed by costs associated with the repairs and maintenance of its assets.

The ratio is determined as follows:

Repairs and maintenance expenditure to date / Total Operating Expenditure to date

As at 30 June 2021, the Ratio was 7.0%, compared to the Municipality's audited ratio of 6.68% as at 30 June 2020.



4.1.3.10 REPAIRS AND MAINTENANCE AS A % OF THE BOOK VALUE OF PROPERTY, PLANT AND EQUIPMENT (PPE)

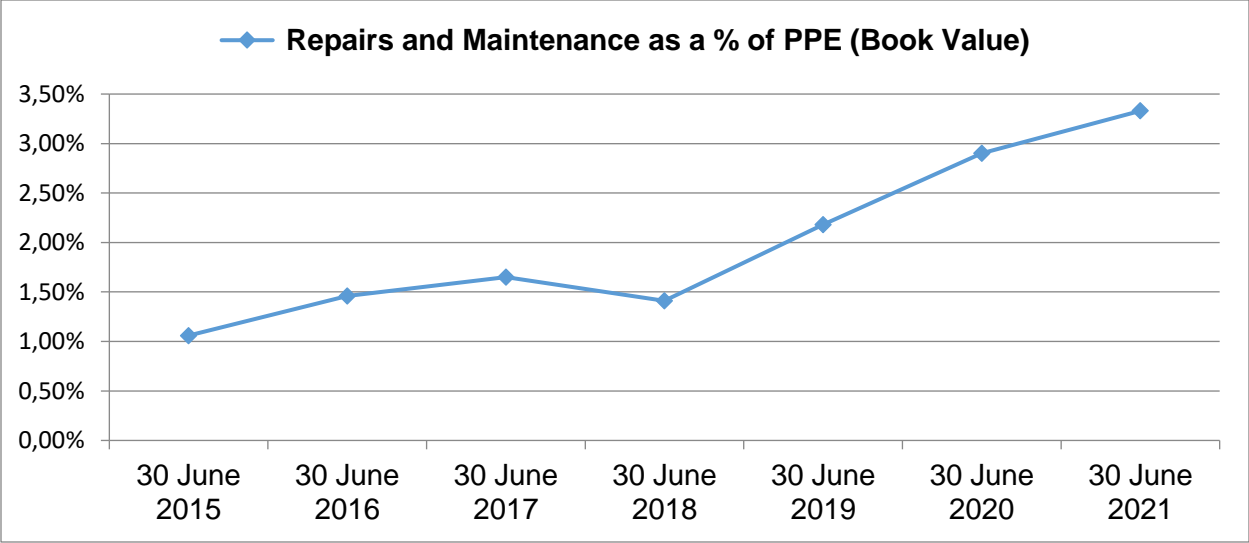
The Ratio measures the level of repairs and maintenance to ensure adequate maintenance to minimise breakdowns and interruptions in service delivery.

The ratio is determined as follows:

Repairs and maintenance expenditure to date / Book value of PPE to date

As at 30 June 2021, repairs and maintenance expenditure constituted 3.33% of the book value of PPE. The Municipality's audited ratio as at 30 June 2020 was 2.90%.

In terms of the MFMA Circular No.71, the norm is 8%.



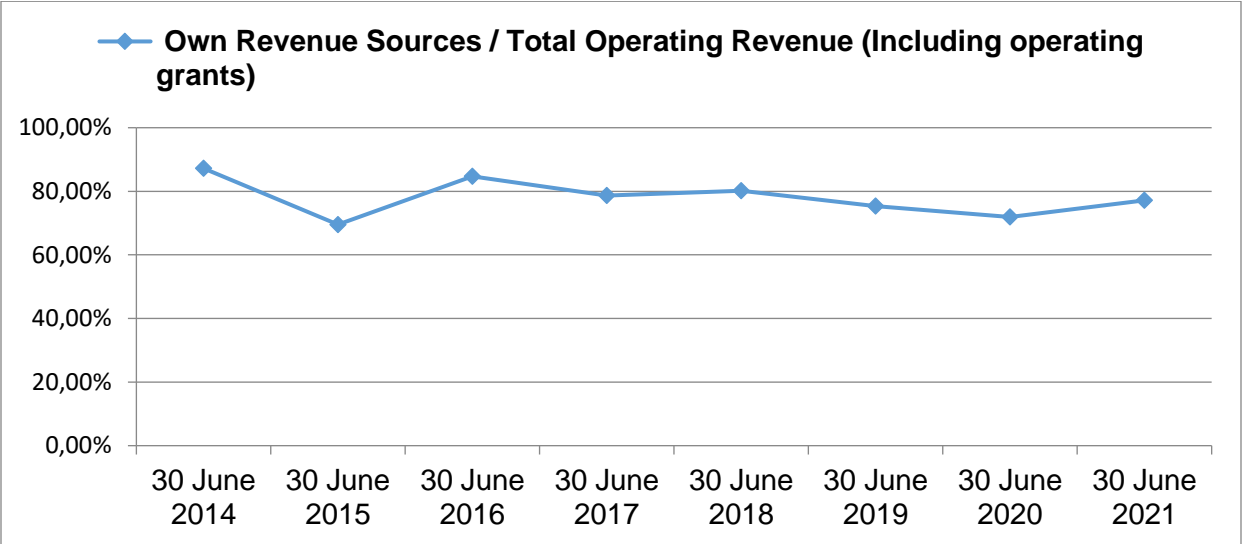
4.1.3.11 OWN REVENUE GENERATION

This ratio measures the extent to which the Municipality has control over its revenue sources, i.e. what percentage of its revenue is generated locally. The higher the ratio, the less reliant a Municipality is on Provincial and National Government to support its operations.

The ratio is determined as follows:

Own Revenue Sources / Total Operating Income (includes operating grants)

As at 30 June 2021, the Municipality's own revenue sources constituted 77.11% of its total Operating Income. The Municipality's audited ratio as at 30 June 2020 was 71.88%.



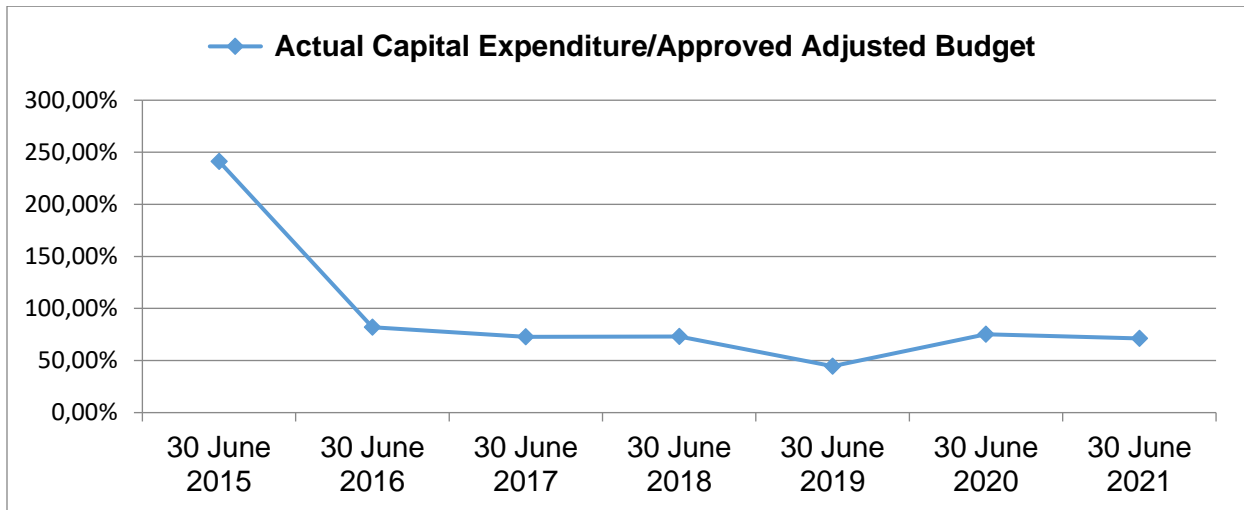
4.1.3.12 CAPITAL BUDGET SPENDING

This ratio assesses the level of actual capital spending, compared to the budgeted capital expenditure.

The ratio is determined as follows:

Actual Capital spending / Approved Capital Budget

The actual spending as at the end of June 2021 amounted to 71.24%, compared to the 2020/21 Capital Adjustments Budget. The Municipality's audited ratio as at 30 June 2020 was 75.33%.



4.1.3.13 FINANCIAL VIABILITY AND MANAGEMENT

1.	Indicator Name Status of Audit Outcome (2020/21)	Unqualified		
2.	Submission of AFS after the end of the financial year	Draft AFS submitted by 31 August 2021		
	Indicator Name	Target set for the year	Achievement level for the year (Absolute expenditure figure R (000) against capital budget R(000))	Percentage spent on capital budget during the year vs actual revenue (2020/21)
3.	Percentage of expenditure of Capital Budget	95%	71.24%	6.46%
	Indicator Name	Operational Budget for the 2020/21 year	Amount spent on employee related cost & Councilor remuneration (Expenditure on salaries budget) against operational budget.	Achievement Percentage during the year
4.	Percentage of salary budget as of total operational budget	1,038,357,350	34.90%	34.26%
	Indicator Name	Target set for the year (Own revenue) R (000)	Achievement level Trade Creditors during the year R(000)	Achievement Percentage during the year.
5.	Total municipal trade creditors	183,464	54,817	29.88%
	Indicator Name	Target set (actual total budget) in the year under review	Achievement level (Own revenue in the year under review)	Achievement percentage during the year.
6.	Total municipal own revenue as a percentage of the total actual budget	1 123 078 419	720 101 297	64.12%
	Indicator Name	Indicate previous financial year's municipal debtors	Indicate municipal debtors for the year under review	Achievement percentage (Reduction rate)
7.	Rate of municipal consumers debtor's reduction	241 853 487	283 572 787	17.25%
	Indicator Name	Indicate MIG budget for the year under review	Indicate actual expenditure on MIG budget	Achievement Percentage
8.	Percentage of MIG budget appropriately spent	43,695,994	37,733,079	85.35%
	Indicator Name	The information should reflect the status quo (Summary report on the functionality of the Audit Committee)		
9.	Municipalities with a functional Audit Committee			

4.1.3.14 ARREARS IN PROPERTY RATES AND SERVICE CHARGES

(Refer to pages 43 to 50 of the Annual Financial Statements)

COMPONENT B: OTHER FINANCIAL MATTERS

4.2 SUPPLY CHAIN MANAGEMENT

KOUGA MUNICIPALITY: SUPPLY CHAIN MANAGEMENT ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

Introduction

In terms of paragraph 6 of the Supply Chain Management Policy, the Council must maintain oversight over the implementation of this policy to ensure that the Accounting Officer implements all Supply Chain Management activities in accordance therewith.

1. Monthly and Quarterly reports

Monthly deviations reports are submitted in terms of the SCM policy for the procurement of goods and service (See paragraphs 5 below).

Quarterly reports are required to be submitted to Provincial and National Treasury in respect of procurement of goods and services. These reports were submitted in accordance with paragraph 6 of the Supply Chain Management Policy.

Regular reports are submitted to the Finance Portfolio Committee meetings

2. Bid Committees

The below mentioned committees are established and functioning in accordance with the SCM Policy:

- Bid Specification Committee (BSC)
- Bid Evaluation Committee (BEC)
- Bid Adjudication Committee (BAC)

The committees are responsible to ensure that the required procurement processes are followed in respect of formal tenders.

Bid Committee Meetings held during the 2020/21 financial year

	BSC
Chairperson	A. Koegelenberg (Alternative T. Madat)
Number of meetings that took place.	24
Number of meetings cancelled	2
Provide reasons for all meetings not held as per scheduled dates.	Quorum, Bad Internet Connection

The Bid Evaluation Committee Structure was changed during the year and thus reflects the status of the BEC for the period in terms of the old structure and the new structure separately.

Old BEC Structure implemented from 1 July 2020 to 30 November 2020

	BEC 1	BEC 2
Chairperson	A. Perils	C. Venter
Number of meetings that took place.	18	20
Number of meetings cancelled	4	3
Provide reasons for all meetings not held as per scheduled dates.	Quorum	Quorum

New BEC Structure implemented from 1 December 2020 to 30 June 2021

	BEC
Chairperson	T. Madatt / K. Marais / C. Venter / J. Hammond / C. Grootboom / N. Siwelo / D. Barnard / A. Rossouw / Z. Gongqoba / A. Nicholls / M. Rossouw / C. Grootboom / K. Du Preez / M. Rossouw / S. Abrahams / N. Swartz, L. Plaatjies
Number of meetings that took place.	56
Number of meetings cancelled	10
Provide reasons for all meetings not held as per scheduled dates.	Item Representative was unavailable

	BAC
Chairperson	R. Lorgat (Alternative S. Abrahams)
Number of meetings that took place.	19
Number of meetings cancelled	6
Provide reasons for all meetings not held as per scheduled dates.	No quorum

3. Training- Supply Chain/ Stores Section

The following SCM Officials is doing the Municipal Finance Management Programme:

- Nerina Malgas
- Alicia Smith
- Amelia Gorden

4A. Seven Day Notices Awarded:

A Total of Ten (10) Seven Day Notices was awarded for the period 1 July 2020 to 30 June 2021, as detailed below:

	Contract Description	Service Provider	Date of Award	Amount
1.	Notice 103/2020 Review of 2019/20 AFS	Altimax	01 Sep 2020	R 25 300.00
2.	Notice 159/2020 Subdivision, Rezoning and Closure of P.O.S Erf 554, Sea Vista	Mvd Kalahari Stads-en Streeksbeplanners & Aanverwante Dienste CC	04 Feb 2021	R 132 825.00
3.	Notice 185/2020 Renewal And Upgrade of Kouga Municipality's Backup And Replication IT Software	Intelligence Everywhere Enterprises	11 Jan 2021	R 65 330,31
4.	Notice 186/2020 Supply and Collection of 6 Cubic Meter Skip Bins for Jeffreys Bay and Paradise Beach	Nu Plant Projects CC	12 Jan 2021	R 196 420.00
5.	Notice 201/2020 Supply, Delivery and Offloading of Water Fittings and Water Pipes	Memotek Trading Ibis Civils Suppliers Premier Pipe Supply	05 March 2021	Various Rates

		Maseni J Empowerment Group Last Samurai Property Holdings 2 T/A Ithuba Industries		
6.	Notice 9/2021 Supply, Delivery and Installation of Custom-Made High Density Filing System	Workstation Office Furniture (Pty) Ltd	05 March 2021	R 53 219,13
7.	Notice 28/2021 Supply, Delivery and Offloading of Electrical Tools	Flo Specialized Product Solutions Actom FTA Enterprise (Pty) Ltd	19 March 2021	R 165 348.00
8.	Notice 75/2021 Supply, Delivery and Offloading of LED Streetlights	Memotek Trading	07 May 2021	R 197 283,55
9.	Notice 80/2021 Supply, Delivery and Installation of New Sewer Manhole Cover Slabs Complete with Lockable Polymer Manhole Covers and Frames	Civil Construction and Skills Training	21 May 2021	R 192 625.00
10.	Notice 98/2021 Supply and Delivery of Wifi Access Points	Memotek Trading	14 June 2021	R 53 062,46

4B. Competitive Bids awarded for the period:

A total of 62 bids were advertised. A total of 12 bids were cancelled and 48 was successfully awarded for the period from 1 July 2020 to 30 June 2021 of which 2 bids are still under Legal Review.

	Contract Description	Service Provider	Date of Award	Amount
1.	Notice 1/2020 Contract S1/2020: Supply and Delivery of Black Polythene Refuse Bags for a period of 3years	Diphorora Consulting	28 September 2020	R 851.00 (per 1000 units)
2.	Notice 1/2020 Contract S2/2020: Supply and Delivery of Tyres and Tubes for a period of 3years	Lutha General Trading Cassim ZM t/a Cassims South Bay Tyres Pty Ltd Siyaya Corporation Pty Ltd	29 July 2020	Various Rates

	Contract Description	Service Provider	Date of Award	Amount
3.	Notice 1/2020 Contract S3/2020 Supply and Delivery of Valves and Pipes for a period of three years.	Memotek Trading CC Lutha General Trading Premier Pipe Supply PTY LTD KFC Engineering and Supplies Kandhai V t/a VK Distributors Last Sumarai Property Holding 2 t/a Ithuba Industries Westflo PTY LTD Take Note Trading 245 CC T/A Universal Trading Masiqhame Trading 520 CC NRB Piping Systems PTY LTD Maphandimesha Trading Enterprises	31 July 2020	Various rates
4.	Notice 1/2020 Contract S4/2020 Supply and Delivery of Disinfectant Dip for a period of three years	Ntozonke Agencies	13 August 2020	Various rates
5.	Notice 1/2020 Contract S5/2020 Supply and Delivery of Road Marking Paint for a period of three years.	Memotek Trading CC	13 August 2020	Various rates
6.	Notice 32/2020 Supply and Delivery of Vacuum Circuit Breaker.	ABB South Africa Pty Ltd	29 July 2020	R 283 591.15
7.	Notice 33/2020 Suitably Qualified, Capable and Experienced Professional Service Providers are here by invited to submit tenders for the Design and Administering of the Upgrading of Gravel Roads in Kouga	Cancelled	05 August 2020	N/A

	Contract Description	Service Provider	Date of Award	Amount
8.	Notice 34/2020 Contract S6/2020 Supply and Delivery of Consumables for a period of three years	Lutha General Trading Pty Ltd MKj 360 Pty Ltd Ibayi PC Sales & Repairs Sibuluntu Trading & Projects Vukunjonge Trading Premier Pipe Supply Maluyo General Trading Yonela Holdings Pty Ltd Conqua Industries Bidvest Waltons Andz – Li Trading Cassim ZM t/a Cassim’s Brilliant Paper Pty Ltd Premier Attraction t/a ZJS Distributors Ebusha General Trading Khanda Projects Ambax Pty Ltd	25 November 2020	Various Rates
9.	Notice 34/2020 Contract S7/2020 Supply and Delivery of Stationery and Official books for a period of three years	Andz – Li Trading Cassim Zm t/a Cassim’s MKJ 360 Pty Ltd Ibayi PC Sales & Repairs Valmac Office National Sibuluntu Trading & Projects Vukunjonge Trading Omni Technologies Premier Pipe Supply Yonela Holdings Pty Ltd Conqua Industries Bidvest Waltons	15 December 2020	Various rates
10.	Notice 34/2020 Contract S8/2020 Supply and Delivery of Oil and Grease for a period of three years	All Ubuntu Pty Ltd Andz-Li trading Piston Power Chemical Pty Ltd Silver Solutions 435 Pty Ltd Cassim ZM t/a Cassim’s Lutha General Trading	04 November 2020	Various rates
11.	Notice 34 of 2020 Contract S9/2020 Supply, Delivery and Offloading of Personal Protective Clothing	Macnet Business Development Premier Pipe Supply Pty Ltd Wesflo Pty Ltd	28 September 2020	Various Rates

	Contract Description	Service Provider	Date of Award	Amount
		Maluyo General Trading Pty Ltd Conqua Industries Permier Attraction t/a ZJS Distributors Sibalam Group Pty Ltd Andz-Li Trading Pty Ltd Lutha General Trading Sandisizwe Education Pty Ltd Cassim ZM t/a Cassim's Ibayi PC Sales		
12.	Notice 34/2020 Contract S10/2020 Supply and Delivery of two-piece overalls	Cancelled	04 November 2020	N/A
13.	Notice 34 of 2020 Contract S11/2020 Supply, Delivery and Offloading of Water Fittings	Joat Sales and Services Cassim ZM t/a Cassim's Lutha General Trading Conqua Industries VK Distributors Masiqhame Trading 520 Ibis Civils Suppliers Pty Ltd Wesflo Pty Ltd KFC Engineering Premier Pipe Supply Take Note Trading 245	16 September 2020	Various Rates
14.	Notice 34 of 2020 Contract S12/2020 Supply and Delivery of Water Meters	Smart Water Services Pty Ltd KFC Engineering Pty Ltd	02 September 2020	Various Rates
15.	Notice 54/2020 Appointment of Legal Service Providers, as and when required for a period of three years	C W Malan Attorneys (Humansdorp) C W Malan Jeffreys Bay Inc Bate: Chubb & Dickson Inc BLC Attorneys Bonqwana Burns Inc Billet Gouws Karsans Inc Siyathemba Sokutu Attorneys Inc McWilliams & Elliott Inc Labuschage Van Der Walt Inc	20 August 20	Various rates - Panel

	Contract Description	Service Provider	Date of Award	Amount
		Lulama Prince Inc Kuban Chetty Inc Fredericks Inc Goldberg De Villiers		
16.	Notice 55 of 2020 Contract I & E 1/2020 Supply and Delivery of various Bitumen Products for a period of three years	Lutha General Trading Wynford Civils & Development Premier Pipe Supply Pty Ltd	13 August 2020	Various rates
17.	Notice 55/2020 Contract I&E 2/2020 Hire of Chemical Toilets	Cancelled	04 November 2020	N/A
18.	Notice 55/2020 Contract I&E 3/2020 High Pressure Jetting and Vacuum Cleaning of Sewer and Storm Water Pipelines	PelePele Investment (Pty) Ltd	15 December 2020- Legal Review	Various rates
19.	Notice 55/2020 Contract I&E 4/2020 Hire of Suction (Vacuum) Tankers	PelePele Investment (Pty) Ltd	15 December 2020- Legal Review	Various rates
20.	Notice 55 of 2020 Contract I&E 5/2020 Supply, Delivery and Transport of Water Treatment Chemicals for a period of three years	Shemuntu and Sons Pty Ltd Ikusasa Chemicals Pty Ltd Metsi Water Solutions Ndulamiso Aqua Solutions Improchem	28 September 2020	Various Rates
21.	Notice 56/2020 Supply and Delivery of Electrical Arc Flash and associated clothing.	Cancelled	8 July 2020	N/A
22.	Notice 79/2020 Design and Implementation of the Augmentation of the Replacement of the existing Water Main in Mimosa Street	MJM Consulting	10 Feb 2021	R 807 185.00
23.	Notice 80/2020 Design and Implementation of the Augmentation of the	MJM Consulting	10 Feb 2021	R 1 480 050.00

	Contract Description	Service Provider	Date of Award	Amount
	Sewer rising main from La Mer Pumpstation to the Jeffreys Bay WWTW			
24.	Notice 81/2020 Design and Implementation of the Replacement of the aging water infrastructure in St Francis Bay	MJM Consulting	24 March 2021	R 529 779.70
25.	Notice 82/2020 Investigation, Design and Implementation fro the Structural repairs to the Paradise Beach Elevated water Tower	Lukhozi Consulting	02 March 2021	R 577 260.33
26.	Notice 93/2020 Supply and Delivery of Construction of a Fresh Food Mini Market	Noziqonga Trading CC	10 Feb 2021	R 1 516 138.85
27.	Notice 95 of 2020 Bulk Infrastructure and Electrification of 200 Sub Economic Houses in Kruisfontein	VE Reticulation Pty Ltd	16 September 2020	R 4 570 999.30
28.	Notice 108/2020: Supply and Delivery of Mobile Handsets including voice, data and SMS packages to Kouga Municipality for a period of 24 months	Mobile Telephone Networks (Pty) Ltd	04 November 2020	Various Rates
29.	Notice 109/2020 Servicing of Portable Fire protection equipment for a period of three (3) years	Bentical Fire Protection (Pty) Ltd	10 Feb 2021	Various rates
30.	Notice 110/2020 Supply and Delivery of New Rapid Intervention Vehicle for emergency rescue responses for a period of twelve months	Sky Metro Equipment	15 December 2020	R 1 188 295.00
31.	Notice 113/2020 Appointment of PSP for Design and Implementation of the	ETL Consulting (Pty) Ltd	20 April 2021	R 1 916 463,86

	Contract Description	Service Provider	Date of Award	Amount
	Augmentation of new Bypass the Sewer Rising mains and upgrade of Beach Sewer Pump Station Jeffreys Bay wastewater treatment works			
32.	Notice 115/2020: Upgrading of Kwanomzamo Sport Facility	Vitsha Trading	11 Feb 2021	R 5 200 525.96
33.	Notice 134/2020 Supply and Delivery of 125kva Mobile Generator	Servelec (Pty) Ltd	15 Jan 2021	R 417 029.10
34.	Notice 135/2020 Supply and Delivery of Fire Fighting Uniform and PPE for a period of three (3) years	Sparks and Ellis (Pty) Ltd	15 Jan 2021	Various rates
35.	Notice 136/2020 Supply and Delivery of Life Guard Uniform for a period of 3years	Glenlinx Qwabe Holdings	25 November 2020	Various Rates
36.	Notice 137/2020 Supply and Delivery of New Double Cab LDV	Kasomsi Trading	15 Jan 2021	R 390 869.29
37.	Notice 144/2020 Development of the Humansdorp CBD Precinct Plan	Tshani Consulting (Pty) Ltd	15 Jan 2021	R 336 490.00
38.	Notice 145/2020 Provision and Development of an Antivirus Solution for a period of 3years	Little Pig CC	15 December 2020	R 276 515.20
39.	Notice 146/2020 Phase 2 of new Municipal 66kV Double Circuit overhead line between Melkhout substation Humansdorp and the Main intake substation in Jeffreys Bay	Cancelled	15 December 2020	N/A
40.	Notice 147/2020	MJM Consulting	09 June 2021	R 737 035.00

	Contract Description	Service Provider	Date of Award	Amount
	Design and Implementation of a Sewer Reticulation Network and Pumpstation for 64 erven in St Francis Bay			
41.	Notice 150/2020 Technical Financial Support to Enhance the Financial Sustainability and improve audit outcomes at KLM	Cancelled	09 June 2021	n/a
42.	Notice 160/2020 Replacement of Safety Substation Switchgear in Humansdorp	4RGA Electrical Project Management	11 Feb 2021	R 3 910 000.00
43.	Notice 161/2020 Short-term Insurance for a period of three (3) years	Lateral Unison (Pty) Ltd	15 Jan 2021	Y1:R3 916 762.00 Y2:5%escalation Y3:5%escalation Linked to CIPX
44.	Notice 162/2020 Upgrading of Hankey Sanitation Phase 1	Cancelled	03 Mar 2021	n/a
45.	Notice 171/2020 Appointment of a suitably qualified professional service provider (PSP) for the design and implementation of the upgrading / replacing of the existing suspension pipe bridge on the main water supply feed to St Francis Bay where it crosses the Sout River	MJM Consulting Engineers	09 June 2021	R 750 375.00
46.	Notice 173/2020 Supply and Delivery of Covid-19 and related Personal Protective Equipment	MaseniJ Empowerment Group X-Business Resources Vukujonge Trading Bay Zen Trading Lodiscan (Pty) Ltd Premier Attraction 528 CC Sandisizwe Education Conqua Industries Dabas Enterprise (Pty) Ltd	19 May 2021	Various Rates

	Contract Description	Service Provider	Date of Award	Amount
47.	Notice 174/2020 Appointment of a Suitably Qualified Professional Service Provider (PSP) for the Design and Implementation of the Loerie Sewer Pump Station Upgrade and New Rising Main	MJM Consulting Engineers	20 April 2021	R 516 959.50
48.	Notice 194/2020 Design and administering of Upgrading of Gravel Roads	JG Afrika (Pty) Ltd	15 Jan 2021	R 5 136 403.38
49.	Notice 195/2020: Hankey sanitation upgrade (phase 2) installation of NEW AND upgrading of existing sewer rising mains in Hankey and Centerton	Cancelled	08 April 2021	n/a
50.	Notice 197/2020 Supply and Delivery of Electrical ARC Flash and associated clothing	Premier Pipe Supply (Pty) Ltd Twaz Group (Pty) Ltd MKJ 360 (Pty) Ltd Safetymate (Pty) Ltd	24 Mar 2021	Various Rates
51.	Notice 198/2020 Hire of Chemical Toilets for a period of three (3) years	Twazz Group (Pty) Ltd	09 June 2021	Various Rates
52.	Notice 208/2020 Supply and Delivery of New Plant and Vehicles on a Variable Full maintenance Lease for a period of 36months or 60months	Cancelled	15 Jan 2021	n/a
53.	Notice 03/2021 Supply and Delivery of Paint and Materials	Cancelled	20 April 2021	n/a
54.	Notice 04/2021 Supply and Delivery of Tiles and Materials	Cancelled	20 April 2021	n/a

	Contract Description	Service Provider	Date of Award	Amount
55.	Notice 05/2021 Re-Advertisement: Phase2 of New Municipal 66kv Double Circuit Overhead line between Melkhout Substation Humansdorp and the Main intake substation in Jeffreys Bay	VE Reticulation (Pty) Ltd	24 Mar 2021	R 1 563 255.95
56.	Notice 25/2021 Supply and Delivery of Traffic Uniforms for a period of three (3) years	Sparks and Ellis (Pty) Ltd	23 June 2021	Various Rates
57.	Notice 26/2021 Supply And Delivery of Traffic Road Signs for a period of three (3) years	Emerencia Construction EC Road Signs Imizamo Yethu Civils Wanotha Services Diphororo Consulting	23 June 2021	Various Rates
58.	Notice 34/2021 Supply, Delivery and Installation of Artificial Grass to Kouga Local Municipality for a period of three (3) years	Cancelled	20 April 2021	n/a
59.	Notice 47/2021 Upgrade of Hankey Sanitation Phase 1	LRC Civils	29 March 2021	R 29 890 876,49
60.	Notice 51/2021 Supply and Delivery of New LDV Double Cab 1	Sky Metro Equipment	09 June 2021	R 696 289.74
61.	Notice 85/2021 Electrification of 200 Sub Economic Houses	VE Reticulation	23 June 2021	R 7 167 863.75
62.	Notice 102/2021 Supply and Delivery of Server and Screen	SMS ICT Choice	23 June 2021	Various Rates

5. Section 36 Deviations in terms of Supply Chain Management Policy

The section 36 deviations for the period amounted to R 27 429 263.00, below table details the breakdown per section and directorate:

DEPARTMENT	NUMBER OF DEVIATIONS	REASON	AMOUNT
Finance	Various Occasions (26)	Various reason like impracticality/emergency/ single provider urgency etc	R 5 329 656,80
26 Occasion of which resulted in 32 transactions during the financial year procuring various services amounting to R Total of R5 329 656,80			
Infrastructure & Engineering	Various Occasions (26)	Various reason like impracticality/emergency/ single provider urgency etc	R 6 786 341,54
26 Occasions of which resulted 33 transactions during the financial year procuring various services equal to R2 694 589,68. Seventeen (17) transactions originating from deviations of prior financial years equal to R 4 091751,86 amounting to a total of R6 786 341,54			
Corporate Services	Various Occasions (16)	Various reason like impracticality/emergency/ single provider urgency etc	R 1 266 684,69
16 Occasion during the financial year procuring various services amounting to R 1 266 684,69			
Office of MM	Various Occasions (4)	Various reason like impracticality/emergency/ single provider urgency etc	R 151 027,05
4 Occasion during the financial year procuring various services amounting to R 1 51027,05			
Community Services	Various Occasions (47)	Various reason like impracticality/emergency/ single provider urgency etc	R 12 741 681,27
47 Occasion during the financial year procuring various services amounting to R 12 741 681,27			
Planning, Development & Tourism	Various Occasions (12)	Various reason like impracticality/emergency/ single provider urgency etc	R 1 153 871,54
12 Occasion of which resulted in 32 transactions during the financial year procuring various services amounting to R 1 153 871,54			
Total			R 27 429 262,89

6. Irregular Expenditure

For the 2020-2021 financial year the irregular expenditure amounted to the value of R 261 221.53 for this period.

7. Annual Stock Take

Annual Stocktake was done on the 30 June 2021. The stock on hand as at 30 June 2021 amounts to R11 741 334.57

The total movement of stock (Receipts/Issues) during the 2020/2021 Financial year amounts to: Receipts = R13 217 126.72/ Issues= R10 625 582.60

Slow Moving and Redundant Stock amounted to the value of R11 281.90

8. Supply Chain Management Staff Component

The section consists of 10 permanent staff members, 4 contract workers and 2 Finance Interns during the 2020-2021 financial period.

Below details the staff member:

- Mr. L. Landu (Manager)

Supply Chain Management	Stores
Mrs. C. Groenewald (permanent)	Mr. E. Felix (permanent)
Mrs. N. Malgas (Permanent)	Mr. A. Alexander (permanent)
Ms. A. Smith (Permanent)	Mr. D. Volontiya (permanent)
Ms. A. Gorden (Permanent)	Mr. F. Msolo (permanent)
Mr. L. Desha (contract worker)	Mr G Matthee (retired in 28 Feb 2021)
Mr. S. Kwuzwayo (contract worker)	Ms. Z. Siqwayi (contract worker)
Ms. N. Mandeka (Finance Intern)	
Mr. M. Mpepo (Finance Intern)	

4.3 RISK MANAGEMENT

Risk management is as much about identifying opportunities as avoiding or mitigating losses. It is a logical and systematic process of establishing the context, analysing, evaluating, treating, monitoring, and communicating risks associated with any activity, function or process, in a way that enables an organisation to minimise losses and maximise opportunities.

The drive for local government transformation with limited resources has tended to force municipalities into taking a less conservative approach to service delivery with a proportional increase in their risk exposure. Ongoing local government reforms have provided a broad administrative framework for further improvements to occur. These include more stringent corporate governance requirements, greater flexibility and a focus on results and accountability.

Risk management trends and components already overlap with those of internal auditing, performance management, programme and project management, financial management, change management, customer care, communication, etc. and require incremental inclusion in current and future plans of the entire organisation.

The management of risk by implication is a managerial function, even though individual sections, departments and directorates differ in their exposure and reaction to risks and thus departments, sections and individuals form a vital part of the overall risk management process within the Municipality.

In our continuously changing governance environment, it is imperative that Council remains updated on key changes and challenges and how this affects the operation of business in today's environment. This will not be achieved without an effective, efficient, soundly funded, and managed risk strategy that seeks to maximize its impact on the organization with minimum resources at its disposal.

National Treasury Public Sector Risk Management Framework affirms that no organization has a luxury of functioning in a risk-free environment and public institutions are especially vulnerable to risk associated with fulfilling their mandates.

The table below indicate the top five risks within the Municipality:

1	Adverse Impact of COVID -19 on KLM	<ol style="list-style-type: none"> 1. COVID 19 pandemic occurring 2. Unplanned expenditure due to COVID 3. Loss of revenue due to residents being unable to pay (KLM having to give payment holidays, reduce property rates, unable to charge interest on overdue accounts) 4. Budgets need to be readjusted/realigned for COVID 19 Priorities
2	Lack of bulk infrastructure (Elec, water, sewerage, Note:" Lack of" refers to land and illegal informal settlements that cannot be serviced by bulk due to, amongst other, location which makes it impossible to be connected to existing services roads, Stormwater, waste)	<ol style="list-style-type: none"> 1. Inability to plan for informal developments occurring in Kouga (linked with no.4) 2. Lack of ability to provide strategic planning by Infrastructure Department for haphazard informal settlement formations (linked with no.4) 3. Lack of availability of land (cemeteries) 4. Lack of some bulk infrastructure master plan (Elec, water, sewerage, roads, Stormwater) 5. Lack of funding and management of augmentation (not utilized for upgrading of infrastructure) 6. Lack of integration in planning and development (housing and infrastructure)
3	Business Disruptions due to inadequate ICT infrastructure, and security.	<ol style="list-style-type: none"> 1. Inadequate interface of various systems (standalone relationship) Software issues, running in silos 2. Insufficient data storage space 3. Lack of IT policy implementation COVID 19 risks on IT 4. Strains on network due to working from home 5. Increased risk of data leaks, lack of control of confidential information 6. Possible increase in fraud and phishing attacks 7. Lack of central repository for information
4	Inability to contain the spread of Covid-19 in KLM (wider community)	<ol style="list-style-type: none"> 1. Lack of sufficient testing kits within KLM 2. Lack of quarantine facilities within KLM 3. Lack of PPE 4. Lack of water for all residents within KLM for sanitation 5. Non-adherence to lockdown regulations / alerts level by residents and municipal staff within KLM
5	Water losses	<ol style="list-style-type: none"> 1. Linking of meters with Erven not completed 2. Tampering 3. Incorrect billing data and information 4. Old water meters running slower

4.4 FRAUD AND ANTI-CORRUPTION

Section 83(c) of the MSA refers to the implementation of effective bidding structures to minimise the possibility of fraud and corruption and the Municipal Finance Management Act (MFMA), section 112(1) (m)(i) identifies supply chain measures to be enforced to combat fraud and corruption, favoritism and unfair and irregular practices. Section 115(1) of the MFMA states that the Accounting Officer must take steps to ensure mechanisms and separation of duties in supply chain management system to minimise the likelihood of corruption and fraud.

The Anti-corruption strategy and fraud prevention strategy were both approved on the 1 August 2017. There were no corrupt practices reported and therefore the employees seem to be aware of the section 3 contained in the Prevention and Combating of Corrupt

4.5 ICT GOVERNANCE

The Accounting Officer is ultimately responsible for the Information Technology Governance and Security functions. The responsibility for implementation and monitoring of technology governance and security related frameworks is delegated to the Information Communication Section within the Finance Department (FIN: ICT) which ensures adequate management and reviews of the ICT Governance Charter & ICT Strategic Plan.

ICT Corporate Governance framework

The ICT governance framework and policies were developed in September 2021.

Key IT Governance policies / documents:

- Corporate Governance of ICT Policy
- ICT Charter
- ICT Strategy
- ICT Risk Management Framework / ICT Risk Register
- ICT Policy Framework
- ICT Disaster Recovery Policy / Plan
- ICT Governance Implementation Roadmap



The ICT Steering Committee

The ICT Steering Committee (ICTSC) is a mechanism that assists those responsible for IT, to ensure that ongoing IT operations and systems are aligned with the strategic plan and ultimately the IDP. In addition, IT related risks, projects, audit issues and required systems changes are managed. The (ICTSC) is chaired by the municipal manager and assisted by the IT Manager and directors of other departments. The ICTSC's main function is to propose and approve strategic initiatives that are envisaged to enhance and improve IT systems and facilitate the organisation to become more effective.

IT Related Projects

The mSCOA project was a major shift in financial reporting and the ICT Department played a magnificent role with the upgrading of the Server Infrastructure to ensure that the organisation is ready to transact on the new financial platform as prescribed by national treasury.

CHAPTER 5 : PERFORMANCE MANAGEMENT

COMPONENT A: INSTITUTIONAL PERFORMANCE

5.1 INSTITUTIONAL SERVICE DELIVERY TARGETS: DIRECTORATE COMMUNITY SERVICES

IDP	PROJECT CODE	KPA	PRIORITY	OBJECTIVE	PROJECT	ANNUAL TARGET	KPI	ACTUAL ACHIEVEMENT	COMMENT/ CORRECTIVE ACTIONS	PRIOR YEAR ACHIEVEMENT
COMMUNITY SERVICES										
IDP11	CP_4	3	ICT upgrade	To improve and integrate IT systems of the municipality	Computer Equipment	Procure 1 boardroom projector and screen (Due date 31 March 2021)	Number of boardroom projectors and screens procured	1 Projector and 1 screen procured.	Procured in quarter 1 as there was an urgent need to eliminate contact meetings due to Covid-19	New
IDP8	CP_32	1	Public Amenities	To provide high quality recreational facilities to residents and visitors to Kouga	Fencing of food Woods	Fence Yellow Woods (Due date for completion 31 March 2021)	% completion of fencing at Yellow Woods	100%	Fencing had to be installed as a matter of extreme urgency to curb vandalism for example caretakers house breakages and outdoor equipment being vandalized etc. Commenced Quarter 1, Completed Quarter 2	New
IDP8	CP1_FS	2	Safety and Security	Safeguarding municipal infrastructure in the Kouga Area	Humansdorp Fire Station, Fencing	Fence Humansdorp Fire Station (Due date for completion 31 March 2021)	% completion of fencing of Fire Station Humansdorp	100%	Fencing had to be installed as a matter of extreme urgency due to theft at the yard as there were several theft incidents reported despite the security onsite. The Municipal Fleet is stored at the Fire Station. Fencing completed in quarter 2	New
IDP8	CP_1PP	1	Public Amenities	To provide high quality recreational facilities to residents and visitors to Kouga	Jack Hammer and water pump	Procure 2 Jack hammers and 2 water pumps (Due date for completion 30 June 2021)	Number of Jack Hammers and water pumps procured	8	Additional funding provided with adjustments budget, (4 Jackhammers, 4 Generators and 4 water pumps procured in quarter 3)	New
IDP8	PC_1003	1	Public Amenities	To provide high quality recreational facilities to residents and visitors to Kouga	Machinery and Equipment	Procure 2 Chippers (Due date for completion 30 June 2021)	Number of chippers procured	2	Chippers had to be procured earlier as there were bush clearing priority sites identified for the public's safety and numerous complaints received (Chippers procured in quarter 3.)	New

IDP	PROJECT CODE	KPA	PRIORITY	OBJECTIVE	PROJECT	ANNUAL TARGET	KPI	ACTUAL ACHIEVEMENT	COMMENT/ CORRECTIVE ACTIONS	PRIOR YEAR ACHIEVEMENT
IDP5	PC_1004	2	Safety and Security	Safeguarding municipal infrastructure in the Kouga Area	Security Cameras	100% completion of Security and related infrastructure planned for the year (8 x Security Cameras to be installed at 4 x Humansdorp and 4 x Jeffreys Bay) Due date 30 June 2021	% completion of Security and related infrastructure planned for the year	100%	Six LPR cameras and Eleven colour view over-watch cameras were installed. Total Cameras installed = 17 The Extra 9 cameras installed were the results of 9 priority areas identified due to high crime rate in those areas and the roll out of cameras had to be speed up	New
IDP7	CP4_EMF	1	Refuse	To provide residents of Kouga with proper waste removal services	skip bins	Procure 10 X 6m3 Skip Bins (Due date for completion 31 March 2021)	Number of skip bins acquired	10	Q3 target, however the tender process was prioritised by Supply Chain Management and shortened to a seven days notice as there was a shortage of skip bins	New
IDP7	PC_A001	1	Refuse	To provide residents of Kouga with proper waste removal services	Upgrading of Pellsrus, Kabeljous, Cape St Francis	100% completion of project for installation of play equipment, outdoor benches and bins planned for the year (Due date for completion 31 March 2021)	% completion of project for installation of play equipment, outdoor benches and bins planned for the year	100%	Planned for the year (6 x Outdoor benches Order 208439 and 9 x bins Delivered) Q2	New
IDP7	CP_23	1	Fire and Disaster	To provide emergency management services to all Kouga Areas	Vehicles	1 Rescue Vehicle procured (Due date 30 June 2021)	Number of Rescue Vehicles procured	1	Delivered on the 14 May 2021.	New
IDP7	CP_23	1	Fire and Disaster	To provide emergency management services to all Kouga Areas	Vehicles	1 Mini Pumper procured (Due date 30 June 2021)	Number of Mini Pumpers procured	0	The validity period has been extended to August 2021 due to pending funds from Sarah Baartman. No corrective action required, tender processes complete awaiting fund transfer to finalize acquisition.	New

5.1.1 OPERATIONAL SERVICE DELIVERY TARGETS: DIRECTORATE COMMUNITY SERVICES

Department/ Directorate	Political Focus Area	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2019	30 June 2020
Community Services	Keep Kouga Safe	Infrastructure and Basic Service Delivery	KG 1. Provide quality, sustainable municipal infrastructure to consistently maintaining and improving the needs of the people of Kouga.	% of registered food suppliers inspected for compliance with relevant legislation	90% (2300)	90% (2300)	100% (2352)	Target achieved	1920	339
Community Services	Keep Kouga Growing	Local Economic Development	KG 2. Create and facilitate a conducive environment that builds inclusive local economies, sustainable and decent employment.	Average number of working days for the processing of business licenses	5	5	3	Target achieved	New	New
Community Services	Keep Kouga Green	Infrastructure and Basic Service Delivery	KG 1. Provide quality, sustainable municipal infrastructure to consistently maintaining and improving the needs of the people of Kouga.	Maintain Blue Flag Beach status (Compliance measurement)	1	1	1	Target achieved	1	1
Community Services	Keep Kouga Growing	Financial Viability and Management	KG 5. Build sustainability of Kouga Municipality by empowering staff to achieve good governance and a clean administration	% Reduction in staff overtime compared to previous year	10%	10%	14.74% Reduction	Target achieved	New	New

Department/ Directorate	Political Focus Area	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2019	30 June 2020
			which is committed to prudent management of public funds by promoting accuracy and transparency.							
Planning Development and Tourism	Keep Kouga Growing	Financial Viability and Management	KG 5. Build sustainability of Kouga Municipality by empowering staff to achieve good governance and a clean administration which is committed to prudent management of public funds by promoting accuracy and transparency.	% compliance with the 5-day turnaround target for the certification of invoices for payment and resubmission to finance calculated from date of receipt by the Directorate	90%	90%	90%	Target achieved	90%	90%
All Directors	Keep Kouga Growing	Financial Viability and Management	KG 5. Build a financial sustainability of Kouga Municipality by empowering staff to achieve good governance and a clean administration which is committed to prudent management of public funds by promoting accuracy and transparency.	Due date compliance with the submission of Tariff Review proposals for the Directorate for consideration with the budget preparations	28/2/21	28/2/21	28/2/21	Target achieved	New	New
All Directors	Keep Kouga Growing	Financial Viability and Management	KG 5. Build a financial sustainability of Kouga Municipality	Due date compliance with the submission of business plans for projects relevant to the	28/2/21	28/2/21	28/2/21	Target achieved	New	New

Department/ Directorate	Political Focus Area	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2019	30 June 2020
			by empowering staff to achieve good governance and a clean administration which is committed to prudent management of public funds by promoting accuracy and transparency.	Directorate to be considered for inclusion in the budget						
All Directors	Keep Kouga Growing	Financial Viability and Management	KG 5. Build a financial sustainability of Kouga Municipality by empowering staff to achieve good governance and a clean administration which is committed to prudent management of public funds by promoting accuracy and transparency.	% compliance with due dates as set out in the procurement plan relevant to the directorate	95%	95%	95%	Target achieved	New	New
Community Services	Keep Kouga Safe	Infrastructure and Basic Service Delivery	KG 1. Provide quality, sustainable municipal infrastructure to consistently maintaining and improving the needs of the people of Kouga.	Number of illegal dumping sites to be rehabilitated and cleared	30	30	30	Target achieved	New	New
Community Services	Keep Kouga Safe	Infrastructure and Basic Service Delivery	KG 1. Provide quality, sustainable municipal infrastructure to	Installation of weighbridge at Humansdorp landfill	1	1	1	Target achieved	New	New

Department/ Directorate	Political Focus Area	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2019	30 June 2020
			consistently maintaining and improving the needs of the people of Kouga.							
Community Services	Keep Kouga Safe	Infrastructure and Basic Service Delivery	KG 1. Provide quality, sustainable municipal infrastructure to consistently maintaining and improving the needs of the people of Kouga.	Number of trees planted to reduce impact of climate change and to green Kouga	1000	1000	1080	Target achieved	-	1000
Community Services	Keep Kouga Safe	Infrastructure and Basic Service Delivery	KG 1. Provide quality, sustainable municipal infrastructure to consistently maintaining and improving the needs of the people of Kouga.	Number of road blocks to be conducted to keep Kouga safe	16	16	25	Target achieved	New	New
Community Services	Keep Kouga Safe	Infrastructure and Basic Service Delivery	KG 1. Provide quality, sustainable municipal infrastructure to consistently maintaining and improving the needs of the people of Kouga.	Number of joint operations to be conducted to keep Kouga safe	16	16	43	Target achieved	New	New
Community Services	Keep Kouga Safe	Infrastructure and Basic Service Delivery	KG 1. Provide quality, sustainable municipal infrastructure to	Number of fines issued	3000	3000	3950	Target achieved	New	New

Department/ Directorate	Political Focus Area	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2019	30 June 2020
			consistently maintaining and improving the needs of the people of Kouga.							
Community Services	Keep Kouga Safe	Infrastructure and Basic Service Delivery	KG 1. Provide quality, sustainable municipal infrastructure to consistently maintaining and improving the needs of the people of Kouga.	Number of meetings to be held to ensure that the Shoprite taxi rank relocate to Bureau street Taxi rank and is operational by 30 June 2021	4	4	4	Target achieved	New	New
Community Services	Keep Kouga Safe	Infrastructure and Basic Service Delivery	KG 1. Provide quality, sustainable municipal infrastructure to consistently maintaining and improving the needs of the people of Kouga.	Number of Stray animals impounded on Kouga roads	140	140	146	Target achieved	New	168
Community Services	Keep Kouga Safe	Infrastructure and Basic Service Delivery	KG 1. Provide quality, sustainable municipal infrastructure to consistently maintaining and improving the needs of the people of Kouga.	Number of Inspections of road marking and signs	120	120	151	Target achieved	New	New
Community Services	Keep Kouga Safe	Infrastructure and Basic Service Delivery	KG 1. Provide quality, sustainable municipal infrastructure to	Number of kilometers covered for Road marking	180km	180km	159,3km	Target not achieved, road marking project is continuing	New	New

Department/ Directorate	Political Focus Area	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2019	30 June 2020
			consistently maintaining and improving the needs of the people of Kouga.							
Community Services	Keep Kouga Safe	Infrastructure and Basic Service Delivery	KG 1. Provide quality, sustainable municipal infrastructure to consistently maintaining and improving the needs of the people of Kouga.	To conduct Disaster Management Joint Operations Committee/Workstream meetings (COVID-19)	16	16	34	Target achieved	New	New
Community Services	Keep Kouga Safe	Infrastructure and Basic Service Delivery	KG 1. Provide quality, sustainable municipal infrastructure to consistently maintaining and improving the needs of the people of Kouga.	To conduct Education and awareness campaigns (COVID-19)	4	4	10	Target achieved	New	New
Community Services	Keep Kouga Safe	Infrastructure and Basic Service Delivery	KG 1. Provide quality, sustainable municipal infrastructure to consistently maintaining and improving the needs of the people of Kouga.	To conduct Workstream meetings / audits (COVID-19 Departmental Task team)	4	4	6	Target achieved	New	New
Community Services	Keep Kouga Safe	Infrastructure and Basic Service Delivery	KG 1. Provide quality, sustainable municipal infrastructure to	To achieve a response time within 15 minutes from leaving the station to the scene	70%	70%	75.25% Response time	Target achieved	New	New

Department/ Directorate	Political Focus Area	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2019	30 June 2020
			consistently maintaining and improving the needs of the people of Kouga.							
Community Services	Keep Kouga Safe	Infrastructure and Basic Service Delivery	KG 1. Provide quality, sustainable municipal infrastructure to consistently maintaining and improving the needs of the people of Kouga.	To provide 4 fire awareness campaigns at schools	4	4	12	Target Achieved		
Community Services	Keep Kouga Safe	Infrastructure and Basic Service Delivery	KG 1. Provide quality, sustainable municipal infrastructure to consistently maintaining and improving the needs of the people of Kouga.	To provide 4 fire awareness campaigns at wards	4	4	13	Target achieved	New	New
Community Services	Keep Kouga Safe	Infrastructure and Basic Service Delivery	KG 1. Provide quality, sustainable municipal infrastructure to consistently maintaining and improving the needs of the people of Kouga.	To provide 8 lifesaving awareness campaigns	8	8	10	Target achieved	NEW	NEW

Department/ Directorate	Political Focus Area	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2019	30 June 2020
Community Services	Keep Kouga Safe	Infrastructure and Basic Service Delivery	KG 1. Provide quality, sustainable municipal infrastructure to consistently maintaining and improving the needs of the people of Kouga.	To conduct quarterly lifesaving meetings with NSIR, Other Lifesaving bodies	4	4	4	Target achieved	New	New
Community Services	Keep Kouga Safe	Infrastructure and Basic Service Delivery	KG 1. Provide quality, sustainable municipal infrastructure to consistently maintaining and improving the needs of the people of Kouga.	Number of Clubhouse upgraded (Tokyo Sport field Q 2 & Patensie Sportfield Q3)	2	2	2	Target achieved	2	1
Community Services	Keep Kouga Safe	Infrastructure and Basic Service Delivery	KG 1. Provide quality, sustainable municipal infrastructure to consistently maintaining and improving the needs of the people of Kouga.	Number of community halls upgraded (Pellsrus Hall Q3 + Loerie Hall Q4)	2	2	2	Target achieved	2	2
Community Services	Keep Kouga Safe	Infrastructure and Basic Service Delivery	KG 1. Provide quality, sustainable municipal infrastructure to consistently maintaining and improving the needs of the people of Kouga.	Number of public ablution facilities upgraded (Kabeljowws Q2, Pellsrus Q3 ,Cape St Francis Q3)	3	3	3	Target achieved	3	3

Department/ Directorate	Political Focus Area	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2019	30 June 2020
Community Services	Keep Kouga Safe	Infrastructure and Basic Service Delivery	KG 1. Provide quality, sustainable municipal infrastructure to consistently maintaining and improving the needs of the people of Kouga.	Number of caravan parks upgraded (Yellow woods Q2, Pellsrus Caravan Park Q4)	2	2	2	Target achieved		2
Community Services	Keep Kouga Safe	Infrastructure and Basic Service Delivery	KG 1. Provide quality, sustainable municipal infrastructure to consistently maintaining and improving the needs of the people of Kouga.	Number of entrances identified and beautified in partnership with the Local businesses	4	4	6	Target achieved	New	New
Community Services	Keep Kouga Safe	Infrastructure and Basic Service Delivery	KG 1. Provide quality, sustainable municipal infrastructure to consistently maintaining and improving the needs of the people of Kouga.	Number of Public Open Spaces to be cleared	40	40	42	Target achieved	New	New
Community Services	Keep Kouga Safe	Infrastructure and Basic Service Delivery	KG 1. Provide quality, sustainable municipal infrastructure to consistently maintaining and improving the needs of the people of Kouga.	Number of overgrown Private Plots to be cleared (Health and Fire hazard)	472	472	299	Target not achieved, project continuing	New	New

5.2. INSTITUTIONAL SDBIP INDICATORS: DIRECTORATE: DIRECTORATE CORPORATE SERVICES

IDP	PROJECT CODE	KPA	PRIORITY	OBJECTIVE	PROJECT	ANNUAL TARGET	KPI	ACTUAL ACHIEVEMENT	COMMENT/ CORRECTIVE ACTIONS	PRIOR YEAR ACHIEVEMENT
CORPORATE SERVICES										
IDP5	CP_60	2	Safety and Security	Safeguarding municipal infrastructure in the Kouga Area	Biometric Systems	Procure Biometric System (Due date for completion 30 June 2021)	% completion in the procurement of a biometric system for selected offices/sites within budget allocation	100%	Installations completed before end June 2021 for all sites within the budgetary provisions	New
IDP11	CP_4	3	ICT upgrade	To improve and integrate IT systems of the municipality	Computer Equipment	Procure 15 Desk Top Computers (Due date for completion 30 June 2021)	Number of desk top computers procured	15	Target achieved 14 Laptops received by end May 2021, 1 Laptop received by end June 2021	New
IDP11	PC_201	3	ICT upgrade	To improve and integrate IT systems of the municipality	EDMS	Install and commission EDMS system (Due date for completion 30 June 2021)	completion of the installation and commissioning of 1 institution wide EDMS system	1 EDMS System installed and completed.	As at 31 January 2021 127 program/software installations completed, by end June 2021 191 employees trained in the use of the system, system live and commissioned.	New
IDP5	PC_1023	2	Safety and Security	Safeguarding municipal infrastructure in the Kouga Area	Fencing of municipal buildings	Fencing of Ward Offices (Due date for completion 30 June 2021)	% completion of fencing of the Ward 5 Ward Office	100%	As at end May 2021 the fencing of Ward 4 and 5 Offices and the Humansdorp Main Building was completed.	New

5.2.1 CORPORATE SERVICES OPERATIONAL SDBIP

Department/ Directorate	Political Focus Area	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2019	30 June 2020
Corporate Services	Keep Kouga Smart	Institutional Development and Transformation	KG 3. Provide professional, efficient, people centered human resources and administrative services to Kouga citizens, staff and council for a transformed, equitable and efficient local government services to Kouga citizens	Vacancy rate for approved Budgeted posts	4%	4%	3%	Target achieved		3.2%
Corporate Services	Keep Kouga Growing	Institutional Development and Transformation	KG 3. Provide professional, efficient, people centred human resources and administrative services to Kouga citizens, staff and council for a transformed, equitable and efficient local government services to Kouga citizens	% expenditure of Skills Dev Budget	95%	95%	97.99%	Target achieved		90%
Corporate Services	Keep Kouga Growing	Financial Viability and Management	KG 5. Build sustainability of Kouga Municipality by empowering staff to achieve good governance and a clean	% Reduction in staff overtime compared to previous year	10%	10%	59%	Target achieved	New	New

Department/ Directorate	Political Focus Area	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2019	30 June 2020
			administration which is committed to prudent management of public funds by promoting accuracy and transparency.							
Corporate Services	Keep Kouga Smart	Good Governance and Public participation	KG 3. Provide professional, efficient, people centered human resources and administrative services to Kouga citizens, staff and council for a transformed, equitable and efficient local government services to Kouga citizens	% Completion of urgent and high priority repairs to Councillor Offices (List as approved by MM within R300 000 budget)	90%	95%	147.9%	As at end June 2021 – 76 priorities completed, 5 priorities in progress due material outstanding and other, and 6 priorities no longer required out of 87 priorities identified. In addition 94 priorities have been completed, which does not form part of the approved priority list. In total 170 priorities completed. In total R490 270.72 spent out of R500 000.	New	New
Corporate Services	Keep Kouga Smart	Good Governance and Public Participation	KG 3. Provide professional, efficient, people centred human resources and administrative services to Kouga citizens, staff and council for a transformed, equitable and efficient local government services to Kouga citizens	% Implementation of urgent and high priority outcomes of the work-study and change management plan as determined by the MM for the 2020/21 year	80%	80%	85.71%	Target achieved	New	New
Corporate Services	Keep Kouga Smart	Good Governance and Public participation	KG 3. Provide professional, efficient, people centred human resources and administrative services to Kouga citizens, staff and council for a	% Implementation of Phase 1 of the Job Evaluation Results	90%	90%	100%	Target achieved	New	New

Department/ Directorate	Political Focus Area	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2019	30 June 2020
			transformed, equitable and efficient local government services to Kouga citizens							
Corporate Services	Keep Kouga Growing	Financial Viability and Management	KG 5. Build sustainability of Kouga Municipality by empowering staff to achieve good governance and a clean administration which is committed to prudent management of public funds by promoting accuracy and transparency.	% compliance with the 5-day turnaround target for the certification of invoices for payment and resubmission to finance calculated from date of receipt by the Directorate	90%	90%	100%	Target achieved	90%	90%
All Directors	Keep Kouga Growing	Financial Viability and Management	KG 5. Build a financial sustainability of Kouga Municipality by empowering staff to achieve good governance and a clean administration which is committed to prudent management of public funds by promoting accuracy and transparency.	Due date compliance with the submission of business plans for projects relevant to the Directorate to be considered for inclusion in the budget	28/2/21	28/2/21	26/2/21	Target achieved	New	New
All Directors	Keep Kouga Growing	Financial Viability and Management	KG 5. Build a financial sustainability of Kouga Municipality by empowering staff to achieve good governance and a clean	% compliance with due dates as set out in the procurement plan relevant to the directorate (Calculated from first	95%	95%	95%	Target achieved	New	New

Department/ Directorate	Political Focus Area	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2019	30 June 2020
			administration which is committed to prudent management of public funds by promoting accuracy and transparency.	departmental specification submission to BSC)						

5.3 DIRECTORATE FINANCE INSTITUTIONAL SDBIP INDICATORS

IDP	PROJECT CODE	KPA	PRIORITY	OBJECTIVE	PROJECT	ANNUAL TARGET	KPI	ACTUAL ACHIEVEMENT	COMMENT/ CORRECTIVE ACTIONS	PRIOR YEAR ACHIEVEMENT
FINANCIAL SERVICES										
IDP11	CP_075	3	ICT upgrade	To improve and integrate IT systems of the municipality	Cibex Software	Implementation of 75 Cibecs Endpoint Cloud licenses to seamlessly manage, backup, protect & migrate distributed endpoint data (Due date 30 June 2021)	Number of licences implemented	150	Target achieved 150 Cibecs licenses implemented for the year	New
IDP11	CP_4	3	ICT upgrade	To improve and integrate IT systems of the municipality	Computer Equipment	100% completion of procurement of computer equipment (Due date 30 June 2021)	% completion of procurement of computer equipment	100%	Computer equipment 100% procured during quarter 2	New
IDP11	CP_4	3	SCM Furniture	To improve and integrate	SCM Furniture	100% completion of	% completion	100%	This is an indicator	New

IDP	PROJECT CODE	KPA	PRIORITY	OBJECTIVE	PROJECT	ANNUAL TARGET	KPI	ACTUAL ACHIEVEMENT	COMMENT/CORRECTIVE ACTIONS	PRIOR YEAR ACHIEVEMENT
				SCM systems of the municipality		procurement of SCM Furniture (Due date for completion 31 March 2021)	of procurement of SCM Furniture		resulting from the adjustments budget. Procurement of SCM furniture	

5.3.1 DIRECTORATE FINANCE OPERATIONAL SDBIP INDICATORS

Department/ Directorate	Political Focus Area	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2019	30 June 2020
Finance / CFO Municipal Manager	Keep Kouga Growing	Financial Viability and Management	KG 5. Build sustainability of Kouga Municipality by empowering staff to achieve good governance and a clean administration which is committed to prudent management of public funds by promoting accuracy and transparency.	% Revenue collected against revenue raised	85%	92%	94.41%	Target achieved	94%	94%
Finance	Keep Kouga Growing	Financial Viability and Management	KG 5. Build sustainability of Kouga Municipality by empowering staff to achieve good governance and a clean administration which is committed to prudent management of public funds by promoting	% compliance with National Treasury reporting calendar	95%	95%	100%	Target achieved	100%	100%

Department/ Directorate	Political Focus Area	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2019	30 June 2020
			accuracy and transparency.							
Finance	Keep Kouga Growing	Financial Viability and Management	KG 5. Build sustainability of Kouga Municipality by empowering staff to achieve good governance and a clean administration which is committed to prudent management of public funds by promoting accuracy and transparency.	Liquidity Ratio (Months cost coverage)	1:087	1:087	1:2.61	Target achieved	1:0.75	1: 0.87
Finance CFO/ Municipal Manager	Keep Kouga Growing	Financial Viability and Management	KG 5. Build sustainability of Kouga Municipality by empowering staff to achieve good governance and a clean administration which is committed to prudent management of public funds by promoting accuracy and transparency.	Number of unqualified audit opinions by the AG	1	1	1	Target achieved	1	1
Finance /All Directors	Keep Kouga Growing	Financial Viability and Management	KG 5. Build sustainability of Kouga Municipality by empowering staff to achieve good governance and a clean administration which is committed to prudent	% of creditors paid within 30 Days of receipt of Invoice	100%	100%	99%	97% of creditors were paid within 30 days for Quarter 1 98% of creditors were paid within 30 days for Quarter 2 99% of creditors were paid within 30 days i.e only 1 creditor was paid after		

Department/ Directorate	Political Focus Area	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2019	30 June 2020
			management of public funds by promoting accuracy and transparency.					30 days due to the invoice being signed off late by User Department for Quarter 3 Quarter 3: Information not yet available – will only be available once all accruals has been raised and finalized by Expenditure Section		
Finance	Keep Kouga Growing	Infrastructure and basic service delivery	KG 5. Build a financial sustainability of Kouga Municipality by empowering staff to achieve good governance and a clean administration which is committed to prudent management of public funds by promoting accuracy and transparency.	% of indigent residents as per Indigent register with access to free basic services	100%	100%	100%	Target achieved	100%	100%
Finance	Keep Kouga Growing	Financial Viability and Management	KG 5. Build a financial sustainability of Kouga Municipality by empowering staff to achieve good governance and a clean administration which is committed to prudent management of public funds by promoting accuracy and transparency.	Current Ratio	1.58:1	1.58:1	2.61:1	Target achieved	1.58:1	1.44:1

Department/ Directorate	Political Focus Area	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2019	30 June 2020
Finance	Keep Kouga Growing	Financial Viability and Management	KG 5. Build sustainability of Kouga Municipality by empowering staff to achieve good governance and a clean administration which is committed to prudent management of public funds by promoting accuracy and transparency.	% Reduction in staff overtime compared to previous year	10%	10%	29.06%	New	New	New
Finance	Keep Kouga Growing	Financial Viability and Management	KG 5. Build sustainability of Kouga Municipality by empowering staff to achieve good governance and a clean administration which is committed to prudent management of public funds by promoting accuracy and transparency.	% Completion of Asset Register	100%	100%	80%	Target not achieved. additions were capitalized on the Fixed Asset Register, a full asset verification was performed on all moveable and immoveable assets as at 30 June 2021. The Work in Progress on Infrastructure Assets can only be concluded once all accruals are accounted for as part of the year end processes in July 2021. The assets register was therefore 80% complete at year end.	New	New
Finance	Keep Kouga Growing	Financial Viability and Management	KG 5. Build sustainability of Kouga Municipality by empowering staff to achieve good governance and a clean administration which is committed to prudent management of public funds by promoting	Due date compliance with the completion of an implementation plan on Completion of Revenue	31/12/20	31/3/21	30/6/21	Target not achieved. The Implementation Plan on Completion of Revenue has been completed in Quarter 4	New	New

Department/ Directorate	Political Focus Area	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2019	30 June 2020
			accuracy and transparency.							
Finance	Keep Kouga Growing	Financial Viability and Management	KG 5. Build sustainability of Kouga Municipality by empowering staff to achieve good governance and a clean administration which is committed to prudent management of public funds by promoting accuracy and transparency.	Due date compliance with the appointment of the Manager ICT	28/2/21	28/2/21	31/5/21	Target not achieved. The position was advertised, shortlisting held and interviews held – no recommended candidates. The Panel agreed then to headhunt in accordance with the Policy. This was performed and a further shortlisting was held. The interviews were being arranged but was put on hold due to an Internal Moratorium on the filling of vacancies. The interviews for the position was held and a recommendation was made. The candidate accepted the offer on 31 May 2021 and commenced on 1 July 2021.	New	New
Finance	Keep Kouga Growing	Financial Viability and Management	KG 5. Build sustainability of Kouga Municipality by empowering staff to achieve good governance and a clean administration which is committed to prudent management of public funds by promoting accuracy and transparency.	Due date compliance with ensuring that an annual auction is held by not later than 31 December 2020	31/12/20	31/12/20	20/4/2021	Target not achieved. Auction was not held by 31/12/20. The delay was due to National Treasury postponing the submission of the annual financial statements by 2 months and the audit report only due to be issued by AG By the 28 February 2021 instead of 30 November 2020 (delayed by 3 months). The disposal of assets report is only submitted to Council after the assets section is audit by AG. Final AG Report received 31 March 2021 and Auction held on 20 April 2021.	New	New
Finance	Keep Kouga Growing	Financial Viability and Management	KG 5. Build sustainability of Kouga Municipality by empowering staff to	Due date compliance with the preparation and submission of a report to Council on	31/12/20	31/12/20	30 June 2021	Target not achieved. The Report on Municipal Houses was completed on 11 November 2020 and submitted to the Mayor. The Report on Municipal	New	New

Department/ Directorate	Political Focus Area	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2019	30 June 2020
			achieve good governance and a clean administration which is committed to prudent management of public funds by promoting accuracy and transparency.	the sale of municipal properties currently rented				Houses was submitted to Council and approved on 30 June 2021.		
Finance	Keep Kouga Growing	Financial Viability and Management	KG 5. Build sustainability of Kouga Municipality by empowering staff to achieve good governance and a clean administration which is committed to prudent management of public funds by promoting accuracy and transparency.	Due date compliance with the completion and submission of a report to Council on the viability assessment for the establishment of a Kouga Development Agency	31/12/20	31/12/20	Not completed	Target not achieved. The report is in progress and has not yet been completed. The KPI has been included in the 2021/22 Performance Agreement.	New	New
Finance	Keep Kouga Growing	Financial Viability and Management	KG 5. Build sustainability of Kouga Municipality by empowering staff to achieve good governance and a clean administration which is committed to prudent management of public funds by promoting accuracy and transparency.	Due date compliance with the preparation of the draft budget for approval by 31/3/21	31/3/21	31/3/21	31/3/21	Target achieved	31/3/2018	31/3/2019

Department/ Directorate	Political Focus Area	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2019	30 June 2020
Finance	Keep Kouga Growing	Financial Viability and Management	KG 5. Build sustainability of Kouga Municipality by empowering staff to achieve good governance and a clean administration which is committed to prudent management of public funds by promoting accuracy and transparency.	Due date compliance with the preparation of the final budget for adoption by 31 May 2021	31/5/21	31/5/21	31/5/21	Target achieved	31/5/ 2018	31/5/201 9
All Directors	Keep Kouga Growing	Financial Viability and Management	KG 5. Build a financial sustainability of Kouga Municipality by empowering staff to achieve good governance and a clean administration which is committed to prudent management of public funds by promoting accuracy and transparency.	Due date compliance with the submission of Tariff Review proposals for the Directorate for consideration with the budget preparations	28/2/21	28/2/21	28/2/21	Target achieved	New	New
All Directors	Keep Kouga Growing	Financial Viability and Management	KG 5. Build a financial sustainability of Kouga Municipality by empowering staff to achieve good	Due date compliance with the submission of business plans for projects relevant to the Directorate to be	28/2/21	28/2/21	28/2/21	Target achieved	New	New

Department/ Directorate	Political Focus Area	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2019	30 June 2020
			governance and a clean administration which is committed to prudent management of public funds by promoting accuracy and transparency.	considered for inclusion in the budget						
All Directors	Keep Kouga Growing	Financial Viability and Management	KG 5. Build a financial sustainability of Kouga Municipality by empowering staff to achieve good governance and a clean administration which is committed to prudent management of public funds by promoting accuracy and transparency.	% compliance with due dates as set out in the procurement plan relevant to the directorate (Calculated from date of first submission of Dept specs to BSC)	95%	95%	Not reported		100%	95%

5.4 DIRECTORATE INFRASTRUCTURE AND ENGINEERING: INSTITUTIONAL SDBIP INDICATORS

IDP	PROJECT CODE	KPA	PRIORITY	OBJECTIVE	PROJECT	ANNUAL TARGET	KPI	ACTUAL ACHIEVEMENT	COMMENT/ CORRECTIVE ACTION	PRIOR YEAR ACHIEVEMENT
INFRASTRUCTURE & ENGINEERING										
IDP1	CP6_SW	1	Sanitation	To provide all residents in the Kouga area with access to high quality sanitation services.	Fencing Kruisfontein wastewater treatment plant	100% completion of Fencing Kruisfontein wastewater treatment plant (Due date for completion 30 June 2021)	% completion of Fencing Kruisfontein wastewater treatment plant	100%	Original Fencing Scope Completed 30/09/2020 Invoice 10321 Dated 30/09/2020 Kruisfontein WWTW fencing Project completed Q1. Funds reallocated to Fencing Jbay WWTW Q2: Target achieved	New
IDP5	CP9_ELC	2	Safety and Security	Safeguarding municipal infrastructure in the Kouga Area	Fencing Main Substation Jeffrey's Bay	100% completion of fencing Main Substation Jeffreys Bay (Due date for completion 30 June 2021)	% completion of Fencing Main Substation Jeffrey's Bay	70%	Project is running over into new financial year	New
IDP3	CP8_ELC	1	Electrical	To provide residents in formal residential areas with access to electricity services (Exclusive of the Gamtoos area and areas serviced by ESKOM)	Generator 2	Purchase 2 Back-up Generators (Due date for completion 30 June 2021)	Number of back-up generators purchased	2	1 st Genset delivered to KLM on 1 March 2021 2 nd Genset delivered 31 May 2021	New
IDP3	PC_003	1	Electrical	To provide residents in formal residential areas with access to electricity services (Exclusive of the Gamtoos area	Humansdorp, Kruisfontein and Ocean View Electrification	100% completion of Humansdorp, Kruisfontein and Ocean View Electrification (Due date for completion 30 June 2021)	% completion of Humansdorp, Kruisfontein and Ocean View Electrification	100%	COMPLETED DURING Q4	New

IDP	PROJECT CODE	KPA	PRIORITY	OBJECTIVE	PROJECT	ANNUAL TARGET	KPI	ACTUAL ACHIEVEMENT	COMMENT/ CORRECTIVE ACTION	PRIOR YEAR ACHIEVEMENT
				and areas serviced by ESKOM)						
IDP1	CP5_SW	1	Sanitation	To provide all residents in the Kouga area with access to high quality sanitation services.	New by-pass sewer rising main and pump stations Jbay	Consultant appointed for the design of New by-pass sewer rising main and pump stations Jbay (Due date for appointment 30 June 2021)	% completion design for New by-pass sewer rising main and pump stations Jbay and construction tender documents	100%	Letter of Appointment For PSP Dated 07 May 2021.	New
IDP3	PC_1008	1	Electrical	To provide residents in formal residential areas with access to electricity services (Exclusive of the Gamtoos area and areas serviced by ESKOM)	New overhead lines 66kv overhead lines (J-bay to Melk	100% Completion of New 66kV Overhead Lines (JBay to Melkhout) (Due date for completion 30 June 2021)	% completion of New overhead lines 66 kv overhead lines (J-bay to Melkhout)	0%	Tender advertised, project to be completed in next financial year. No budget for the overall project has been awarded by Council however every year we get an amount and go out on tender in accordance to that. Based on the complexity of the budget I cannot give a % in terms of monetary value. I can however report that the total distance of the line is approximately 13 km of the 13 we have constructed about 2,2km thus far total 16,9% completion.	New

IDP	PROJECT CODE	KPA	PRIORITY	OBJECTIVE	PROJECT	ANNUAL TARGET	KPI	ACTUAL ACHIEVEMENT	COMMENT/ CORRECTIVE ACTION	PRIOR YEAR ACHIEVEMENT
IDP1	PC_011	1	Sanitation	To provide all residents in the Kouga area with access to high quality sanitation services.	Patensie Sewage Package Plant (MIG PROJECT)	100% completion of Patensie Sewage Package Plant (Due date for completion 30 June 2021)	% completion of Patensie Sewage Package Plant	100%	PROJECT COMPLETED Q4	New
IDP1	CP7_SEW	1	Sanitation	To provide all residents in the Kouga area with access to high quality sanitation services.	Piped Reticulation in St Francis	Consultant appointed for the design of Piped Reticulation in St Francis (Due for completion of appointment by 30 June 2021)	Number of consultants appointed for the design of piped reticulation St Francis Bay by 30 June 2021	1.	BAC recommended appointment of PSP at meeting held on 09 June 2021	New
IDP4	CP_4WAT	1	Water	To provide formal residential built up areas with a sustainable potable water source and supply to the residents of Kouga	Repair leaking concrete water tower Paradise Beach	1 Consultant appointed for the design of Repairs to the leaking concrete water tower Paradise Beach (Due for completion of appointment by 30 June 2021)	Number of Consultant appointed for the design of Repairs to the leaking concrete water tower Paradise Beach	1	Letter of appointment for PSP dated 18 March 2021	New
IDP4	CP5_WAT	1	Water	To provide formal residential built up areas with a sustainable potable water source and supply to the residents of Kouga	Replace 250mm Watermain Canal Rd, St Francis Tender 81/2020	1 Consultant appointed for the design of 250mm Watermain replacement, Canal Rd, St Francis (Appointment due by 30 June 2021)	Number of Consultants appointed for the design of 250mm Watermain replacement, Canal Rd, St Francis	1	Letter of appointment issued to PSP on 15 April 2021	New
IDP4	CP6_WAT	1	Water	To provide formal residential built	Replace 250mm Watermain	1 Consultant appointed for the design of the	Number of Consultants appointed for	1	Letter of appointment for PSP dated 10 March 2021	New

IDP	PROJECT CODE	KPA	PRIORITY	OBJECTIVE	PROJECT	ANNUAL TARGET	KPI	ACTUAL ACHIEVEMENT	COMMENT/ CORRECTIVE ACTION	PRIOR YEAR ACHIEVEMENT
				up areas with a sustainable potable water source and supply to the residents of Kouga	Mimosa Str Jbay	250mm Watermain replacement Mimosa Str Jbay (Appointment due by 30 June 2021)	the design of the 250mm Watermain replacement Mimosa Str Jbay			
IDP1	CP4_SW	1	Water	To provide all residents in the Kouga area with access to high quality sanitation services.	Replace main waterline Sout Rivier bridge crossing St Francis Bay	1 consultant appointed for the design of the main waterline replacement Sand Rivier bridge crossing St Francis Bay (Appointment due by 30 June 2021)	Number of consultant appointed for the design of the main waterline replacement Sand Rivier bridge crossing St Francis Bay	1	BAC recommended appointment of PSP at meeting held on 09 June 2021	New
IDP3	CP7_ELC	1	Electrical	To provide residents in formal residential areas with access to electricity services (Exclusive of the Gamtoos area and areas serviced by ESKOM)	Saffery Substation	100% completion of planned upgrades to Saffery Substation (Upgrade completion due by 30 June 2021)	% completion of planned upgrades to Saffery Substation	1 (65% Completion).	Appointment done in 3 rd quarter, in this financial year we only able to procure the equipment with the available funding Equipment for upgrading procured, upgrading to proceed in next financial year.	New
IDP5	CP_1901	2	Safety and Security	Safeguarding municipal infrastructure in the Kouga Area	Security Cameras & Substation Security	100% completion of the planned installation of Cameras and Substation security (Completion of installation due by 30 June 2021)	% completion of the planned installation of Cameras and Substation security	100%	. Installation completed	New
IDP4	CP8_WAT	1	Water	To provide formal residential built	Upgrade Hankey water	1 consultant appointed by 30 June 2021 for the	Number of consultants appointed by	1	CONSULTANT APPOINTED 30/06/2021	New

IDP	PROJECT CODE	KPA	PRIORITY	OBJECTIVE	PROJECT	ANNUAL TARGET	KPI	ACTUAL ACHIEVEMENT	COMMENT/ CORRECTIVE ACTION	PRIOR YEAR ACHIEVEMENT
				up areas with a sustainable potable water source and supply to the residents of Kouga	treatment works	design of upgrades to Hankey Water	30 June 2021 for the design of upgrades to Hankey Water			
IDP1	CP_2SW	1	Sanitation	To provide all residents in the Kouga area with access to high quality sanitation services.	Upgrade Loerie sewer pump station	1 consultant appointed for the design of upgrades to Loerie sewer pump station (Appointment due by 30 June 2021)	Number of consultants appointed for the design of upgrades to Loerie sewer pump station	1	Letter of appointment for PSP dated 07 May 2021 issued	New
IDP1	PC_012	1	Sanitation	To provide all residents in the Kouga area with access to high quality sanitation services.	Upgrade Sanitation System Old Hankey	50% completion of upgrading Sanitation System Old Hankey (50% completion due by 30 June 2021)	% completion of upgrading Sanitation System Old Hankey	1%	The 85% expenditure is against the allocation for the 20/21 Financial Year. This is a multi-year project.	New
IDP1	CP7_WAT	1	Sanitation	To provide all residents in the Kouga area with access to high quality sanitation services.	Upgrade sewer rising mains Jbay (La Mer-4A-4B) Prep	1 consultant appointed by 30 June 2021 for the design of the upgrading of sewer rising mains Jbay (La Mer-4A-4B) Prep	Number of consultants appointed by 30 June 2021 for the design of the upgrading of sewer rising mains Jbay (La Mer-4A-4B) Prep	1	Letter of appointment for PSP dated 10 March 2021	New
IDP2	PC_075	1	Roads	To provide residents and visitors with high quality road networks under Kouga's jurisdiction	Upgrading of Gravel Roads in Humansdorp	1 Tender document for the upgrading of gravel roads in Humansdorp completed by 30 June 2021	Number of Tender documents for the upgrading of gravel roads in Humansdorp	1	Letter of appointment for PSP dated 8 February 2021. BAC recommended appointment of contractor for upgrading of Gravel Roads at meeting held on 23 June 2021.	New

IDP	PROJECT CODE	KPA	PRIORITY	OBJECTIVE	PROJECT	ANNUAL TARGET	KPI	ACTUAL ACHIEVEMENT	COMMENT/ CORRECTIVE ACTION	PRIOR YEAR ACHIEVEMENT
							completed by 30 June 2021			
IDP8	CP_74	1	Public Amenities	To ensure that residents and visitors have decent facilities for sporting games	Upgrading of Sports Facilities Kwanomzamo Sportsfield (MIG)	100% Completion of Planned Upgrading of Sports Facilities (Due date for completion 30 June 2021)	% completion of Planned Upgrading of Sports Facilities	1 (20% Completion.)	BAC approved appointment of contractor at meeting held on 11 February 2021, Expenditure as at 25 May 2021 = R2,147,273.20 Ex VAT 42.2%, Target not met. Progress constituted site establishment, as well as work on the soccer field and the ablution facilities. Actual progress was approximately 30% and also the site establishment.	New
IDP 1	080701	1	Sanitation	To provide all residents in the Kouga area with access to high quality sanitation services.	Upgrade Kwanomzamo WWTW	100% Completion of the upgrade to the Kwanomzamo WWTW (Due date for completion 30 June 2021)	% Completion of the upgrade to the Kwanomzamo WTW	100%	Upgrade to the Kwanomzamo WWTW completed by June 2021	New
IDP3	CP7_ELC	1	Electrical	To provide residents in formal residential areas with access to electricity services (Exclusive of the Gamtoos area and areas serviced by ESKOM)	Maintenance of electrical supply and network	11kV Volts mini-Substation procured (Due date for completion of procurement 30 June 2021)	Number of Volts mini-Substations procured	1	Mini-substation procured during quarter 2	New
IDP3	CP7_ELC	1	Electrical	To provide residents in formal residential areas with	Relocate Ocean View Substation	Ocean View Substation relocated by 30 June 2021	Due date compliance with relocation of	Ocean View Substation relocated 12 May 2021	Target achieved	New

IDP	PROJECT CODE	KPA	PRIORITY	OBJECTIVE	PROJECT	ANNUAL TARGET	KPI	ACTUAL ACHIEVEMENT	COMMENT/ CORRECTIVE ACTION	PRIOR YEAR ACHIEVEMENT
				access to electricity services (Exclusive of the Gamtoos area and areas serviced by ESKOM)			Ocean View Substation			
IDP3	CP7_ELC	1	Electrical	To provide residents in formal residential areas with access to electricity services (Exclusive of the Gamtoos area and areas serviced by ESKOM)	Maintain electrical supply and network	Installation of Electrical Tr-Switches St Francis Bay completed by 30 June 2021	Due date compliance with the installation of electrical tri-switches St Francis Bay	0	Tri-Switches purchased and delivered. Installation scheduled for the 2021/22 financial year	New
IDP3	CP7_ELC	1	Electrical	To provide residents in formal residential areas with access to electricity services (Exclusive of the Gamtoos area and areas serviced by ESKOM)	Maintain electrical supply and network	Electrical Mini-Sub-Station 22 000/11 000/400 St Francis Bay procured by 30 June 2021	Due date compliance for the procurement of the Mini Sub-station St Francis Bay	Electrical Mini-Sub-Station 22 000/11 000/400 St Francis Bay procured 9 September 2021	Target achieved	New
IDP3	CP7_ELC	1	Electrical	To provide residents in formal residential areas with access to electricity services (Exclusive of the Gamtoos area)	Maintain electrical supply and network	Electrical oil circuit breaker replacement completed by 30 June 2021	Due date compliance with the completion of the oil circuit breaker replacement	Electrical oil circuit breaker replacement completed 30 June 2021	Target achieved	New

IDP	PROJECT CODE	KPA	PRIORITY	OBJECTIVE	PROJECT	ANNUAL TARGET	KPI	ACTUAL ACHIEVEMENT	COMMENT/ CORRECTIVE ACTION	PRIOR YEAR ACHIEVEMENT
				and areas serviced by Eskom)						
IDP3	CP7_ELC	1	Electrical	To provide residents in formal residential areas with access to electricity services (Exclusive of the Gamtoos area and areas serviced by Eskom)	Maintain electrical supply and network	Auto recloser St Francis Bay installed by 30 June 2021	Due date compliance with the installation of the Auto Recloser ST Francis Bay	Auto Recloser installation completed December 2020	Target achieved	New
IDP3	CP7_ELC	1	Electrical	To provide residents in formal residential areas with access to electricity services (Exclusive of the Gamtoos area and areas serviced by Eskom)	Maintain electrical supply and network	1 5mV 22 000/11 000 transformer procured by 30 June 2021	Number of 5mV 22 000/11 000 transformers procured by 30 June 2021	1	Transformer procured September 2020	New
IDP3	CP7_ELC	1	Electrical	To provide residents in formal residential areas with access to electricity services (Exclusive of the Gamtoos area and areas serviced by Eskom)	Maintain electrical supply and network	LV Networks Informal Areas completed buy 30 June 2021	Due date compliance with the completion of LV Networks Informal Areas	LV Networks completed November 2020	Target achieved	New

IDP	PROJECT CODE	KPA	PRIORITY	OBJECTIVE	PROJECT	ANNUAL TARGET	KPI	ACTUAL ACHIEVEMENT	COMMENT/ CORRECTIVE ACTION	PRIOR YEAR ACHIEVEMENT
IDP3	CP7_ELC	1	Electrical	To provide residents in formal residential areas with access to electricity services (Exclusive of the Gamtoos area and areas serviced by Eskom)	Maintain electrical supply and network	HV Switching Station completed by 30 June 2021	Due date compliance with the completion of the HV Switching Station	Load-breaker installation for HV switching station completed December 2020	Target achieved	New
IDP3	CP7_ELC	1	Electrical	To provide residents in formal residential areas with access to electricity services (Exclusive of the Gamtoos area and areas serviced by Eskom)	Maintain electrical supply and network	2 High Mast Lights installed by 30 June 2021	Number of High Mast Lights installed by 30 June 2021	2	Installation of 2 high mast lights completed 25 June 2021	New
IDP3	CP7_ELC	1	Electrical	To provide residents in formal residential areas with access to electricity services (Exclusive of the Gamtoos area and areas serviced by Eskom)	Maintain electrical supply and network	100 Street Lights converted to LED (Due date for conversion 30 June 2021)	Number of street lights converted to LED	295	Target achieved	New
IDP2	PC_075	1	Roads	To provide residents and visitors with high quality road networks	Upgrading of Roads	100% Completion of roads project (Due date for completion 30 June 2021)	% Completion of roads project	100%	Financial as at 30 June 2021, Budget Available = R 2,270,000.00 Ex Vat Expenditure = R2,269,372.03	New

IDP	PROJECT CODE	KPA	PRIORITY	OBJECTIVE	PROJECT	ANNUAL TARGET	KPI	ACTUAL ACHIEVEMENT	COMMENT/ CORRECTIVE ACTION	PRIOR YEAR ACHIEVEMENT
				under Kouga's jurisdiction						

5.4.1 DIRECTORATE INFRASTRUCTURE AND ENGINEERING OPERATIONAL SDBIP TARGETS

Department/ Directorate	Political Focus Area	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2019	30 June 2020
Infrastructure and Engineering	Keep Kouga Serviced	Infrastructure and Basic Service Delivery	KG 1. Provide quality, sustainable municipal infrastructure to consistently maintaining and improving the needs of the people of Kouga.	% electricity losses against electricity purchased and electricity sold	17%	20%	12.33%		13%	15%
Infrastructure and Engineering	Keep Kouga Serviced	Infrastructure and Basic Service Delivery	KG 1. Provide quality, sustainable municipal infrastructure to consistently maintaining and improving the needs of the people of Kouga.	% expenditure on DOE grant	95%	95%	88.5%	Project commenced and rolled over into 2021/22 financial year for completion	100%	95%
Infrastructure and Engineering/ Municipal Manager	Keep Kouga Serviced	Infrastructure and Basic Service Delivery	KG 5. Build sustainability of Kouga Municipality by empowering staff to achieve good governance and a clean administration which is committed to prudent management of	% water losses against water purchased/ produced and water sold	35%	35%	49.10%	Link App used to report water leaks and the Call Centre Staff gives water leaks through to technical staff for repairs, timeframes for all repairs are monitored and reported monthly to Senior Management to ensure leaks are repaired as within 24 hours. Call Centre reports which contain water leaks resolved is also submitted to Political Leadership to ensure	32%	25%

Department/ Directorate	Political Focus Area	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2019	30 June 2020
			public funds by promoting accuracy and transparency.					oversight on compliance with time frames. Water and electricity losses are of concern to Senior Management. Corrective Actions as per Re-Solve/EAS Jv report dated August 2021 for phasing and implementation during 2021/22 year.		
Infrastructure and Engineering	Keep Kouga Growing	Infrastructure and Basic Service Delivery	KG 1. Provide quality, sustainable municipal infrastructure to consistently maintaining and improving the needs of the people of Kouga.	% expenditure on MIG grant	95%	95%	41.85%	Target not achieved, Projects is on progress and scheduled for completion during the 2021.22 financial year.	100%	95%
Infrastructure and Engineering	Keep Kouga Growing	Financial Viability and Management	KG 5. Build sustainability of Kouga Municipality by empowering staff to achieve good governance and a clean administration which is committed to prudent management of public funds by promoting accuracy and transparency.	% Reduction in staff overtime compared to previous year	10%	10%	-	Target not achieved	New	New
Planning Development and Tourism	Keep Kouga Growing	Financial Viability and Management	KG 5. Build sustainability of Kouga Municipality by empowering staff to achieve good governance and a clean administration	% compliance with the 5-day turnaround target for the certification of invoices for payment and resubmission to finance calculated	90%	90%	100%	Target achieved	New	New

Department/ Directorate	Political Focus Area	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2019	30 June 2020
			which is committed to prudent management of public funds by promoting accuracy and transparency.	from date of receipt by the Directorate						
Infrastructure and Engineering	Keep Kouga Growing	Infrastructure and Basic Service Delivery	KG 1. Provide quality, sustainable municipal infrastructure to consistently maintaining and improving the needs of the people of Kouga.	Number of street lights converted to LED luminaires	250	250	317	Target achieved	New	New
Infrastructure and Engineering	Keep Kouga Growing	Infrastructure and Basic Service Delivery	KG 1. Provide quality, sustainable municipal infrastructure to consistently maintaining and improving the needs of the people of Kouga.	Due date compliance with the establishment of a municipal vehicle park Hanley	31/3/21		31/12/2021	Target achieved	-	-
Infrastructure and Engineering	Keep Kouga Growing	Infrastructure and Basic Service Delivery	KG 1. Provide quality, sustainable municipal infrastructure to consistently maintaining and improving the needs of the people of Kouga.	% Fleet kept in operational condition	95%	95%	96.10%	Target achieved		
Infrastructure and Engineering	Keep Kouga Growing	Infrastructure and Basic Service Delivery	KG 1. Provide quality, sustainable municipal infrastructure to consistently	Due date compliance with the repairs to the workshop store roof. (Leak and paint)	30/6/21	30/6/21	31/12/2020	Target achieved	New	New

Department/ Directorate	Political Focus Area	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2019	30 June 2020
			maintaining and improving the needs of the people of Kouga.							
Infrastructure and Engineering	Keep Kouga Growing	Infrastructure and Basic Service Delivery	KG 1. Provide quality, sustainable municipal infrastructure to consistently maintaining and improving the needs of the people of Kouga.	Due date compliance with the submission of a report on measures to be taken to address electricity outages in Ocean View and Aston Bay	31/12/20	31/ 12/20	19/8/2020	Target achieved	New	New
Infrastructure and Engineering	Keep Kouga Growing	Infrastructure and Basic Service Delivery	KG 1. Provide quality, sustainable municipal infrastructure to consistently maintaining and improving the needs of the people of Kouga.	Due date compliance with the submission of motivations for budgetary provisions for measures to reduce electricity outages in Ocean View and Aston Bay	31/1/21	31/1/21	19/8/2020	Target achieved	New	New
All Directors	Keep Kouga Growing	Financial Viability and Management	KG 5. Build a financial sustainability of Kouga Municipality by empowering staff to achieve good governance and a clean administration which is committed to prudent management of public funds by promoting accuracy and transparency.	Due date compliance with the submission of Tariff Review proposals for the Directorate for consideration with the budget preparations	28/2/21	28/2/21	28/2/2021	Target achieved	New	New

Department/ Directorate	Political Focus Area	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2019	30 June 2020
All Directors	Keep Kouga Growing	Financial Viability and Management	KG 5. Build a financial sustainability of Kouga Municipality by empowering staff to achieve good governance and a clean administration which is committed to prudent management of public funds by promoting accuracy and transparency.	Due date compliance with the submission of business plans for projects relevant to the Directorate to be considered for inclusion in the budget	28/2/21	28/2/21	28/2/2021	Target achieved	New	New
All Directors	Keep Kouga Growing	Financial Viability and Management	KG 5. Build a financial sustainability of Kouga Municipality by empowering staff to achieve good governance and a clean administration which is committed to prudent management of public funds by promoting accuracy and transparency.	% compliance with due dates as set out in the procurement plan relevant to the directorate (Calculated from date of first submission of dept specs to BSC)	95%	95%	89%	Improved oversight measures to be implemented as from the 2021/22 financial year.	New	New

5.5 DIRECTORATE PLANNING DEVELOPMENT AND TOURISM SDBIP IMPLEMENTATION

IDP	PROJECT CODE	KP A	PRIORITY	OBJECTIVE	PROJECT	ANNUAL TARGET	KPI	ACTUAL ACHIEVEMENT	COMMENT/ CORRECTIVE ACTIONS
PLANNING DEVELOPMENT & TOURISM									
IDP11	CP_4	3	ICT upgrade	To improve and integrate IT systems of the municipality	Computer Equipment	100% completion of procurement of computer equipment (Due date for completion of procurement 30 June 2021)	% completion of Procurement of Computer Equipment	0%	Target not achieved Computer equipment cannot be procured for reason of stock shortages across the country To be acquired in new financial year
IDP11	CP_60	3	ICT upgrade	To improve and integrate IT systems of the municipality	Computer Software and Applications	100% completion of procurement of Computer software applications (Due date for completion of procurement 30 June 2021)	% completion of procurement of Computer software applications	100% co	Target achieved
IDP6	PC_505	1	Human Settlements	To upgrade and provide access to basic services for residents in Kouga To provide affordable housing opportunities to middle income	Land acquisition housing projects	Offer to purchase and final approval item submitted to Council by 31 December 2020	Due date compliance with submission of final approval item and offer to purchase to Council	Offer to Purchase to purchase and final approval item submitted to Council 28 August 2020	Target achieved
IDP9	CP1_EDB	1	LED	To ensure efficient development of urban nodes in Kouga.	LED Project: Establishment of Business Support Centre (Ocean View)	100% completion of Establishment of Business Support Centre (Ocean View) (Due date for establishment 30 June 2021)	% completion of Establishment of Business Support Centre (Ocean View)	0%	Target not achieved. Quotations for building materials received and order for material is in process. Business support centre due for completion during next financial year.
IDP9	CP2_EDT	1	LED	To provide recreational facilities	Tourism: Restoration	100% completion of restoration of	% completion of restoration	100%	Fishermen Grave Site restoration completed. Additionally, restoration of Mr

IDP	PROJECT CODE	KP A	PRIORITY	OBJECTIVE	PROJECT	ANNUAL TARGET	KPI	ACTUAL ACHIEVEMENT	COMMENT/ CORRECTIVE ACTIONS
				to residents and visitors to Kouga	of Fisherman Gravesite	Fishermen Grave Site (Due date for completion of restoration 30 June 2021)	of Fishermen Grave Site		Pell's graveyard in progress, this is done in conjunction with the Humansdorp Museum Association
IDP9	CP_21	1	LED	To ensure efficient development of urban nodes in Kouga.	Vehicles	Procure 1 Vehicle for Human Settlements	Number of vehicles procured for Human Settlements (Due date for completion of procurement 30 June 2021)	1	Delivered during quarter 3
IDP6	PC_505	1	Planning & Development	To ensure efficient development of urban nodes in Kouga.	Furniture and equipment for Planning Development and Toursim	100% Completion in the procurement of furniture and equipment for PDT (Due date for completion of procurement 30 June 2021)	% Completion in the procurement of furniture and equipment for PDT	100%	Furniture and equipment for PDT procured during quarter 3

5.5.1 DIRECTORATE PLANNING DEVELOPMENT AND TOURISM OPERATIONAL SDBIP INDICATORS

Department/ Directorate	Political Focus Area	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
Planning Development and Tourism	Keep Kouga Growing	Local Economic Development	KG 2. Create and facilitate a conducive environment that builds inclusive local economies, sustainable and decent employment.	% expenditure of Budget for LED Programs and Projects	95%	95%	91%	Target not achieved		
Planning Development and Tourism	Keep Kouga Growing	Local Economic Development	KG 2. Create and facilitate a conducive environment that builds inclusive local economies, sustainable and decent employment.	Number of jobs created through capital projects and LED initiatives	800	300	1191/800	Target achieved		
Planning Development and Tourism	Keep Kouga Growing	Local Economic Development	KG 2. Create and facilitate a conducive environment that builds inclusive local economies, sustainable and decent employment.	Number of days for the approval of compliant building plans for structures less than 500M2	30	30	18.9	Target achieved		
Planning Development and Tourism	Keep Kouga Growing	Local Economic Development	KG 2. Create and facilitate a conducive environment that builds inclusive local economies, sustainable and decent employment.	Number of days for the processing of compliant land use applications	60 days	90 days	60	Target achieved		

Department/ Directorate	Political Focus Area	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
Planning Development and Tourism	Keep Kouga Growing	Local Economic Development	KG 2. Create and facilitate a conducive environment that builds inclusive local economies, sustainable and decent employment.	% Expenditure of the budget allocation for the development of the Humansdorp Precinct Plan	95%	55%	55%	Target achieved		
Planning Development and Tourism	Keep Kouga Growing	Local Economic Development	KG 2. Create and facilitate a conducive environment that builds inclusive local economies, sustainable and decent employment.	% conversion to electronic submissions of building plans	90%	90%	100%	Target achieved		
Planning Development and Tourism	Keep Kouga Growing	Local Economic Development	KG 2. Create and facilitate a conducive environment that builds inclusive local economies, sustainable and decent employment.	% of outstanding Council resolutions on land implemented.	80%	80%	80%	Target achieved	New	New
Planning Development and Tourism	Keep Kouga Growing	Local Economic Development	KG 2. Create and facilitate a conducive environment that builds inclusive local economies, sustainable and decent employment.	% Completion of the disposal of erven 2078, 2079, 2081 ,2081, 3296 and 3297 HUMANSDORP	100%	90%	98%	Target not achieved disposal in progress nearing finalization	New	New
Planning Development and Tourism	Keep Kouga Growing	Local Economic Development	KG 2. Create and facilitate a conducive environment that builds inclusive local economies,	% Completion of the alienation of Erf 353 Humansdorp	100%	80%	75%	Target not achieved, the item served in Council and a long -term lease advertised in the local newspaper and submitted to Provincial & National Treasury. Comments were received from Provincial	New	New

Department/ Directorate	Political Focus Area	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
			sustainable and decent employment.					Treasury. It was resolved that a legal opinion be obtained from the Legal Section with regard to the comments received from the Provincial Treasury.		
Planning Development and Tourism	Keep Kouga Growing	Local Economic Development	KG 2. Create and facilitate a conducive environment that builds inclusive local economies, sustainable and decent employment.	% Completion of the alienation of 98 wet erven	100%	80%	90%	90% of the target achieved. More residents decided to purchase, and the total number now stands at 89. The 89 residents have signed the Option to Purchase agreements. An Addendum to the Option to Purchase which outlines the payment procedures has been drafted by the Legal Section and the Land and Properties Section has started with the completion of the addendums.	New	New
Planning Development and Tourism	Keep Kouga Growing	Financial Viability and Management	KG 5. Build sustainability of Kouga Municipality by empowering staff to achieve good governance and a clean administration which is committed to prudent management of public funds by promoting accuracy and transparency.	% Reduction in staff overtime compared to previous year	10%	10%	10%	Target achieved		New
Planning Development and Tourism	Keep Kouga Growing	Financial Viability and Management	KG 5. Build sustainability of Kouga Municipality by empowering staff to achieve good governance and a	% compliance with the 5-day turnaround target for the certification of invoices for payment and resubmission to	90%	90%	90%	Target achieved		New

Department/ Directorate	Political Focus Area	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
			clean administration which is committed to prudent management of public funds by promoting accuracy and transparency.	finance calculated from date of receipt by the Directorate						
Planning Development and Tourism	Keep Kouga Growing	Local Economic Development	KG 2. Create and facilitate a conducive environment that builds inclusive local economies, sustainable and decent employment.	Number of counts conducted of households in informal settlements	2	2	13	Target achieved		New
All Directors	Keep Kouga Growing	Financial Viability and Management	KG 5. Build a financial sustainability of Kouga Municipality by empowering staff to achieve good governance and a clean administration which is committed to prudent management of public funds by promoting accuracy and transparency.	Due date compliance with the submission of Tariff Review proposals for the Directorate for consideration with the budget preparations	28/2/21	28/2/21	28/2/2021	Target achieved		New
All Directors	Keep Kouga Growing	Financial Viability and Management	KG 5. Build a financial sustainability of Kouga Municipality by empowering staff to achieve good governance and a clean administration which is committed	Due date compliance with the submission of business plans for projects relevant to the Directorate to be considered for inclusion in the budget	28/2/21	28/2/21	28/2/2021	Target achieved		New

Department/ Directorate	Political Focus Area	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
			to prudent management of public funds by promoting accuracy and transparency.							
All Directors	Keep Kouga Growing	Financial Viability and Management	KG 5. Build a financial sustainability of Kouga Municipality by empowering staff to achieve good governance and a clean administration which is committed to prudent management of public funds by promoting accuracy and transparency.	% compliance with due dates as set out in the procurement plan relevant to the directorate (Calculated from date of first dept submission of specs to BSC)	95%	95%	-			

5.6 OFFICE OF THE MUNICIPAL MANAGER INSTITUTIONAL SDBIP INDICATORS

IDP	PROJECT CODE	KPA	PRIORITY	OBJECTIVE	PROJECT	ANNUAL TARGET	KPI	ACTUAL ACHIEVEMENT	COMMENT/ CORRECTIVE ACTIONS	PRIOR YEAR ACHIEVEMENT
IDP11	CP_4	3	ICT upgrade	To improve and integrate IT systems of the municipality	Computer Equipment	Procure 3 laptops and 1 printer (due date for procurement 30 June 2021)	Number of laptops and printers procured	3 laptops and 1 printer procured.	Procurement done 96.73% expenditure	New

IDP	PROJECT CODE	KPA	PRIORITY	OBJECTIVE	PROJECT	ANNUAL TARGET	KPI	ACTUAL ACHIEVEMENT	COMMENT/ CORRECTIVE ACTIONS	PRIOR YEAR ACHIEVEMENT
IDP12	PC_65	1	Ward Development	To provide wards with sustainable projects	Vehicle for Office of the Executive Mayor	1 Double Cab LDV procured for the Office of the Executive Mayor (due date for procurement 30 June 2021)	Number of Double Cab LDV's procured for the Office of the Executive Mayor	1	Procurement processes finalized and award made, awaiting delivery scheduled for first quarter of the new financial year. Delivery of vehicle scheduled for next financial year	New
IDP12	PC_65	1	Ward Development	To provide wards with sustainable projects	Ward Councillors' Capital Projects	100% Completion of Ward Councillors Capital Projects (Completion due by 30 June 2021)	% completion of Ward Councillors Capital Projects	93.89%	93.89% Projects completed incomplete projects to be finalized during the 2021/22 financial year.	New

5.6.1 OFFICE OF THE MUNICIPAL MANAGER OPERATIONAL SDBIP INDICATORS

Department/ Directorate	Political Focus Area	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2019	30 June 2020
Keep Kouga Serviced	Good Governance	KG3. Provide professional, efficient people centered human resources and administrative services to Kouga citizens, staff and council for a transformed, equitable and efficient local government services to Kouga citizens	Number of Institutional Performance Reports submitted to Council and the Performance Audit Committee	4	4	4	4/4	Target achieved	4	4
			Number of Senior Managers subjected to quarterly performance reviews	6	6	6	6/6	Target achieved	6	6
			Number of days after budget approval for the submission of the SDBIP to the mayor for approval	28	28	28	21 days	Target achieved	28	28
			Number of Audit Committee Meetings held	4	4	4	4/4	Target achieved	4	4
			Due date compliance with the review of the Risk Register	30/6/21	30/6/21	30/6/2021	28/2/2021	Target achieved	1	1
Keep Kouga Serviced	Good Governance	KG3. Provide professional, efficient people centered human resources and administrative services to Kouga citizens, staff and council for a transformed,	Number of reports on Institutional Legal Risks submitted to Council	4	4	4	3/4	Legal confirmations awaited before the Quarter 4 report on legal risks can be submitted to Council. 20/10/CMM2 – December 2020, 21/02/CMM2 – February 2021, 21/06/CMM2 - 30 July 2021	New	4
			Due date compliance with the adoption of the IDP Process Plan	31/8/20	31/8/20		26/6/2020	Target achieved	31/8/2018	31/8/2019

		equitable and efficient local government services to Kouga citizens	Due date compliance with the submission of the IDP to Council for Adoption	31/5/21	31/5/21		26/5/21	Target achieved	31/5/2018	31/5/2019
			Due date compliance with the submission of the Annual Report to Council for adoption	31/3/21	31/5/21		28/5/21	MFMA Circular 104 provided a two month extension for the submission of the Annual Report. Target achieved	31/3/2018	31/3/2019

COMPONENT B : INSTITUTIONAL PERFORMANCE AS PER COGTA INDICATORS

KPA 1: ORGANIZATIONAL DEVELOPMENT AND INSTITUTIONAL TRANSFORMATION

	Indicator Name	Total number of people planned for the year	Achievement level during the year under review	Achievement percentage during the year	Comments on the gap
1.	Vacancy rate for all approved budgeted posts	3%	3%	3%	
2.	Percentage of appointment in strategic positions (Municipal Manager and Section 57 Managers)	6	6	100%	N/a
3.	Percentage of Section 57 Managers including Municipal Managers who attended at least 1 skills development training course within the FY	2	2	100%	

4.	Percentage of Managers in Technical Services with a professional qualification	2	2	100%	
5.	Level of PMS effectiveness in the DM (DM to report)	To be reported by the Sarah Baartman District Municipality			
6.	Level of effectiveness of PMS in the LM (LM to report)	Performance Management currently only rolled out to the Municipal Manager and Section 57 Managers			
7.	Percentage of staff that have undergone a skills audit (Including competency profiles) within the current 5-year term	861	861	100%	
8.	Percentage of Councillors who attended a skills development training within the current 5-year term	29	29	100%	
9.	Percentage of staff complement with a disability	1,5%	1,5%	1,5%	
10.	Percentage of female employees	35%	35%	35%	
11.	Percentage of employees that are aged 35 or younger	25%	25%	25%	
12.	Adoption and implementation of a HRD including a Workplace Skills Plan	Yes	yes	Completed	

KPA 2: INFRASTRUCTURE AND BASIC SERVICE DELIVERY

A: WATER

	Indicator Name	Total Number of household/ customers expected to benefit	Estimated backlogs (actual Numbers)	Prior year achievement 2019/20	Target set for the year under review 2020/21	Number of households reached during the financial year	Achievement percentage during the year
1.	% Households with access to potable water	29 230	366	29 230	810	810	100%
2.	% Indigent households with access to free basic potable water	4 092	0	4 092	4092	4092	100%
3.	% of Clinics with access to potable water	No additional Clinics planned	0	100% of clinics	No additional Clinics planned	0	100% of clinics
4.	% of schools with access to potable water	No additional Schools planned	100%	100% of schools	No additional Schools planned	0	100% of schools

B: ELECTRICITY

	Indicator Name	Total Number of household/ customers expected to benefit	Estimated backlogs (actual Numbers)	Prior year achievement 2019/20	Target set for the year under review 2020/21 (Actual numbers)	Number of households reached during the financial year	Achievement percentage during the year
1.	% Households with access to electricity services (Serviced by Kouga)	29 230	212	29 230	200	1231	100%
2.	% Indigent households with access to basic electricity services (Serviced by Kouga)	2 864	0	2 864	200	200	100%
3.	% Indigent households with access to free alternative energy sources	None	None	None	0	0	0%

C: SANITATION SERVICES

	Indicator Name	Total Number of household/ customer expected to benefit	Estimated backlogs (actual Numbers)	Target set for the year under review 2020/21 (Actual numbers)	Number of households reached during the financial year	Achievement percentage during the year
1.	% of households with access to sanitation services	28 864	0	810	810	100%
2.	% of indigent households with access to free basic sanitation services	4 092	0	4 092	4092	100%
3.	% of schools with access to sanitation services	No schools planned for year	0	0	No schools planned for year	100%
4.	% of Clinics with access to sanitation services	No clinics planned for year	0	0	No clinics planned for year	100%

D: ROAD MAINTENANCE SERVICES

	Indicator Name	Total Number of household/ customer expected to benefit	Estimated backlogs (actual Numbers)	Target set for the year under review 2020/21 (Actual numbers)	Number of households reached during the financial year	Achievement percentage during the year
1.	% Households without access to gravel or graded roads	0	87.5km	0	0	
2.	% of road infrastructure requiring upgrade	0	87.5km	0	87.5km	
3.	% of planned new road infrastructure actually constructed	0	87.5km	0	0	
4.	% of capital budget reserved for road upgrading and maintenance effectively used	0	R380 000 000	0	0	

E: WASTE MANAGEMENT SERVICES

	Indicator Name	Total Number of household/ customer expected to benefit	Estimated backlogs (actual Numbers)	Target set for the year under review (Actual numbers)	Number of households reached during the financial year	Achievement percentage during the year
1.	% of households with access to refuse removal services	28 652	0	212	28 864	100%
2.	Existence of a Waste Management Plan	Integrated Waste Management Plan adopted 2016				

F: HOUSING AND TOWN PLANNING SERVICES

	Indicator Name	Total Number of household/ customer expected to benefit	Estimated backlogs (actual Numbers)	Target set for the year under review 2020/21	Number of households/customer reached during the financial year	Achievement percentage during the year
1.	% of households living in informal settlements					
2.	% of informal settlements that have been provided with basic services					
3.	Existence of an Effective Indigent Policy	Indigent Policy reviewed annually with consideration of the budget.				
4.	Existence of an approved SDF	Spatial Development Framework adopted				
5.	Existence of a Land Use Management System (LUMS)	Land Use Scheme adopted March 2021				

KPA 3 MUNICIPAL LOCAL ECONOMIC DEVELOPMENT

	Indicator Name	Target set for the year under review 2020/21	Achievement level during the year (absolute figures)	Achievement % during the year
1.	Existence of LED Unit	1	1	100%
2.	% Of LED Budget spent on LED related activities	95%	91%	91%
3.	Existence of LED Strategy	LED Strategy developed in conjunction with local business adopted by Council		
4.	Number of LED Stakeholder meetings held	4	4	100%
5.	Plans to stimulate second economy			
6.	% SMME's that benefitted from a SMME Support Program			
7.	Number of Job Opportunities created through EPWP	700	773	110.43%
8.	Number of Job Opportunities created through PPP			

KPA 4 FINANCIAL VIABILITY AND MANAGEMENT

	Indicator Name			
1.	Status of Audit Outcome (2020/21)		Unqualified	
2.	Submission of AFS after the end of the financial year		Draft AFS submitted by 31 August 2021	
	Indicator Name	Target set for the year	Achievement level for the year (Absolute expenditure figure R (000) against capital budget R(000)	Percentage spent on capital budget during the year vs actual revenue (2020/21)
3.	Percentage of expenditure of Capital Budget	95%	71.24%	6.46%
	Indicator Name	Operational Budget for the 2020/21 year	Amount spent on employee related cost & Councilor remuneration (Expenditure on salaries budget) against operational budget.	Achievement Percentage during the year
4.	Percentage of salary budget as of total operational budget	1,038,357,350	34.90%	34.26%
	Indicator Name	Target set for the year (Own revenue) R (000)	Achievement level Trade Creditors during the year R(000)	Achievement Percentage during the year.
5.	Total municipal trade creditors	183,464	54,817	29.88%
	Indicator Name	Target set (actual total budget) in the year under review	Achievement level (Own revenue in the year under review)	Achievement percentage during the year.
6.	Total municipal own revenue as a percentage of the total actual budget	1 123 078 419	720 101 297	64.12%
	Indicator Name	Indicate previous financial year's municipal debtors	Indicate municipal debtors for the year under review	Achievement percentage (Reduction rate)
7.	Rate of municipal consumers debtor's reduction	241 853 487	283 572 787	17.25%
	Indicator Name	Indicate MIG budget for the year under review	Indicate actual expenditure on MIG budget	Achievement Percentage
8.	Percentage of MIG budget appropriately spent	43,695,994	37,733,079	85.35%
	Indicator Name	The information should reflect the status quo (Summary report on the functionality of the Audit Committee)		
9.	Municipalities with a functional Audit Committee			

KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

	Indicator Name	Target set for the year	Achievement level for the year (Absolute figure)	Achievement percentage during the year
1.	% of Ward Committees established	100%	100% (15 ward committees)	100%
2.	% of Ward Committees that are functional	100%	100% (15 ward committees)	100%
3.	Existence of an effective system to monitor CDW's	The CDW's are administered through the Office of the Speaker and the Public Participation Officer meet monthly with CDW's to track progress and receive submissions by CDW's.		
4.	Existence of an effective IGR Strategy	No adopted IGR Strategy		
5.	Effective IGR structural meetings	All Muni-Mec meetings are attended, all District IGR Meetings are attended,, No IGR meetings held from Lockdown other than Covid-19 related meetings.		
6.	Existence of an effective communication strategy	Communication Strategy in place and communication is effective.		
7.	Number of Mayoral Imbizo's conducted	1 Mayoral Imbizo conducted		
8.	Existence of a fraud prevention mechanism	Anti-Corruption and Fraud Prevention Policy approved by Council 1 August 2017		

COMPONENT C : INDIVIDUAL PERFORMANCE

The Performance Management Section currently administers Institutional Performance and Individual Performance to the level of the Municipal Manager and Directors reporting directly to the Municipal Manager.

The purpose of the performance management section is to allow Councillors and Top Management the opportunity of oversight and timeous corrective action where it is evident that set institutional targets may not be achieved.

In compliance with the legislative provisions does the Integrated Development Plan for the year under review form the basis of the Institutional Service Delivery and Budget Implementation Plan.

The Institutional Service Delivery and Budget Implementation plan forms the basis for the individual performance agreements of the Municipal Manager and Directors.

Performance agreements are concluded annually before 31 July with the Municipal Manager and Directors and performance reviews must be conducted on a quarterly basis with the annual performance review conducted by an Evaluation Panel appointed in terms of the Performance Management Regulations.

Performance bonuses are only paid after evaluation and only on approval of the evaluation results by Council and the adoption of the annual report for the period under review.

The roll out of performance plans to employees below the level of Top Management remains slow and is dependent on the development of Departmental Service Delivery and Budget Implementation Plans which was not attended to in time to ensure the effective roll out of the performance management system to lower-level employees.

CHAPTER 6 : AUDITOR GENERAL OPINION ON FINANCIAL STATEMENTS

6.1 AUDITOR GENERAL REPORT

Report of the auditor-general to the Eastern Cape Provincial Legislature and the council on the Kouga Local Municipality

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

1. I have audited the financial statements of the Kouga Local Municipality set out on pages 327 to 460 which comprise the statement of financial position as at 30 June 2021, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Kouga Local Municipality as at 30 June 2021, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 4 of 2020 (Dora).

BASIS FOR OPINION

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

EMPHASIS OF MATTERS

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

MATERIAL IMPAIRMENTS

7. As disclosed in notes 2 and 3 to the financial statements, receivables from exchange transactions of R167,3 million (2019-20: R129,1 million) and receivables from non-exchange transactions of R55,7 million (2019-19: R46,8 million) were impaired.

MATERIAL LOSSES

8. As disclosed in note 46.1.8 to the financial statements, the municipality incurred material losses relating to water and electricity of R34,2 million (2019-20: R18,3 million) and R20,1 million (2019-20: R32,1 million), respectively.

RESTATEMENT OF CORRESPONDING FIGURES

9. As disclosed in notes 42 and 43 to the financial statements, the corresponding figures for 30 June 2020 were restated as a result of errors and reclassification of accounts in the financial statements of the municipality at, and for the year ended, 30 June 2021.

OTHER MATTER

10. I draw attention to the matter below. My opinion is not modified in respect of this matter.

UNAUDITED DISCLOSURE NOTES

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

RESPONSIBILITIES OF THE ACCOUNTING OFFICER FOR THE FINANCIAL STATEMENTS

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

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

14. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are

considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

INTRODUCTION AND SCOPE

16. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected development priority presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
17. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year, or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my finding do not extend to these matters.
18. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected development priority presented in the municipality's annual performance report for the year ended 30 June 2021:

Development priority	Pages in the annual performance report
KPA 1 – infrastructure and basic service delivery	263 - 277

19. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
20. The material finding in respect of the reliability of the selected development priority is as follows:

% COMPLETION OF THE UPGRADE TO THE KWANOMZAMO WWTW

21. The reported indicator, % Completion of the upgrade to the Kwanomzamo WWTW, did not agree with the planned indicator, Upgrade Kwanomzamo WWTW, as per the approved service delivery budget and implementation plan.

OTHER MATTERS

22. I draw attention to the matters below.

ACHIEVEMENT OF PLANNED TARGETS

23. Refer to the annual performance report on pages 239 to 286 for information on the achievement of planned targets for the year. This information should be considered in the context of the material finding on the usefulness of the reported performance information in paragraph 21 of this report.

ADJUSTMENT OF MATERIAL MISSTATEMENTS

24. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of key performance area 1: infrastructure and basic service delivery. As management subsequently corrected only some of the misstatements, I raised a material finding on the usefulness of the reported performance information. The material misstatement that was not corrected is reported above.

REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

INTRODUCTION AND SCOPE

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

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

ANNUAL FINANCIAL STATEMENTS, PERFORMANCE AND ANNUAL REPORTS

27. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of current assets, revenue, expenditure and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

STRATEGIC PLANNING AND PERFORMANCE MANAGEMENT

28. The performance management system and related controls were inadequate as they did not describe how the performance planning, monitoring, review, reporting and improvement

processes should be conducted, organised and managed, as required by municipal planning and performance management regulation 7(1).

OTHER INFORMATION

29. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report and the audit committee's report. The other information does not include the financial statements, the auditor's report and the selected development priority presented in the annual performance report that has been specifically reported in this auditor's report.
30. My opinion on the financial statements and report on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
31. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected development priority presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
32. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, and if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

INTERNAL CONTROL DEFICIENCIES

33. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the finding on the annual performance report and the findings on compliance with legislation included in this report.
34. Leadership was slow in responding to previous audit recommendations and did not implement adequate review processes over performance reporting.
35. The municipality has defined the processes for collection, collation, verification and capturing of performance information to ensure valid, accurate and complete reporting against planned objectives; however, these processes were not adequately implemented in all instances.
36. The review processes over the preparation of the annual financial statements were not implemented adequately, resulting in material misstatements in the financial statements

submitted for audit. This and the finding relating to the annual performance report resulted in the non-compliance reported in this report.

Auditor - General

East London

31 January 2022



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general’s responsibility for the audit

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

FINANCIAL STATEMENTS

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

Kouga Local Municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause the municipality to cease operating as a going concern

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

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

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

6.2 AUDIT CORRECTIVE ACTION PLAN

AR Ref no	ISSUE	DESCRIPTION OF THE FINDING	Will item be cleared before 30 June 2022	Responsible Official	MANAGEMENT'S RESPONSE	Estimated date of completion/correction	Key tasks that need to be performed	Official(s) delegated to	Comments	Status
EMPHASIS OF MATTER										
7	MATERIAL IMPAIRMENTS	As disclosed in note 2 and 3 to the financial statements, receivables from exchange transactions of R167.3 million (2019-20: R129,1 million) and receivables from non-exchange transactions of R 55,7 million (2019-20: R46,8 million) were impaired.		Manager Income	This information has been provided for the end-users of the financial statements.	N/A	No further action required.	Manager Income		Good - going as planned
8	MATERIAL LOSSES	As disclosed in note 46.1.8 to the financial statements, the municipality incurred material losses relating to water and electricity of R34,2 million (2019-20: R18,3 million) and R20,1 million (2019-20: R32,1 million), respectively.		Director: I&E	Management Agrees	Quarterly	A quarterly progress report will be submitted to the I&E Portfolio Committee.	Director: I&E		Okay - manageable issues
9	RESTATEMENT OF CORRESPONDING FIGURES	As disclosed in note 42 and 43 to the financial statements, the corresponding figures for 30 June 2020 were restated as a result of errors and reclassification of		MM	This information has been provided for the end-users of the financial statements.	N/A	No further action required.	MM		Good - going as planned

AR Ref no	ISSUE	DESCRIPTION OF THE FINDING	Will item be cleared before 30 June 2022	Responsible Official	MANAGEMENT'S RESPONSE	Estimated date of completion/correction	Key tasks that need to be performed	Official(s) delegated to	Comments	Status
		accounts in the financial statements of the municipality, and for the year ended, 30 June 2021.								
REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT										
21	% COMPLETION OF THE UPGRADE TO THE KWANOMZAMO WWTW	The reported indicator, % Completion of the upgrade to the Kwanomzamo WWTW, did not agree with the planned indicator, Upgrade Kwanomzamo WWTW, as per the approved service delivery budget and implementation plan.		MM	Management Agrees	30-Apr-22	all reported indicators will be verified with the SDBIP, once the quarterly performance are reported, it will be submitted to audit performance committee for review.	MM, Directors and Performance Manager		Okay - manageable issues
24	ADJUSTMENTS OF MATERIAL MISSTATEMENTS	I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of KPA 1: infrastructure and basic service delivery. As management subsequently corrected only some of the misstatements, I		MM	Management Agrees	30-Apr-22	The information on the IDP, SDBIP and Performance report will be aligned in the current financial year. This will then be submitted to Internal audit for review.	MM, Directors and Performance Manager		Okay - manageable issues

AR Ref no	ISSUE	DESCRIPTION OF THE FINDING	Will item be cleared before 30 June 2022	Responsible Official	MANAGEMENT'S RESPONSE	Estimated date of completion/correction	Key tasks that need to be performed	Official(s) delegated to	Comments	Status
		raised material findings on the reliability of the reported performance information. Those that were not corrected are reported above.								
REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION										
27	ANNUAL FINANCIAL STATEMENTS, PERFORMANCE AND ANNUAL REPORTS	The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of the current assets, revenue, expenditure and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.		MM	Management should review the annual financial statements to ensure the accuracy and completeness of the corresponding figures in the annual financial statements.	15-Aug-22	Adequately review the annual financial statements	CFO	Adequate time should be allocated for review. Cut - off for orders by 30 April. Cut - off for jnls by the 20 July. Disclosure completed by 31 July. Review done between 1 - 15 August by CA and Manager BTO. CFO, IA, AC review 16 Aug - 21 Aug.	Okay - manageable issues

AR Ref no	ISSUE	DESCRIPTION OF THE FINDING	Will item be cleared before 30 June 2022	Responsible Official	MANAGEMENT'S RESPONSE	Estimated date of completion/correction	Key tasks that need to be performed	Official(s) delegated to	Comments	Status
28	STRATEGIC PLANNING AND PERFORMANCE MANAGEMENT	The performance management system and related controls were inadequate, as they did not describe how the performance planning, monitoring, review, reporting and improvement processes should be conducted, organised and managed, as required by municipal planning and performance management regulation 7(1).		Performance Manager:	Management Agrees		The performance management system and related controls will be updated, in order to ensure compliance with the Municipal Planning and Performance Management Regulations.	Performance Manager:		Okay - manageable issues
INTERNAL CONTROL DEFICIENCIES										
34	LEADERSHIP	Leadership was slow in responding to previous audit recommendations and did not implement adequate review processes over performance reporting		MM	Management Agrees	15-Aug-22	Internal Audit will undertake independent reviews of performance information reporting and compliance reporting.	CFO		Okay - manageable issues
35	ANNUAL PERFORMANCE REPORT	The municipality has defined the processes for collection, collation, verification and capturing of performance information to ensure valid, accurate and complete reporting against planned objectives; however, these processes were		MM	Management Agrees	15-Aug-22	Internal Audit will undertake independent reviews of performance information reporting and compliance reporting.	CFO		Okay - manageable issues

AR Ref no	ISSUE	DESCRIPTION OF THE FINDING	Will item be cleared before 30 June 2022	Responsible Official	MANAGEMENT'S RESPONSE	Estimated date of completion/correction	Key tasks that need to be performed	Official(s) delegated to	Comments	Status
		not adequately implemented in all instances.								
36	ANNUAL FINANCIAL STATEMENTS	The review processes over the preparation of the annual financial statements were not implemented adequately, resulting in material misstatements in the financial statements submitted for audit. This and the finding relating to the annual performance report resulted in the non-compliance reported in this report.		MM	Management should review the annual financial statements to ensure the accuracy and completeness of the corresponding figures in the annual financial statements.	15-Aug-22	Adequately review the annual financial statements	CFO	Adequate time should be allocated for review. Cut - off of orders by 30 April. Cut - off for jnls by the 20 July. Disclosure completed by 31 July. Review done between 1 - 15 August by CA and Manager BTO. CFO, IA, AC review 16 Aug - 21 Aug.	Okay - manageable issues

APPENDICES

APPENDIX A : COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

COUNCIL MEETING ATTENDANCE

NAME OF COUNCILLOR	PORTFOLIO COMMITTEES ALLOCATED	WARD	PARTY	PERCENTAGE OF ORDINARY COUNCIL & SPECIAL COUNCIL MEETINGS ATTENDED	APOLOGIES TENDERED IN WRITING TO THE OFFICE OF THE SPEAKER	ABSENT WITHOUT APOLOGY
F Campher	LED&T/ FIN	Ward 4	DA	100%	0	0
B F Rheeder	PD/I&E	Ward12	DA	100%	0	0
WPD Gertenbach	I&E/COMM SERV/FIN	Ward 3	DA	100%	0	0
B Dhludhlu	I&E/COMM SERV	PR	DA	100%	0	0
C Matroos	PD/CORP	PR	ANC	91,67%	1	0
A Mabukane	COMM SERV	Ward 10	ANC	50%	2	4
Z Mayoni	PD/I&E	Ward 1	ANC	100%	0	0
R Jantjies	CORP/LED&T	PR	DA	100%	0	0
F Baxter	LED&T/I&E	PR	DA	75%	2	1
H Hendricks	Ex-officio	Ward 15	DA	100%	0	0
B Williams	FINANCE/LED&T/PD	PR	DA	100%	0	0
H Bornman	Ex-officio	Ward 11	DA	100%	0	0
W Coenraad	CORP/PD/COMM SERV	Ward 5	DA	100%	0	0
C August	PD/LED&T/COMM SERV	PR	DA	100%	0	0

NAME OF COUNCILLOR	PORTFOLIO COMMITTEES ALLOCATED	WARD	PARTY	PERCENTAGE OF ORDINARY COUNCIL & SPECIAL COUNCIL MEETINGS ATTENDED	APOLOGIES TENDERED IN WRITING TO THE OFFICE OF THE SPEAKER	ABSENT WITHOUT APOLOGY
S Mandeka (Makasi)	LED&T	Ward 14	ANC	91,67%	1	0
S Jujwana	CORP SERV	Ward 9	ANC	75%	0	3
L Vorster	PD/FINANCE	Ward 8	DA	100%	0	0
M Dayimani	FINANCE/I&E	PR	ANC	83%	0	2
D Benson	COMM SERV/CORP SERV	PR	DA	100%	0	0
P Nkwalase	LED&T	PR	ANC	100%	0	0
V Vumazonke	LED&T	Ward 6	ANC	58,33%	2	3
N.S Botha	I&E/FINANCE/COMM SERV	PR	DA	33,33%	0	0
M Van Niekerk	CORP SERV/LED&T/FIN	PR	DA	100%	0	0
M Biko	CORP SERV	PR	DA	100%	0	0
J Alexander	FIN/I&E	PR	DA	58,33%	0	0
R Dennis	FIN/I&E/COMM SERV	Ward 2	ANC	67%	0	0
M Peters	CORP SERV	Ward 13	ANC	100%	0	0
T Jantjes	CORP SERV/COMM SERV/I&E	PR	DA	100%	0	0
E Februarie	COMM SERV	Ward 7	ANC	58,33%	3	2
P Oliphant	FINANCE/PD	PR	ANC	100%	0	0

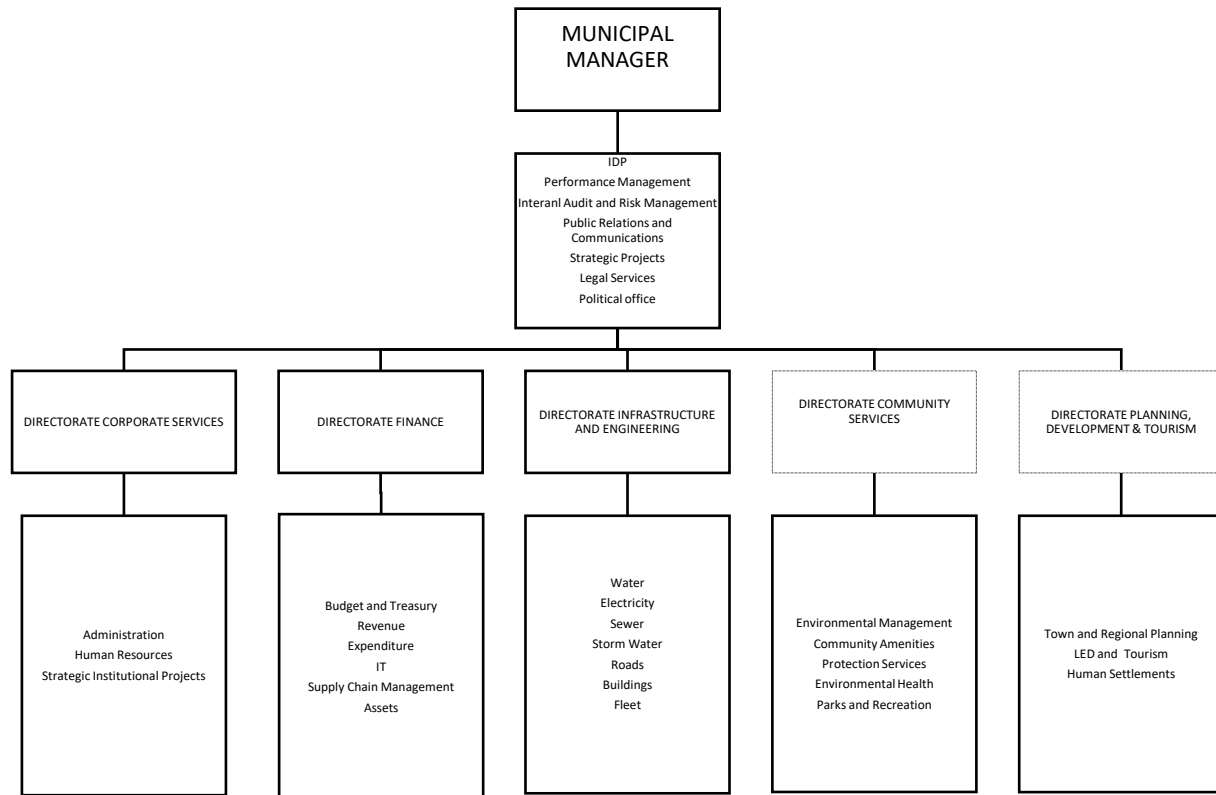
APPENDIX B : COMMITTEE AND COMMITTEE PURPOSE

PORTFOLIO COMMITTEE STRUCTURE – 2020/21

Corporate Services Portfolio	Committee Members	Alternate Members	Functions
	Timothy Jantjes		<ul style="list-style-type: none"> Administration Human Resources Strategic Institutional Projects
	Marthina van Niekerk	Danny Benson	
	Melanie Biko	Robin Jantjes	
	Wilma Coenraad		
	Sibongile Jujwana	Amos Mabukane	
	Margaret Peters		
Ex-Officio	Horatio Hendricks		
Planning & Development	Committee Members	Alternate Members	Functions
	Ben Rheeder		<ul style="list-style-type: none"> Human Settlements Town & Regional Planning MPT
	Cynthia August	Ludwig Vorster	
	Wilma Coenraad	Brenton Williams	
	Robin Jantjes		
	Cynthia Matroos	Phumza Nkwalase	
	Zolani Mayoni		
Ex-officio	Horatio Hendricks		
LED & Tourism Portfolio	Committee Members	Alternate Members	Functions
	Frances Baxter		<ul style="list-style-type: none"> Tourism Creative Industries Crèches Events Committee
	Brenton Williams	Ben Rheeder	
	Cynthia August	Robin Jantjes	
	Freddy Campher		
	Marthina van Niekerk		
	Velile Vumazonke	Phumza Nkwalase	
	Margaret Peters		
Ex-officio	Horatio Hendricks		

Community Services Portfolio	Committee Members	Alternate Members	Functions
	Daniel Benson		<ul style="list-style-type: none"> • Environmental Management • Community Amenities & Environmental Health • Protection Services • Beaches
	Willem Gertenbach	Wilma Coenraad	
	Timothy Jantjes	Bryan Dhludhu	
	Cynthia August		
	Robert Dennis	Eldridge Februarie	
	Amos Mabukane		
Ex-officio	Horatio Hendricks		
Infrastructure and Engineering Portfolio	Committee Members	Alternate Members	Functions
	Willem Gertenbach		<ul style="list-style-type: none"> • Infrastructure • Civil services • PMU • Electrical Services Fleet Management
	Ben Rheeder	Jacques Alexander	
	Bryan Dhludhu	Frances Baxter	
	Timothy Jantjes		
	Robert Dennis	Zolani Mayoni	
	Malibongwe Dayimani		
Ex-officio	Horatio Hendricks		
Finance Portfolio	Committee Members	Alternate Members	Functions
	Brenton Williams		<ul style="list-style-type: none"> • Budget & treasury • Revenue • Expenditure • Assets Management • Supply Chain Management • Information, Communication & Technology MSCOA
	Jacques Alexander	Marthina van Niekerk	
	Willem Gertenbach	Freddy Campher	
	Ludwig Vorster		
	Malibongwe Dayimani	Robert Dennis	
	Phumzile Oliphant		
Ex-officio	Horatio Hendricks		

APPENDIX C : ADMINISTRATIVE STRUCTURE



APPENDIX D : FUNCTIONS OF THE MUNICIPALITY

FUNCTIONS - In terms of Circular 8/2009: Adjustment of Powers and Functions between District and Local Municipalities, the Kouga Municipality has the following powers and functions to fulfil:

POWERS AND FUNCTIONS	
Abattoirs	Air Pollution
Beaches and Amusement Facilities	Billboards and the Display of Advertisements in Public Placesko
Building Regulation	Cemeteries, Funeral Parlors and Crematoriums
Child Care Facilities	Control of Selling Liquor
Control of the Public Nuisances	Electricity Reticulation
Facilities for the Accommodation, Care and Burial of Animals	Fire Fighting
Health and Environmental Health Services	Licensing and Control of Food Sold to the Public
Local Amenities	Local Tourism and Economic Development
Local Sports Facilities	Markets
Municipal Airports	Municipal Planning
Public Transport	Sanitation
Storm Water	Trading Regulations
Water (Potable)	

APPENDIX E : WARD REPORTING

WARD COUNCILLOR	WARD	WARD COMMITTEE ATTENDED	JULY 2020	AUG 2020	SEP 2020	OCT 2020	NOV 2020	DEC 2020	JAN 2021	FEB 2021	MAR 2021	APR 2021	MAY 2021	JUNE 2021
Clr Z Mayoni	1	10	8	0	4	7	6	4	13	26	13	9	14	11
Clr R Dennis	2	10	0	0	0	0	0	0	0	8	4	8	6	8
Clr W Gertenbach	3	10	0	12	9	7	11	0	0	11	10	7	12	9
Clr F Campher	4	10	8	6	7	8	2	4	0	9	9	12	11	8
Clr W Coenraad	5	10	1	5	2	7	4	2	0	2	3	7	5	3
Clr V Vumazonke	6	10	2	8	3	7	3	1	0	10	4	6	4	8
Clr E Februarie	7	10	2	4	1	8	3	1	0	9	2	5	4	1
Clr L Vorster	8	10	7	10	7	6	10	0	0	9	9	6	4	8
Clr S Jujwana	9	10	1	6	8	6	5	0	0	4	9	6	6	8
Clr A Mabukane	10	10	1	18	10	6	5	0	0	4	4	8	6	3
Clr H Bornman	8	10	0	0	0	7	5	0	0	0	4	8	6	3
Clr B Rheeder	12	10	16	12	10	14	18	0	0	0	0	14	19	15
Clr M Peters	13	10	8	6	9	12	4	10	6	3	10	7	5	9
Clr S Mandeka	14	10	7	11	9	8	5	3	0	8	8	7	6	8
Clr H Hendricks	15	10	0	0	9	6	3	0	0	4	4	6	5	8

**Ward Committee Meetings suspended during Covid-19 Lockdown*

APPENDIX F : WARD INFORMATION

DEPARTMENT	PROJECT DESCRIPTION	WARD NR	FUNDING SOURCE	Approved Adjusted Budget 2020/21	Actuals as at 30 June 2021
Housing Services	Vehicles	Kouga	Internal	400 000.0	339 886
Fire Services	Vehicle	Kouga	Internal	435 061.0	435 061
Fire Services	Vehicle	Kouga	Distrct	5 118 200.0	5 713 312
Sewerage	Fencing Kruisfontein Wastewater Treatment Plant		Internal	800 000.0	901 674
Electricity	New overhead lines 66kv overhead lines (Jbay to Melkhout)	Kouga	Internal	3 043 086.0	4 908 703
Electricity	Electrical supply of tri switches St francis Bay	Ward 1\12	Internal	200 000.0	199 660
Environmental Management Fee	Kouga Skip Bins	Kouga	Internal	200 000.0	159 478
Electricity	Machinery & Equipment	Kouga	Internal	150 000.0	143 781
Electricity	Electrical Mini substation 22 000/11000/400 St Fr	Ward 12	Internal	485 935.0	422 552
Electricity	Electrical Oil circuit breakers replacement with v	Ward11	Internal	740 000.0	604 819
Electricity	Electrical Supply auto recloser St Francis Bay	Ward 12	Internal	285 000.0	285 000
Electricity	Electrical 5 MV 22000/11000 transformer	Ward14	Internal	1 222 570.0	1 222 570
Sewerage	Patensie Sewage Package Plant		MIG	8 353 038.0	8 401 619
Electricity	Kouga Backup Generators	Kouga	Internal	730 000.0	764 486
Sewerage	Upgrade Sanitation System Old Hankey		MIG	12 484 841.0	10 294 303
Parks & Open Space	Machinery and Equipment	Kouga	Internal	575 200.0	592 382
Fire Services	Fencing Humansdorp Fire Station		Internal	200 000.0	168 818
Corporate Services	Fencing of municipal building		Internal	469 309.0	843 693
Electricity	Fencing Main Substation Jeffrey's Bay	Ward 11	Internal	500 000.0	373 360

Caravan Parks	Fencing Community Hall	Ward 9	Internal	200 000.0	138 981
Sewerage	Upgrading Kwa Nomzamo Wastewater Treatment Works		WSIG	5 926 679.0	5 926 679
Mig Administration Unit	Upgrading of Kwa Nomzamo Sports Facility		MIG	5 087 154.0	4 832 362
Mig Administration Unit	Upgrading of Sports Facilities		MIG	5 682 636.0	7 482 299
Electricity	High Mast Lights	Ward 2\ 14	Internal	903 430.0	1 508 068

KOUGA AUDIT COMMITTEE MEMBERS

The audit committee was re-appointed by the Council on 28 June 2019 in terms of the MFMA no. 56 of 2003. The audit committee consisted of the following independent external members:

MEMBER	NUMBER OF MEETINGS ATTENDED
J Blignaut (Chair)	3
RD Coetzer	5
Y Ngqele	5

The audit committee endeavors to meet at least four times per annum as per its approved terms of reference, although additional special meetings may be called as the need arises.

The Audit Committee Charter was signed by myself and Municipal Manager on 30 April 2021.

Besides the Kouga Audit Committee members, the meetings were also attended at various times by:

The Mayor

The Municipal Manager

The chief Financial Officer

Director: Administration, Monitoring & Evaluation

Director: Infrastructure, Planning & Development

Director: LED, Tourism & Creative Industries

Director: Social Services

Manager: Performance Management

Manager: Risk and Internal Audit

Representatives from the Auditor General's office

Details of meetings

DATE	ATTENDANCE	ATTENDANCE	ATTENDANCE
MEMBER	Mr. Y Ngqele	Mr. J Blignaut (Chair)	Mr. RD Coetzer
21/09/2020	X	X	X
06/10/2020	X	X	X
24/11/2020	X	X	X
25/03/2021	X		X *
24/06/2021	X		X*

*Mr Coetzer was Acting Chairman for these meetings.

MATTERS TO BE TAKEN COGNISANCE OF

The Municipal Manager has made great strides in performing Performance assessments.

All Performance Reporting has also been reviewed by Internal Audit.

ITEMS THE AUDIT COMMITTEE REPORTS ON IN THIS REPORT

- INTERNAL FINANCIAL CONTROL
- RISK MANAGEMENT
- ACCOUNTING POLICIES
- EFFECTIVE GOVERNANCE
- PERFORMANCE MANAGEMENT AND EVALUATION
- ADEQUACY AND RELIABILITY OF FINANCIAL REPORTING
- COMPLIANCE WITH LEGISLATION
- RESPONDING TO MATTERS RAISED IN THE AUDIT REPORT OF THE AUDITOR GENERAL
- REVIEW OF ANNUAL FINANCIAL STATEMENTS

1. INTERNAL FINANCIAL CONTROL

- Budgetary control has improved significantly year on year

The monthly budget reports prepared by the CFO are relevant, concise and user friendly, enabling users to understand the financial position and performance.

Internal Audit performed various reviews during the year under review including some follow up reviews.

It has also updated the risk register and appears to be functioning effectively.

2. RISK MANAGEMENT

The Committee has received regular reporting on Risk Register.

The risk identified on the risk management plan require further action from the municipality in order to improve the control environment and functioning of the internal control system, so that risks are mitigated or reduces to acceptable levels.

The improvement of the Performance Management System should improve risk assessment and management.

3. ACCOUNTING POLICIES

No significant changes in accounting policies were identified.

4. EFFECTIVE GOVERNANCE

In my opinion, oversight and leadership by management has improved significantly.

5. PERFORMANCE MANAGEMENT AND EVALUATION

This function is much improved and functioning effectively.

6. ADEQUACY AND RELIABILITY OF FINANCIAL REPORTING

The municipality appointed a well-qualified CFO during the 2019/2020 year and financial management and reporting has improved.

We wish to highlight the importance of retaining supporting evidence and records any transaction and the continued focus on key controls to ensure the validity accuracy and completeness of financial reporting.

7. COMPLIANCE WITH LEGISLATION

We have seen an improvement in the overall compliance with legislation.

8. RESPONDING TO MATTERS RAISED IN THE AUDIT REPORT OF THE AUDITOR GENERAL

Historical Unauthorized expenditure has been condoned by the council. We are not aware of other matters.

9. REVIEW OF ANNUAL FINANCIAL STATEMENTS

We have reviewed the draft Annual Financial Statement and await Internal Audit's review of the Draft Financial statements. The Performance of the municipality appears to have improved in overall liquidity.

CONCLUSION

Although the municipality has made great strides towards improved service delivery and accountability, there is still a lot of hard work, leadership and commitment required for the municipality to achieve the objectives set for the future.

The Audit committee will increase its focus on advising the Municipality with regard to compliance with laws and regulations and Risk management going forward.

The Kouga audit committee would like to thank the management of the Kouga Local Municipality, and the office of the auditor-general for the good working relationship and positive atmosphere within which our meetings are being conducted.

RD COETZER

Chairperson, Kouga Audit Committee

29 July 2021



APPENDIX I : MUNICIPAL SERVICE PROVIDER PERFORMANCE

Note that the Local Government Municipal Systems Act, 2000 defines a “Service Provider” as person or institution or a combination of persons or institutions which provides a municipal service.

APPENDIX J : DISCLOSURE OF FINANCIAL INTEREST

The following Senior Managers completed the prescribed declaration of interest for the 2020/21 year:

NAME	POSITION
C du Plessis	Municipal Manager
R Lorgat	Chief Financial Officer (Director Finance)
N Machelesi	Director: Community Services
K Moodley	Director: Corporate Services
V Felton	Director: Infrastructure and Engineering
F Mabusela	Director: Planning, Development and Tourism

APPENDIX K : REVENUE COLLECTION PERFORMANCE**APPENDIX K(i) : REVENUE BY VOTE**

Revenue by Vote	Actuals	
	2021	2020
Vote Description	R	R
Executive and Council	867 407	46 170
Finance	328 986 317	346 437 433
Corporate Services	1 987 919	1 281 555
Planning, Development and Tourism	4 586 416	3 490 090
Infrastructure and Engineering	501 062 163	501 741 643
Community Services	96 379 398	75 604 429
Total Revenue by Vote	933 869 621	928 601 321

APPENDIX k(ii) : REVENUE BY SOURCES (Refer to AFS P6)

Item Description	Actual	
	2021	2020
	R	R
Revenue by Source		
Property Rates	210 204 642	196 958 729
Fines, Penalties and Forfeits	3 308 089	2 125 071
Licences and Permits	10 227 056	8 814 675
Transfers and Subsidies	213 768 324	261 080 764
Interest, Dividends and Rent on Land Earned – Non-Exchange	1 700 447	1 649 323
Service Charges	469 218 623	421 132 190
Sales of Goods and Rendering of Services	8 159 247	11 110 886
Rental from Fixed Assets	2 346 673	697 437
Interest, Dividends and Rent on Land Earned – Exchange	12 473 289	19 113 720
Operational Revenue	1 051 658	3 666 703
Total Revenue by Source	933 869 621	928 601 321

APPENDIX L : CONDITIONAL GRANT EXPENDITURE (EXCL MIG) (Refer to AFS Note 23 P78-80)

Name of Grant	Amount Received	Amount Spent
	R	R
FMG	1 500 000	1 500 000
INEP	5 200 000	5 200 000
EPWP Incentive Grant	1 054 000	1 054 000
Total	7 754 000	7 754 000

APPENDIX M : CAPITAL EXPENDITURE (Refer to AFS Note 23 P79)

Project Name	Actual Expenditure As at 30 June 2021	Funding Source
Patensie Sewage Package Plant	9 233 541	MIG
Upgrade Sanitation System Old Hankey	12 203 660	MIG
Upgrading of Gravel Roads in Humansdorp	1 999 917	MIG
Upgrading of Kwanomzamo Sports Facility	5 557 216	MIG
Upgrading of Sports Facilities	3 841 631	MIG
Mini Fresh Food and Craft Markets in Jbay & Hankey	418 213	MIG
	33 254 178	

Description	Actual	
	2021	2020
	R	R
CAPITAL EXPENDITURE BY VOTE		
Executive & Council	273 558	591 195
Financial Services	872 226	5 506 628
Corporate Services	3 247 435	648 161
Planning, Development and Tourism	1 025 822	1 777 636
Infrastructure & Engineering	47 239 029	119 499 332
Community Services	7 701 040	16 812 146
Total Capital Expenditure	60 359 110	144 835 098

APPENDIX N : CAPITAL PROGRAM BY PROJECT

DIRECTORATES	DEPARTMENT	FUNDING	PROJECTS	PROJECT NR	Approved Adjusted Budget 2021/22	YTD Actuals
COMMUNITY SERVICES	FIRE SERVICES	Distr	Fire Vehicle	FT911	1 600 000	1 298 946
COMMUNITY SERVICES	PARKS AND OPEN SPACES	Internal	SX Trailies	101782	200 000	-
COMMUNITY SERVICES	Envornmental Management Fee	Internal	Kouga Skip Bins	CP4_EMF	200 000	-
COMMUNITY SERVICES	Protection Services	Internal	Machinery and Equipment (Security Cameras System)	PC_1004	1 200 000	203 691
COMMUNITY SERVICES	LAW ENFORCEMENT	Internal	Machinery and Equipment (Generator)	1011113	230 000	-
COMMUNITY SERVICES	Parks & Open Space	Internal	Machinery and Equipment	PC_1003	80 000	17 565
COMMUNITY SERVICES	LAW ENFORCEMENT	Internal	Machinery and Equipment (Radio communication) -	1011115	150 000	-
COMMUNITY SERVICES	LAW ENFORCEMENT	Internal	Roads Marking Machinery and Equipment	1011117	150 000	-
COMMUNITY SERVICES	Sport & Recreation	Internal	Furniture and Equipment	CP_9	200 000	-
COMMUNITY SERVICES	LAW ENFORCEMENT	Internal	Playdetector (Machinery and Equipment)	1011111	200 000	155 000
COMMUNITY SERVICES	LAW ENFORCEMENT	Internal	Machinery and Equipment (Quardbike)	1011114	150 000	95 598
COMMUNITY SERVICES	Fire Services	Internal	Fencing Humansdorp Fire Station	CP1_FS	600 000	467 754
COMMUNITY SERVICES	LAW ENFORCEMENT	Internal	Furniture and Equipment - Operations room	1011112	180 000	17 197
COMMUNITY SERVICES	SPORT & RECREATION	Internal	Fencing Sport and Recreational Facilities	1011118	1 500 000	354 609
COMMUNITY SERVICES	Fire Services	Internal	Vehicle	CP_23	565 000	-
COMMUNITY SERVICES	Beach	Internal	Upgrading of Pellrsrus, Kabeljous, Cape St Francis	PC_A001	100 000	-
COMMUNITY SERVICES	LAW ENFORCEMENT	Internal	Computer Equipment - Operatons Room	1011116	80 000	23 400
COMMUNITY SERVICES	ENVIRONMENTAL MANAGEMENT	Internal	Machinery and Equipment	PC_1002	99 999	33 689
COMMUNITY SERVICES	CEMETERIES	Internal	Ablution Facilities New	1011104	570 000	-
					8 054 999	2 667 449
CORPORATE SERVICES	Corporate Services	Internal	Computer Software and Applications	CP_60	237 000	-
CORPORATE SERVICES	Corporate Services	Internal	Fencing of municipal building	PC_1023	629 206	419 400
CORPORATE SERVICES	ADMINISTRATION SERVICES	Internal	Bio-metric System	CP_CPS1	800 000	-
CORPORATE SERVICES	Corporate Services	Internal	EDMS	PC_201	166 954	-
CORPORATE SERVICES	Corporate Services	Internal	Furniture and Equipment	CP_9	150 000	21 498
CORPORATE SERVICES	Skills Development	Internal	Computer Equipment	CP_4	33 343	21 501
CORPORATE SERVICES	Corporate Services	Internal	Computer Equipment	CP_4	100 000	87 477
CORPORATE SERVICES	ADMINISTRATION SERVICES	Internal	Furniture and Equipment	CP_9	30 000	-
					2 146 503	549 875

DIRECTORATES	DEPARTMENT	FUNDING	PROJECTS	PROJECT NR	Approved Adjusted Budget 2021/22	YTD Actuals
EXECUTIVE & COUNCIL	MAYOR	Internal	Furniture and Equipment - Municipal Court	0803217	100 000	-
EXECUTIVE & COUNCIL	Council	Internal	Furniture and Equipment	CP_9	100 000	54 475
EXECUTIVE & COUNCIL	Council	Internal	Computer Equipment	CP_4	120 000	-
EXECUTIVE & COUNCIL	MAYORAL COMMITTEE	Internal	Furniture and Equipment - Ward Councillors Offices	1011101	150 000	-
EXECUTIVE & COUNCIL	MAYORAL COMMITTEE	Internal	Computer Equipment	CP_4	130 000	-
EXECUTIVE & COUNCIL	MAYOR	Internal	Electronic and Computer Equipment	1011120	200 000	-
EXECUTIVE & COUNCIL	MAYOR	Internal	Vehicle	CP_23	1 200 000	500 000
EXECUTIVE & COUNCIL	MUNICIPAL MANAGER	Internal	Computer Equipment	CP_4	120 000	61 607
EXECUTIVE & COUNCIL	MAYOR	Internal	PA system/Data projector/Screens/Sound	1011102	70 000	-
EXECUTIVE & COUNCIL	WARD COUNCILLORS	Internal	Ward councilors Capital project	PC_65	750 000	125 056
EXECUTIVE & COUNCIL	WARD COUNCILLORS	Internal	Computer Equipment	CP_4	500 000	105 627
					3 440 000	846 766
FINANCE	ASSET MANAGEMENT	Internal	Single Cap Bakkie for stock verification	101773	300 000	-
FINANCE	SCM	Internal	Machinery and Equipment	PC_1003	250 000	12 700
FINANCE	ASSET MANAGEMENT	Internal	Office Equipment	101771	7 000	5 998
FINANCE	ASSET MANAGEMENT	Internal	Office Equipment	101772	12 000	-
FINANCE	REVENUE	Internal	2 Single Cab Bakkie	0803219	600 000	451 382
FINANCE	EXPENDITURE	Internal	Big eye-line printer	101774	200 000	-
FINANCE	Finance: IT	Internal	Furniture and Equipment	CP_9	141 005	67 572
FINANCE	Finance: IT	Internal	Cibex Software	CP_075	600 000	-
FINANCE	Finance: IT	Internal	Computer Equipment	CP_4	914 244	142 625
FINANCE	Finance: IT	Internal	WIFI Solution	PC_017	100 000	46 141
FINANCE	Finance: IT	Internal	Network Upgrade	CP_2241	250 000	-
					3 374 249	726 418

DIRECTORATES	DEPARTMENT	FUNDING	PROJECTS	PROJECT NR	Approved Adjusted Budget 2021/22	YTD Actuals
INFRASTRUCTURE & ENGINEERING	Electricity	Internal	Saffery Substation	CP7_ELC	1 000 000	860 401
INFRASTRUCTURE & ENGINEERING	Water	Internal	Replace 250mm Water Main Canal Road St Francis Bay	CP7_WAT	163 000	51 536
INFRASTRUCTURE & ENGINEERING	Water	Internal	Repair Leaking Concrete Water Tower Paradise Beach	CP_4WAT	310 000	55 132
INFRASTRUCTURE & ENGINEERING	Water	Internal	Replace Main Waterline Sout Rivier Bridge Crossing	CP5_WAT	295 000	123 777
INFRASTRUCTURE & ENGINEERING	Water	Internal	Replace 250mm Water Main Mimosa Street Jbay	CP6_WAT	104 000	53 803
INFRASTRUCTURE & ENGINEERING	Sewerage	Internal	New bypass Sewer Rising Main and Pump Stations Jbay	CP5_SW	992 000	91 472
INFRASTRUCTURE & ENGINEERING	Sewerage	Internal	Upgrade Sewer Rising Mains Jbay (La Mer-4A-4B) Pre	CP4_SW	326 000	67 139
INFRASTRUCTURE & ENGINEERING	WATER	Internal	Connect 4 x drilled boreholes to treatment works	I&E002	11 356 000	2 233 986
INFRASTRUCTURE & ENGINEERING	WATER	Internal	Connect up 3 x boreholes Soetkloof Hankey	I&E001	2 875 000	-
INFRASTRUCTURE & ENGINEERING	Sewerage	Internal	Piped Reticulation - St Francis Bay	CP7_SEW	295 000	104 848
INFRASTRUCTURE & ENGINEERING	Water	Internal	Machinery & Equipment	CP_10SW	180 000	-
INFRASTRUCTURE & ENGINEERING	METERING & REVENUE	Internal	Bulk 66kv Overhead lines	CP66KV	2 147 319	984 985
INFRASTRUCTURE & ENGINEERING	Sewerage	MIG	Upgrade Sanitation System Old Hankey	PC_012	15 298 845	3 780 942
INFRASTRUCTURE & ENGINEERING	METERING & REVENUE	INEP	Ocean View Electrification	ELEC711	6 782 609	5 079 012
INFRASTRUCTURE & ENGINEERING	Sewerage	Internal	Upgrade Loerie sewer pump station	CP_2SW	147 000	26 964
INFRASTRUCTURE & ENGINEERING	Public Works	MIG	Upgrading of Gravel Roads in Humansdorp	PC_075	14 234 651	7 442 433
INFRASTRUCTURE & ENGINEERING	PROJECT MANAGEMENT UNIT (PMU)	MIG	Mini Fresh Food and Craft Markets in Jbay & Hankey		838 062	-
INFRASTRUCTURE & ENGINEERING	PROJECT MANAGEMENT UNIT (PMU)	Internal	Mini Fresh Food and Craft Markets in Jbay & Hankey	CP_369	400 000	249 526
INFRASTRUCTURE & ENGINEERING	Mig Administration Unit	MIG	Upgrading of Sports Facilities	CP_74	3 193 400	-
INFRASTRUCTURE & ENGINEERING	SEWERAGE	Internal	Construct emergency overflow pond Koraal Sewer	CP_3SW	100 000	-
					61 037 886	21 205 955
PLANNING, DEVELOPMENT & TOURISM	Planning & Development	Internal	Computer Software and Applications	CP_60	220 000	145 698
PLANNING, DEVELOPMENT & TOURISM	Planning & Development	Internal	Furniture and equipment	CP_54	300 000	-
PLANNING, DEVELOPMENT & TOURISM	LOCAL ECONOMIC DEVELOPMENT		Computer Equipment	CP_4	83 898	77 971
PLANNING, DEVELOPMENT & TOURISM	Economic Development: Tourism	Internal	Restoration of Fisherman Grave Site	CP2_EDT	150 000	-
PLANNING, DEVELOPMENT & TOURISM	LAND & PROPERTY ADMINISTRATION	Internal	Furniture and equipment	CP_54	451 528	163 598
PLANNING, DEVELOPMENT & TOURISM	LAND & PROPERTY ADMINISTRATION	Internal	Computer Equipment	CP_4	100 000	-
PLANNING, DEVELOPMENT & TOURISM	LOCAL ECONOMIC DEVELOPMENT	Internal	Kouga Business Support Centre	CP1_EDB	600 000	-
					1 905 426	387 266
					79 959 063	26 383 730

APPENDIX O : CAPITAL PROJECT BY WARD

DEPARTMENT	PROJECT DESCRIPTION	WARD NR	FUNDING SOURCE	Approved Adjusted Budget 2020/21	Actuals as at 30 June 2021
Housing Services	Vehicles	Kouga	Internal	400 000.0	339 886
Fire Services	Vehicle	Kouga	Internal	435 061.0	435 061
Fire Services	Vehicle	Kouga	Distrct	5 118 200.0	5 713 312
Sewerage	Fencing Kruisfontein Wastewater Treatment Plant	Ward 4	Internal	800 000.0	901 674
Electricity	New overhead lines 66kv overhead lines (Jbay to Melkhout)	Kouga	Internal	3 043 086.0	4 908 703
Electricity	Electrical supply of tri switches St francis Bay	Ward 1\12	Internal	200 000.0	199 660
Environmental Management Fee	Kouga Skip Bins	Kouga	Internal	200 000.0	159 478
Electricity	Machinery & Equipment	Kouga	Internal	150 000.0	143 781
Electricity	Electrical Mini substation 22 000/11000/400 St Fr	Ward 12	Internal	485 935.0	422 552
Electricity	Electrical Oil circuit breakers replacement with v	Ward11	Internal	740 000.0	604 819
Electricity	Electrical Supply auto recloser St Francis Bay	Ward 12	Internal	285 000.0	285 000
Electricity	Electrical 5 MV 22000/11000 transformer	Ward14	Internal	1 222 570.0	1 222 570
Sewerage	Patensie Sewage Package Plant	Ward 13	MIG	8 353 038.0	8 401 619
Electricity	Kouga Backup Generators	Kouga	Internal	730 000.0	764 486
Sewerage	Upgrade Sanitation System Old Hankey	Ward 13	MIG	12 484 841.0	10 294 303
Parks & Open Space	Machinery and Equipment	Kouga	Internal	575 200.0	592 382
Fire Services	Fencing Humansdorp Fire Station		Internal	200 000.0	168 818
Corporate Services	Fencing of municipal building		Internal	469 309.0	843 693
Electricity	Fencing Main Substation Jeffrey's Bay	Ward 11	Internal	500 000.0	373 360
Caravan Parks	Fencing Community Hall	Ward 9	Internal	200 000.0	138 981
Sewerage	Upgrading Kwa Nomzamo Wastewater Treatment Works	Ward 6	WSIG	5 926 679.0	5 926 679
Mig Administration Unit	Upgrading of Kwa Nomzamo Sports Facility	Ward 6	MIG	5 087 154.0	4 832 362
Mig Administration Unit	Upgrading of Sports Facilities	Ward 1 & 7	MIG	5 682 636.0	7 482 299
Electricity	High Mast Lights	Ward 2\ 14	Internal	903 430.0	1 508 068

APPENDIX P : SERVICE DELIVERY BACKLOG AT SCHOOLS AND CLINICS

DEPARTMENT	PROJECT DESCRIPTION
Department of Education	<ul style="list-style-type: none"> • Overcrowding at all Kouga Schools • Need for Kouga FET College • Future use of unused (2) school sites in Jeffreys Bay
Department of Health	<ul style="list-style-type: none"> • Staffing of clinics in Ward 1,2, 4, 5, 9, 13 &14 • New clinics or extension to existing ones in ward 2 & 6 • Mobile more clinics in ward 4 (Kruisfontein and Die Berg) & ward 14

APPENDIX Q : SERVICE DELIVERY BACKLOGS WHERE OTHER SPHERES OF GOVERNMENT IS RESPONSIBLE FOR SERVICE DELIVERY

The following needs or actions required from Sector Departments were identified during the IDP development process. The municipality will, during IGR and the District Representative Forum engagements, regularly follow-up on these matters in order to provide feedback on possible actions to communities.

DEPARTMENT	PROJECT DESCRIPTION
Department of Agriculture	<ul style="list-style-type: none"> • Support and education to emerging farmers • Access to water • Supply of plant and equipment • Release and or lease of state and municipal land for commonage and emergency farming
Department of Community Safety/SAPS	<ul style="list-style-type: none"> • Satellite police station for Ward 1 • Collaboration with municipal law enforcement to maximise safety in wards • Gangsterism at schools and townships • Involvement of SA Army • Establishment of community police forums • Enforcement of non-compliance of liquor on and off consumption in townships
Department of Education	<ul style="list-style-type: none"> • Overcrowding at all Kouga Schools • Need for Kouga FET College • Future use of unused (2) school sites in Jeffreys Bay
Department of Sports, Arts and Culture	<ul style="list-style-type: none"> • Maintenance of sports fields (Backlogs) and new facility for cricket in ward 4 & 5 • Construction of inclusive multi-purpose sports centres in Ward 4, 6, 7 and 14. • Library in Andrieskraal, Ward 1,10 & 14 • Wi-fi for all libraries
Department of Health	<ul style="list-style-type: none"> • Staffing of clinics in Ward 1,2, 4, 5, 9, 13 &14 • New clinics or extension to existing ones in ward 2 & 6 • Mobile more clinics in ward 4 (Kruisfontein and Die Berg) & ward 14
Department of Land Reform and Rural Development	<ul style="list-style-type: none"> • Release and or lease of state and municipal land for commonage and emergency farming in ward 1,4,7,9,10 and 14 • Comprehensive rural development programme for Ward 4, 7, 9, 10, 14 • Land for housing for farming community in Andrieskraal (Ward 9 & 10) • Outstanding land claims in Ward 13 and 9

Department of Social Services	<ul style="list-style-type: none"> • Increase social development programmes i.e. drug abuse, alcohol abuse etc in ward 1,2,4,5,6,7,9,13,14 and 15 • Consider building of old age and frail centres for the less privileged communities • Educational programmes to address decrease gr8 and gr12 school leavers
Department of Human Settlement	<ul style="list-style-type: none"> • Consider the housing needs register applications to do allocations in terms of national criteria • Rectification of the RDP houses in Kouga • Rectification of historical mud houses in Ward 13 • Refurbishment of ageing infrastructure of PRE/POST State funded houses • Unlocking of blocked housing projects • Destitute and vulnerable project in ward 2 • Formalisation of informal settlements (NUSP) • Multi-purpose centres and social amenities for all housing projects on provincial database • Release of state land (Papiesfontein)
Department of Environmental Affairs	<ul style="list-style-type: none"> • Recycling projects, campaign and environmental education • Assistance required for Paradise Beach Causeway • Vehicles on demarcated high and low tide beach areas in ward 2 and 14
Department of Transport	<ul style="list-style-type: none"> • Live Capturing Units equipment and staff needed

APPENDIX S : DECLARATION OF SECTION 71 MFMA RETURNS NOT MADE

All MFMA Section 71 returns were submitted within the laid down time frames for the 2020/21 year.

APPENDIX T : NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

No input to provide on information not covered elsewhere in the Annual Report that can be used by National and Provincial Government to monitor and evaluate service delivery performance.

APPENDIX U : ANNUAL FINANCIAL STATEMENTS



**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2021**

KOUGA LOCAL MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

INDEX

The reports and statements set out below comprise the Annual Financial Statements presented to the council:

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KOUGA LOCAL MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

General Information

MEMBERS OF THE EXECUTIVE MAYORAL COMMITTEE AS AT 30 JUNE 2021

H Hendricks	Executive Mayor
T Jantjies	Corporate Service
B Reeder	Planning and Development
B Williams	Finance
W Gertenbach	Infrastructure & Engineering
D Benson	Community Services
F Baxter	Local Economic Development and Tourism

AUDITOR-GENERAL

69 Frere Road, Vincent, East London, 5247
Eastern Cape

BANKERS

First National Bank
Private Bag X5
Jeffreys Bay, 6330

REGISTERED OFFICE

33 Da Gama Road
Jeffreys Bay

P O Box 21
Jeffreys Bay
6330

Tel: (042) 200 2200
Fax: (042) 293 4204

Webpage: www.kouga.gov.za
E-mail: registry@ec108.org.za

MUNICIPAL MANAGER

Mr. C. du Plessis

CHIEF FINANCIAL OFFICER

Mr. R Lorgat

KOUGA LOCAL MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

General Information (Continued)

LEGAL FORM

Category B Municipality which operates in accordance with Chapter 7 of the Constitution of South Africa.

The Objects of Local Government are:

to provide democratic and accountable government for local communities;

to ensure the provision of services to communities in a sustainable manner;

to promote social and economic development;

to promote a safe and healthy environment; and

to encourage the involvement of communities and community organisations in the matters of local government.

The Municipality must strive, within its financial and administrative capacity, to achieve the objects as set out above.

JURISDICTION

Greater Kouga area which includes:

Humansdorp

St Francis Bay, Cape St Francis, Oyster Bay

Hankey, Jeffreys Bay, Loerie

Patensie, Thornhill

KOUGA LOCAL MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

APPROVAL OF ANNUAL FINANCIAL STATEMENTS

MEMBERS OF THE KOUGA LOCAL MUNICIPALITY

WARD	COUNCILLOR	COUNCILLOR
1	Mayoni	Z
2	Dennis	R
3	Gertenbach	W
4	Campher	F
5	Coenraad	W
6	Vumazonke	V
7	Februarie	E
8	Vorster	L
9	Jujwana	S
10	Mabukane	A
11	Bornman	H
12	Rheeder	B
13	Peters	M
14	Makasi	S
15	Hendricks	H
Proportional	August	C
Proportional	Oliphant	P
Proportional	Jantjies	R
Proportional	Dayimani	M
Proportional	Van Niekerk	M
Proportional	Matroos	C
Proportional	Biko	M
Proportional	Nkwalase	P
Proportional	Alexander	J
Proportional	Dhludhlu	B
Proportional	Benson	D
Proportional	Jantjes	T
Proportional	Williams	B
Proportional	Baxter	F

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements, in accordance with Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Office Bearers Act and the Minister for Cooperative Governance and Traditional Affairs' determination in accordance with this Act.



Mr. C du Plessis
Municipal Manager

31 August 2021

Date

KOUGA LOCAL MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

REPORT OF THE AUDITOR GENERAL

- Insert Audit Report -

KOUGA LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2021

	Note	Actual	
		2021 R	2020 Restated R
ASSETS			
Current Assets		206 628 466	291 727 058
Inventories	1.	12 570 366	9 681 236
Receivables from Exchange Transactions	2.	68 813 788	67 929 097
Statutory Receivables from Non-Exchange Transactions	3.	23 992 062	28 004 397
VAT Receivable	4.	47 750 212	44 160 992
Cash and Cash Equivalents	5.	53 394 447	141 777 050
Lease Receivables	9.	107 590	171 287
Long-term Receivables	10.	-	3 000
Non-Current Assets		2 318 642 203	2 340 472 439
Property, Plant and Equipment	6.	2 054 701 795	2 077 137 455
Intangible Assets	7.	1 294 963	679 541
Investment Property	8.	262 645 444	262 645 444
Long-term Receivables	10.	-	10 000
Total Assets		<u>2 525 270 668</u>	<u>2 632 199 497</u>
LIABILITIES			
Current Liabilities		158 802 925	231 048 370
Consumer Deposits	11.	20 774 255	18 075 864
Payables from Exchange Transactions	12.	88 884 733	143 107 331
Payables from Non-exchange Transactions	13.	751 430	235 741
Unspent Conditional Grants and Receipts	14.	6 198 656	26 927 177
Lease Payables	15.	618 501	645 622
Borrowings	16.	6 128 308	8 961 975
Employee Benefit Liabilities	17.	7 872 752	8 316 102
Provisions	18.	27 574 289	24 778 557
Non-Current Liabilities		175 630 699	165 319 291
Lease Payables	15.	-	618 497
Borrowings	16.	-	6 128 314
Employee Benefit Liabilities	17.	101 796 699	86 255 839
Provisions	18.	73 834 000	72 316 640
Total Liabilities		<u>334 433 624</u>	<u>396 367 660</u>
Total Assets and Liabilities		<u>2 190 837 044</u>	<u>2 235 831 837</u>

KOUGA LOCAL MUNICIPALITY

NET ASSETS

Accumulated Surplus / (Deficit)

	<u>2 190 837 044</u>	<u>2 235 831 837</u>		
19.	<table border="1"><tr><td>2 190 837 044</td></tr></table>	2 190 837 044	<table border="1"><tr><td>2 235 831 837</td></tr></table>	2 235 831 837
2 190 837 044				
2 235 831 837				

Total Net Assets

<u>2 190 837 044</u>	<u>2 235 831 837</u>
----------------------	----------------------

KOUGA LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021

	Note	Actual	
		2021	2020
		R	Restated R
REVENUE			
Revenue from Non-exchange Transactions		439 208 558	470 628 562
Property Rates	20.	210 204 642	196 958 729
Fines, Penalties and Forfeits	21.	3 308 089	2 125 071
Licences and Permits	22.	10 227 056	8 814 675
Transfers and Subsidies	23.	213 768 324	261 080 764
Interest, Dividends and Rent on Land Earned	28.	1 700 447	1 649 323
Revenue from Exchange Transactions		494 661 063	457 972 760
Service Charges	24.	469 218 623	421 132 190
Sales of Goods and Rendering of Services	25.	8 159 247	11 110 886
Rental from Fixed Assets	27.	2 346 673	697 437
Interest, Dividends and Rent on Land Earned	28.	12 473 289	19 113 720
Operational Revenue	29.	1 051 658	3 666 703
TOTAL REVENUE		<u>933 869 621</u>	<u>928 601 321</u>
EXPENDITURE			
		978 842 773	902 792 776
Employee Related Costs	30.	335 334 005	293 708 033
Remuneration of Councillors	31.	12 780 365	12 876 077
Depreciation and Amortisation	32.	80 852 216	76 933 561
Impairment Losses	33.	31 494 818	55 236 859
Interest, Dividends and Rent on Land	34.	3 094 292	5 714 358
Bulk Purchases	35.	254 057 835	231 511 535
Contracted Services	36.	95 785 476	70 860 223
Inventory Consumed	37.	71 674 858	73 143 260
Transfers and Subsidies Paid	38.	761 000	570 000
Operating Leases	39.	6 550 963	6 699 738
Operational Costs	40.	84 467 479	73 821 561
Loss on Disposal of Property, Plant and Equipment	41.	1 989 467	1 717 571
Total Expenditure		<u>978 842 773</u>	<u>902 792 776</u>
SURPLUS / (DEFICIT) FOR THE YEAR		<u>(44 973 152)</u>	<u>25 808 545</u>

Refer to Budget Statement for explanation of budget variances

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

	Accumulated Surplus/ (Deficit)	Total Net Assets
	R	R
2020		
Balance at 30 June 2019	2 184 817 728	2 184 817 728
Correction of Error (Note 43)	25 205 565	25 205 565
Restated Balance	2 210 023 293	2 210 023 293
Surplus / (Deficit) for the year	25 808 545	25 808 545
<i>Surplus / (Deficit) as per prior 2018/19 AFS</i>	<i>25 515 155</i>	<i>25 515 155</i>
<i>Revenue & Expenditure Correction of Error (Note 43.)</i>	<i>293 390</i>	<i>293 390</i>
Balance at 30 June 2020	2 235 831 838	2 235 831 838
		1.00
2021		
Correction of Error (Note 43)	-	-
Restated Balance	2 235 831 838	2 235 831 838
Surplus / (Deficit) for the year	(44 973 152)	(44 973 152)
Correction of Error (Note 43)	(21 642)	(21 642)
Balance at 30 June 2021	2 190 837 044	2 190 837 044

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	Actual 2021 R	2020 Restated R
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Property Rates	20.	208 762 882	191 428 034
Transfers and Subsidies	23.	193 039 803	184 562 393
Service Charges	24.	437 835 551	349 641 285
External Interest and Dividends Received	28.	4 192 018	12 186 915
Other Receipts	29.	26 690 555	44 339 534
VAT Received	4.	-	2 634 901
Payments			
Employee Related Costs	30.	(317 988 180)	(297 298 549)
Remuneration of Councillors	31.	(12 780 365)	(12 876 077)
External Interest and Dividends Paid	34.	(1 425 286)	(1 982 922)
Suppliers Paid	37.	(481 748 259)	(315 284 983)
Other Payments	40.	(70 573 464)	(82 925 710)
VAT Paid	4.	(3 589 220)	
NET CASH FLOWS FROM OPERATING ACTIVITIES	44.	<u>(17 583 966)</u>	<u>74 424 821</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment	6.	(60 284 470)	(137 558 877)
Purchase of Intangible Assets	7.	<u>(976 994)</u>	<u>(552 742)</u>
Purchase of Investment Property	8.	-	-
Proceeds / (Payments) on Disposal of Property, Plant and Equipment	6.	57 425	-
Decrease / (Increase) in Long-term Receivables	10.	13 000	3 000
NET CASH FLOWS FROM INVESTING ACTIVITIES		<u>(61 191 039)</u>	<u>(138 108 620)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease in Finance Leases (Leases Paid)	15.	<u>(645 618)</u>	<u>(1 067 666)</u>
Decrease in Borrowings (Loans Repaid)	16.	<u>141 777 050</u> <u>(8 961 981)</u> <u>53 394 447</u>	<u>214 527 388</u> <u>(7 998 873)</u> <u>141 777 050</u>
NET CASH FLOWS FROM FINANCING ACTIVITIES		<u>(9 607 598)</u>	<u>(9 066 540)</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS			
Cash and Cash Equivalents at Beginning of Period	5.		

Cash and Cash Equivalents at End of Period

5.

KOUGA LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2021

30 June 2021

Description	Original Budget	Budget Adjustments	Adjustment Budget	Final Budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget
	R	R	R	R	R	R	R	R
FINANCIAL POSITION								
Current Assets								
Inventories	9 249 358	(450 914)	8 798 444	8 798 444	12 570 366	3 771 922	142.87	135.91
Receivables from Exchange Transactions	81 061 058	-	67 393 998	67 393 998	68 813 788	1 419 790	102.11	84.89
Statutory Receivables from Non-Exchange Transactions	-	41 014 365	41 014 365	41 014 365	23 992 062	(17 022 303)	58.50	0.00
VAT Receivable	-	-	-	-	47 750 212	47 750 212	0.00	0.00
Cash and Cash Equivalents	47 098 521	42 963 166	90 061 687	90 061 687	53 394 447	(36 667 240)	59.29	113.37
Operating Lease Receivables	-	-	-	-	107 590	107 590	0.00	0.00
Current Portion of Long-term Receivables	-	3 000	3 000	3 000	-	(3 000)	0.00	0.00
Non-Current Assets								
Property, Plant and Equipment	1 985 074 554	89 418 692	2 074 493 246	2 074 493 246	2 054 701 795	(19 791 451)	99.05	103.51
Intangible Assets	1 608 305	68 275	1 676 580	1 676 580	1 294 963	(381 617)	77.24	80.52
Investment Property	242 551 944	-	242 551 944	242 551 944	262 645 444	20 093 500	108.28	108.28
Long-term Receivables	13 000	-	13 000	13 000	-	(13 000)	0.00	0.00
Total Assets	2 366 656 740	173 016 584	2 526 006 264	2 526 006 264	2 525 270 668	(735 596)	99.97	106.70
Current Liabilities								
Consumer Deposits	17 378 122	-	17 378 122	17 378 122	20 774 255	3 396 133	119.54	119.54
Provisions	-	29 648 800	29 648 800	29 648 800	27 574 289	(2 074 511)	93.00	0.00
Payables from Exchange Transactions	-	183 464 088	183 464 088	183 464 088	88 884 733	(94 579 355)	48.45	0.00
Payables from Non-exchange Transactions	-	-	-	-	751 430	751 430	0.00	0.00
Unspent Conditional Grants and Receipts	-	-	-	-	6 198 656	6 198 656	0.00	0.00
Current Portion of Long-term Liabilities	-	6 747 000	6 747 000	6 747 000	6 128 308	(618 692)	90.83	0.00
Non-Current Liabilities								
Long-term Liabilities	-	-	-	-	-	-	0.00	0.00
Employee Benefit Liabilities	-	91 128 181	91 128 181	91 128 181	101 796 699	10 668 518	111.71	0.00
Non-current Provisions	-	72 316 640	72 316 640	72 316 640	73 834 000	1 517 360	102.10	0.00
Total Liabilities	17 378 122	383 304 709	400 682 831	400 682 831	325 942 371	(74 740 460)	81.35	1 875.59
Total Assets and Liabilities	2 349 278 618	(210 288 125)	2 125 323 433	2 125 323 433	2 199 328 298	74 004 865	103.48	93.62
Net Assets (Equity)								
Accumulated Surplus / (Deficit)	2 050 784 683	74 538 750	2 125 323 433	2 125 323 433	2 190 837 044	65 513 611	103.08	106.83
Total Net Assets	2 050 784 683	74 538 750	2 125 323 433	2 125 323 433	2 190 837 044	65 513 611	103.08	106.83

KOUGA LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2021

Financial Position: Explanation of Variances between Approved Budget and Actual

Reasons for Variances greater than 10% between Approved Budget and Actual Amount on the various items disclosed in the Statement of Financial Position are explained below:

Inventories

The variance is due to slightly lower than anticipated materials and supplies withdrawal from municipal stores.

Receivables from Exchange Transactions:

The Receivables from Exchange Transactions budgeted amount include an amount for VAT Receivable. NT Budget Schedules not aligned to GRAP an

Receivables from Non-exchange Transactions

Receivables from Non-exchange Transactions mostly related to Property Rates and traffic fines debtors and they have been reclassified as Statutory Receivables from Non-exchange Transactions in line with GRAP108. No budget provision was made for Traffic fines' bad debt.

Statutory Receivables from Non-Exchange Transactions

NT Budget Template not aligned to GRAP and does not provide for Statutory Receivables from Non-Exchange Transaction, but the variance is explained in terms of Receivables from Non-exchange Transactions.

VAT Receivable:

VAT Receivable budget provision was included in Receivables from Exchange Transactions in line with NT Budget Schedules.

Cash and Cash Equivalents:

The Cash and Cash Equivalents is influenced by the lower than anticipated Payables from Exchange Transactions.

Operating Lease Receivables:

Budget provision for Operating Lease Receivables was made in Receivables from Exchange Transactions in line with NT Budget Schedules.

Long-term Receivables:

Budget provision slightly higher than anticipated.

Consumer Deposits:

Consumer deposits are influenced by deposits made in relation to electricity and water connection requests. The budget provision is slightly lower than

Payables from Exchange Transactions:

The Payables from Exchange Transactions are influenced by the available cash for the processing of payments. The actuals are lower than anticipate

Payables from Non-exchange Transactions:

Budget provision for Payables from Non-exchange transactions is made in Payables from Exchange Transactions in line with the NT budget schedules

Unspent Conditional Grants and Receipts:

No budget provision is allowed for the Unspent Conditional Grants, unless a rollover has been approved by National Treasury.

Current Portion of Long-term Liabilities:

Budget provision slightly higher than anticipated.

Employee Benefit Liabilities:

Actuals are slightly higher than the budgeted amount.

KOUGA LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2021

30 June 2021

Description	Original Budget	Budget Adjustments	Adjustment Budget	Final Budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget
	R	R	R	R	R	R	R	R
FINANCIAL PERFORMANCE								
Revenue from Non-exchange Transactions								
Property Rates	205 650 016	2 151 343	207 801 359	207 801 359	210 204 642	2 403 283	101.16	102.21
Fines, Penalties and Forfeits	6 685 020	4 535 452	2 149 568	2 149 568	3 308 089	1 158 521	153.90	49.49
Licences and Permits	20 713 803	4 017 876	24 731 679	24 731 679	20 454 111	4 277 568	82.70	98.75
Transfers and Subsidies	183 968 100	36 363 229	220 331 329	220 331 329	213 768 324	6 563 005	97.02	116.20
Surcharges and Taxes	-	1	1	1	-	1	0.00	0.00
Interest, Dividends and Rent on Land Earned	1 348 714	-	1 348 714	1 348 714	1 700 447	351 733	126.08	126.08
Revenue from Exchange Transactions								
Service Charges	481 715 540	1 845 455	483 560 995	483 560 995	469 218 623	14 342 372	97.03	97.41
Sales of Goods and Rendering of Services	6 421 743	599 756	5 821 987	5 821 987	8 159 247	2 337 260	140.15	127.06
Rental from Fixed Assets	4 082 693	2 960 194	1 122 499	1 122 499	2 346 673	1 224 174	209.06	57.48
Interest, Dividends and Rent on Land Earned	18 657 263	4 200 463	14 456 800	14 456 800	12 473 289	1 983 511	86.28	66.85
Operational Revenue	15 118 646	1	15 118 645	15 118 645	1 051 658	14 066 987	6.96	6.96
Total Revenue	944 361 538	32 082 036	976 443 574	976 443 574	944 096 677	32 346 897	96.69	99.97
Expenditure								
Employee Related Costs	336 973 762	11 755 609	348 729 371	348 729 371	335 334 005	13 395 366	96.16	99.51
Remuneration of Councillors	13 650 824	-	13 650 824	13 650 824	12 780 365	870 459	93.62	93.62
Depreciation and Amortisation	89 270 585	204 701	89 065 884	89 065 884	80 852 216	8 213 668	90.78	90.57
Impairment Losses	89 572 520	19 410 948	70 161 572	70 161 572	31 494 818	38 666 754	44.89	35.16
Interest, Dividends and Rent on Land	1 387 823	1	1 387 824	1 387 824	3 094 292	1 706 468	222.96	222.96
Bulk Purchases	279 743 740	33 570 286	246 173 454	246 173 454	254 057 835	7 884 381	103.20	90.82
Contracted Services	60 351 644	32 872 976	93 224 620	93 224 620	95 785 476	2 560 856	102.75	158.71
Inventory Consumed	26 058 651	35 598 304	61 656 955	61 656 955	71 674 858	10 017 903	116.25	275.05
Transfers and Subsidies Paid	761 250	-	761 250	761 250	761 000	250	99.97	99.97
Operating Leases	11 248 921	2 965 800	8 283 121	8 283 121	6 550 963	1 732 158	79.09	58.24
Operational Costs	87 322 118	17 940 357	105 262 475	105 262 475	84 467 479	20 794 996	80.24	96.73
Loss on Disposal of Property, Plant and Equipment	-	-	-	-	1 989 467	1 843 760	0.00	0.00
Total Expenditure	996 341 838	42 015 512	1 038 357 350	1 038 357 350	978 842 773	59 660 285	94.27	98.24
Surplus/(Deficit for the Year)	(51 980 300)	(9 933 476)	(61 913 776)	(61 913 776)	(34 746 096)	27 313 387	-	-
					10 227 056			

KOUGA LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2021

Financial Performance: Explanation of Variances between Approved Budget and Actual

Reasons for Variances greater than 10% between Approved Budget and Actual Amount on the various items disclosed in the Statement of Financial Performance are explained below:

Fines, Penalties and Forfeits:

Fines mostly relate to the traffic fines and arise from unanticipated traffic infringements.

Licences and Permits Non-exchange:

Licences and Permits mostly relate to motor registrations and is influenced by the extent of vehicle registrations. The licences and Permits budget provision is higher than anticipated.

Transfers and Subsidies:

Transfers and Subsidies recognised are higher than the budgeted amount, due to the rollover of the Water Services Infrastructure Grant from 2018/19 financial year.

Interest, Dividends and Rent on Land Earned: Non-Exchange

This relates to the interest earned on the outstanding Property Rates Accounts. The interest realised is slightly lower than anticipated.

Licences and Permits Exchange:

The budget is slightly higher than anticipated.

Sales of Goods and Rendering of Services:

Sales of Goods and Rendering of Services actuals are lower than anticipated and influenced by the lower than anticipated legal fees recovered from ou

Rental from Fixed Assets:

This relates to the rental of municipal buildings, community halls and other municipal facilities. The revenue is influenced by the extent of rental agreem

Interest, Dividends and Rent on Land Earned: Exchange Transactions

This interest relates to interest earned on bank and investments and interest charged on outstanding debtors. The actuals are slightly lower than anticip

Operational Revenue:

This relates to the various operating revenue, such as insurance refunds, sale of municipal land and building related fees. The revenue is influenced by

Depreciation and Amortisation:

Budget provision is slightly higher than anticipated.

Impairment Losses:

The variance is due to traffic fines bad debt provision not budgeted for.

Inventory Consumed

Inventory Consumed is influenced by the higher than anticipated bulk water purchases/water consumption.

Operating Leases

The operating leases actuals are slightly lower than anticipated.

Loss on Disposal of Property, Plant and Equipment:

No budget provision was made for loss on Disposal of Property, Plant and Equipment

KOUGA LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2021

30 June 2021

Description	Original Budget	Budget Adjustments	Adjustment Budget	Final Budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget
	R	R	R	R	R	R	R	R
CAPITAL EXPENDITURE PER VOTE								
Corporate Services	2 385 918	-	2 385 918	2 385 918	3 247 435	861 517	136.11	136.11
Executive and Council	1 389 581	-	1 389 581	1 389 581	273 558	(1 116 023)	19.69	19.69
Financial Services	2 865 212	-	2 865 212	2 865 212	872 226	(1 992 986)	30.44	30.44
Infrastructure and Engineering	67 685 203	-	67 685 203	67 685 203	47 239 029	(20 446 174)	69.79	69.79
Planning, Development and Tourism	2 088 477	-	2 088 477	2 088 477	1 025 822	(1 062 655)	49.12	49.12
Community Services	8 306 678	-	8 306 678	8 306 678	7 701 040	(605 638)	92.71	92.71
Total Capital Expenditure	84 721 069	-	84 721 069	84 721 069	60 359 110	(24 361 959)	397.86	397.86

Capital Expenditure per Vote: Explanation of Variances between Approved Budget and Actual

Reasons for Variances greater than 10% between Approved Budget and Actual Amount on the various items for Capital Expenditure per Vote are explained below:

Corporate Services:

Savings realised on capital items budgeted for and not procured.

Executive and Council:

Savings realised on capital items budgeted for and not procured.

Financial Services:

Savings realised on capital items budgeted for and not procured.

Infrastructure and Engineering:

Savings realised on capital items budgeted for and not procured.

Planning, Development and Tourism:

Savings realised on capital items budgeted for and not procured.

Community Services:

Savings realised on capital items budgeted for and not procured.

KOUGA LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2021

30 June 2021

Description	Original Budget	Budget Adjustments	Adjustment Budget	Final Budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget
	R	R	R	R	R	R	R	R
CASH FLOW								
Cash Flows from/(used in) Operating Activities								
Receipts								
Property Rates	174 802 514	12 218 709	187 021 223	187 021 223	208 762 882	21 741 659	111.63	119.43
Transfers and Subsidies	183 968 100	19 901 548	203 869 648	203 869 648	193 039 803	(10 829 845)	94.69	104.93
Service Charges	424 039 444	11 165 452	435 204 896	435 204 896	437 835 551	2 630 655	100.60	103.25
External Interest and Dividends Received	18 957 054	(4 176 878)	14 780 176	14 780 176	4 192 018	(10 588 158)	28.36	22.11
Other Receipts	53 021 904	(4 077 525)	48 944 379	48 944 379	26 690 555	(22 253 824)	54.53	50.34
VAT Receivable / Payable	-	-	-	-	-	-	0.00	0.00
Payments								
Employee Related Costs	(336 973 762)	(11 755 600)	(348 729 362)	(348 729 362)	(317 988 180)	30 741 182	0.00	0.00
Remuneration of Councillors	(13 650 824)	-	(13 650 824)	(13 650 824)	(12 780 365)	870 459	0.00	0.00
External Interest and Dividends Paid	(1 387 823)	-	(1 387 823)	(1 387 823)	(1 425 286)	(37 463)	0.00	0.00
Suppliers Paid	(464 725 073)	(16 764 643)	(481 489 716)	(481 489 716)	(481 748 259)	(258 543)	0.00	0.00
Other Payments	(761 250)	-	(761 250)	(761 250)	(70 573 464)	(69 812 214)	0.00	0.00
VAT Receivable / Payable	-	-	-	-	(3 589 220)	(3 589 220)	0.00	0.00
Cash Flows from/(used in) Investing Activities								
Purchase of Property, Plant and Equipment	(56 912 490)	(28 251 256)	(85 163 746)	(85 163 746)	(60 284 470)	24 879 276	0.00	0.00
Purchase of Intangible Assets	-	-	-	-	(976 994)	(976 994)	0.00	0.00
Purchase of Investment Property	-	-	-	-	-	-	0.00	0.00
Proceeds on Disposal of Property, Plant and Equipment	-	-	-	-	57 425	57 425	0.00	0.00
Decrease / (Increase) in Long-term Receivables	-	-	-	-	13 000	13 000	0.00	0.00
Cash Flows from/(used in) Financing Activities								
Increase in Long-term Loans (Loans Taken-on)	(9 607 598)	-	(9 607 598)	(9 607 598)	(8 961 981)	645 617	0.00	0.00
Decrease in Short-term Loans (Loans Repaid)	-	-	-	-	-	-	0.00	0.00
Cash and Cash Equivalents at Beginning of the Year	76 328 324		141 031 684	141 031 684	141 777 050	(36 766 989)	100.53	185.75
Cash and Cash Equivalents at End of the Year	47 098 520		90 061 688	90 061 688	53 394 447			

KOUGA LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2021

Cash Flow Statement: Explanation of Variances between Approved Budget and Actual

Reasons for Variances greater than 10% between Approved Budget and Actual Amount on the various items disclosed in the Cash Flow Statement are explained below.

Property Rates

The Property Rates actuals are slightly higher than anticipated due to the improvement on annually raised property rates collection.

External Interest and Dividends Received

This interest relates to interest earned on bank and investments and interest charged on outstanding debtors. The actuals are lower than anticipated.

Other Receipts

Other Receipts are influenced by the anticipated land sales and insurance refunds not realised.

VAT Receivable

No budget provision was made for VAT Receivable.

Purchase of Property, Plant and Equipment

The underspending of projects relate to various Capital Programmes, with the budget rollover to 2021/22 for implementation of the projects. This is also influenced by the underspending of Municipal Infrastructure Grant.

Purchase of Intangible Assets

The budget provision was made in Property, Plant and Equipment.

Purchase of Investment Property:

The budget provision was made in Property, Plant and Equipment.

Proceeds on Disposal of Property, Plant and Equipment

No budget provision was made for Proceed of Property, Plant and Equipment.

KOUGA LOCAL MUNICIPALITY

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1. BASIS OF PRESENTATION

The Annual Financial Statements have been prepared in accordance with Standards of Generally Recognised Accounting Practices (GRAP), as approved by the Minister of Finance, including any interpretations, guidelines and directives issued by the Accounting Standards Board and in accordance with the requirements of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003).

The Annual Financial Statements have been prepared in accordance with the historical cost convention, except where indicated otherwise.

The Statement of Financial Performance has been prepared to classify expenses by nature, whilst revenue is classified in a manner appropriate to the municipality's operations. The Cash Flow Statement has been prepared using the Direct Method.

1.1 PRESENTATION CURRENCY

The Annual Financial Statements are presented in South African Rand, rounded off to the nearest Rand which is the municipality's functional currency.

1.2 CRITICAL JUDGEMENTS, ESTIMATIONS AND ASSUMPTIONS

In the application of the municipality's Accounting Policies, which are described below, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and estimations that management have made in the process of applying the municipality's Accounting Policies and that have the most significant effect on the amounts recognised in Annual Financial Statements:

1.2.1 REVENUE RECOGNITION

In making their judgement, the management considered the detailed criteria for the recognition of revenue as set out in GRAP 9 (Revenue from Exchange Transactions) and GRAP 23 (Revenue from Non-exchange Transactions). As far as Revenue from Non-exchange Transactions is concerned (see Basis of Preparation above), and, in particular, whether the municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services is rendered, whether the service has been rendered. Also of importance is the estimation process involved in initially measuring revenue at the fair value thereof. Management of the municipality is satisfied that recognition of the revenue in the current year is appropriate.

- **Estimation of unused Prepaid Metered Services:**
Estimates of unused consumption of prepaid metered services, based on the consumption history, are made at year-end. Sales for prepaid metered services are recognised as revenue upon receipt of payment for these services, except at year-end when estimates for unused consumption up to reporting date are reversed from revenue and accrued as payment for services received in advance. These accruals are reversed in the new financial year to revenue again, deemed to be consumed after 30 June. In respect of estimates of consumption between the last date of purchase and the reporting date, an accrual for payments received in advance is made based on the average monthly consumption of consumers the reporting date, an accrual is made based on the average monthly consumption of consumers.

KOUGA LOCAL MUNICIPALITY

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1.2.2 WATER INVENTORY

The estimation of the Water Inventory in reservoirs is based on the measurement of water via electronic level sensors, which determine the depth of water in the reservoirs, which is then converted into volumes based on the total capacity of the reservoir. Furthermore, the length and width of all pipes are also taken into account in determining the volume of water on hand at year-end. Refer to Accounting Policy 7.2.2

1.2.3 IMPAIRMENT OF FINANCIAL ASSETS

Accounting Policy 4.4 on Impairment of Financial Assets describes the process followed to determine the value at which Financial Assets should be impaired. In making the estimation of the impairment, the management of the municipality considered the detailed criteria of impairment and used its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of the reporting period. The management of the municipality is satisfied that impairment of Financial Assets recorded during the year is appropriate.

- **Impairment of Trade Receivables:**
The calculation in respect of the impairment of Debtors is based on an assessment of the extent to which Debtors have defaulted on payments already due, and an assessment of their ability to make payments based on their creditworthiness. This is performed per service-identifiable categories across all classes of debtors.
- **Impairment of Traffic Fines:**
Assessing and recognising impairment of Receivables for Traffic Fines is an event that takes place subsequent to the initial recognition of revenue charged. The municipality assesses the probability of collecting revenue when accounts fall into arrears. Such an assessment is not to be made at the time of initial recognition.

1.2.4 IMPAIRMENT OF STATUTORY RECEIVABLES

Accounting Policy 5.3 on Impairment of Statutory Receivables describes the process followed to determine the value at which Statutory Receivables should be impaired. In making the estimation of the impairment, the management of the municipality considered the detailed criteria of impairment and used its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of the reporting period. The management of the municipality is satisfied that impairment of Statutory Receivables recorded during the year is appropriate.

1.2.5 CAPITALISATION OF CAPITAL ASSETS

Judgement by management is required to distinguish between expenses incurred to maintain and repair capital assets and expenses incurred that will increase the remaining useful life of capital assets and needs to be capitalised to capital assets.

1.2.6 USEFUL LIVES OF PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND INVESTMENT PROPERTY

As described in Accounting Policies 6.3, 7.2 and 8.2, the municipality depreciates its Property, Plant & Equipment and Investment Property, and amortises its Intangible Assets, over the estimated useful lives of the assets, taking into account the residual values of the assets at the end of their useful lives, which is determined when the assets are available for use.

The estimation of residual values of assets is based on management's judgement as to whether the assets will be sold or used to the end of their useful lives, and in what condition they will be at that time.

1.2.7 IMPAIRMENT: WRITE-DOWN OF PROPERTY, PLANT & EQUIPMENT, INTANGIBLE ASSETS, AND INVENTORIES

Accounting Policy 5 on Impairment of Assets, Accounting Policy 3.2 on Intangible Assets – Subsequent Measurement, Amortisation and Impairment and Accounting Policy 7.2 on Inventory – Subsequent Measurement describe the conditions under which non-financial assets are tested for potential impairment losses by the management of the municipality. Significant estimates and judgements are made relating to impairment testing of Property, Plant and Equipment, impairment testing of Intangible Assets and write-down of Inventories to the lowest of Cost and Net Realisable Value or Current Replacement Cost.

KOUGA LOCAL MUNICIPALITY

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

In making the above-mentioned estimates and judgement, management considered the subsequent measurement criteria and indicators of potential impairment losses. In particular, the calculation of the recoverable service amount for PPE and Intangible Assets and the Net Realisable Value for Inventories involves significant judgment by management.

1.2.8 SERVICE CONCESSION ARRANGEMENTS

The municipality assesses whether it is a party to any service concession arrangements by considering the principles contained in GRAP32 and IFRIC 12.

Management has assessed all arrangements in place and concluded that there are no service concession arrangements to which it was a party during this accounting period.

1.2.9 DEFINED BENEFIT PLAN LIABILITIES

As described in Accounting Policy 16.2, Employee Benefits – Post-employment Benefits, the municipality obtains actuarial valuations of its Defined Benefit Plan Liabilities. The defined benefit obligations of the municipality that were identified are Post-retirement Health Benefit Obligations and Long-service Awards. The estimated liabilities are recorded in accordance with the requirements of GRAP 25. Details of the liabilities and the key assumptions made by the actuaries in estimating the liabilities are provided in the relevant Notes to the Annual Financial Statements.

1.2.10 PROVISIONS AND CONTINGENT LIABILITIES

Management judgement is required when recognising and measuring Provisions and when measuring Contingent Liabilities. Provisions are discounted where the effect of discounting is material using actuarial valuations.

1.2.11 PRINCIPALS AND AGENT ARRANGEMENTS

The municipality assesses whether it is a party to any principal-agent arrangements by considering the principles contained in GRAP 109.

The municipality is assessed to be the agent and only accounts for the amounts which the agent are entitled to in terms of the principal-agent arrangement. In order to assess that the municipality is the agent, the following factors were considered in applying its judgement:

- The municipality acts as an agent for Department of Transport for issuing licenses and permits and collects monies on their behalf.

Management has assessed all arrangements in place and concluded that there are no principal-agent arrangements to which it was a party during this accounting period.

1.2.12 HOUSING ARRANGEMENTS

The municipality is not accredited to deliver housing under the national housing programme. However it assesses its roles and responsibilities it undertakes for each project undertaken in terms of the national housing programme by assessing the terms and conditions agreed with the relevant Provincial Department of Human Settlements.

The municipality is assessed to be the project manager and relevant transactions are accounted for per the requirements of the relevant Standards of GRAP and the required disclosures are made in the relevant Notes to the Financial Statements. In order to assess that the municipality is the project manager, the following factors were considered in applying its judgement:

- The municipality acts on behalf of the Department of Human Settlement and acts on their behalf. The municipality acts as project manager whereby they co-ordinate representatives from Department of Human Settlement and contractors.

1.2.13 BUDGET INFORMATION

Deviations between budget and actual amounts are regarded as material differences when a 10% deviation exists. All material differences are explained in the relevant Notes to the Annual Financial Statements.

KOUGA LOCAL MUNICIPALITY

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1.2.14 SEGMENT REPORTING

The municipality is assessed to have reportable segments as per the requirements of GRAP 18. In order to assess that the segments could be aggregated, the following factors were considered in applying its judgement:

- For management purposes the municipality is broadly organised into business units based on the nature of operations and the services they provide.
- No individually material operating segments have been aggregated to form the above reportable operating segments.
- The municipality does not monitor segments geographically.

1.2.15

Management needs to estimate the effect of COVID-19 on its future cash flow and discount rates to ensure that the municipality will remain a going concern. Judgement needs to be made on the effect of COVID-19 on credit risk, liquidity risk and going concern.

1.3 MATERIALITY

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

1.4 GOING CONCERN ASSUMPTION

The Annual Financial Statements have been prepared on a Going Concern Assumption.

The recent COVID-19 pandemic and its effect on the municipality's current and expected performance has been considered by management in the Going Concern Assumption.

1.5 STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The following GRAP Standards have been issued but are not yet effective and have not been early adopted by the municipality:

Standard of GRAP / Nature of Impending Changes / Expected Impact	Effective Date	Planned Date for Application by Municipality
<ul style="list-style-type: none"> ● Guideline Accounting for Landfill Sites None, Standard not applicable to Municipality 	Not yet determined	Not yet determined
<ul style="list-style-type: none"> ● Guideline The Application of Materiality to Financial Statements No changes expected 	Not yet determined	Not yet determined

The municipality has no operations and / or interests in the above-mentioned Standards where the impact is indicated "None, Standard not applicable to Municipality" and therefore it is regarded that no disclosures on these Standards will be necessary.

KOUGA LOCAL MUNICIPALITY

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

2. BUDGET INFORMATION

The annual budget figures have been prepared in accordance with the GRAP standard and are consistent with the Accounting Policies adopted by the Council for the preparation of these Annual Financial Statements. The amounts are scheduled as a separate additional financial statement, called the Statement of Comparison of Budget and Actual amounts. Explanatory comment is provided in the statement giving reasons for overall growth or decline in the budget and motivations for over- or under spending on line items. The annual budget figures included in the Annual Financial Statements are for the municipality and do not include budget information relating to subsidiaries or associates. These figures are those approved by the Council at the beginning and during the year following a period of consultation with the public as part of the Integrated Development Plan. The budget is approved on an accrual basis by nature classification.

The approved budget covers the period from 1 July 2020 to 30 June 2021.

3. INVENTORIES

3.1 RECOGNITION AND INITIAL MEASUREMENT

Inventories comprise current assets held-for-sale, current assets for consumption or distribution during the ordinary course of business. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus taxes, transport costs and any other costs in bringing the Inventories to their current location and condition. Where Inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Where Inventory is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

Direct costs relating to properties that will be sold as Inventory are accumulated for each separately identifiable development. Costs also include a proportion of overhead costs.

3.2 SUBSEQUENT MEASUREMENT

3.2.1 Consumable Stores

Subsequently, Inventories sold are valued at the lower of cost and net realisable value. The cost is determined using the Weighted Average Method.

Consumable stores distributed at no charge or for a nominal charge and finished goods are valued at the lower of cost and current replacement cost. The cost is determined using the Weighted Average Method.

3.2.2 WATER INVENTORY

Water is regarded as Inventory when the municipality purchases water in bulk with the intention to resell it to the consumers or to use it internally, or where the municipality has incurred purification costs on water obtained from natural resources (rain, rivers, springs, boreholes, etc). However, water in dams, that are filled by natural resources and that has not yet been treated, that is under the control of the municipality but cannot be measured reliably as there is no cost attached to the water, is therefore not recognised in the Statement of Financial Position.

The basis of determining the cost of water purchased and not yet sold at reporting date comprises all costs of purchase, cost of conversion and other costs incurred in bringing the Inventory to its present location and condition, net of trade discounts and rebates.

Water and purified effluent are valued by using the FIFO Method, at the lowest of purified cost and net realisable value, insofar as it is stored and controlled in reservoirs at year-end.

KOUGA LOCAL MUNICIPALITY

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

3.2.3 OTHER ARRANGEMENTS

Redundant and slow-moving Inventories identified are written down from cost to current replacement cost, if applicable.

Differences arising on the measurement of such Inventory at the lower of cost to current replacement cost or net realisable value, are recognised in Surplus or Deficit in the year in which they arise. The amount of any reversal of any write-down of Inventories arising from an increase in current replacement cost or net realisable value is recognised as a reduction in the amount of Inventories recognised as an expense in the period in which the reversal occurs. The carrying amount of Inventories is recognised as an expense in the period that the Inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

4. FINANCIAL INSTRUMENTS

The municipality has various types of Financial Instruments and these can be broadly categorised as Financial Assets, Financial Liabilities or Residual Interests in accordance with the substance of the contractual agreement.

Initial Recognition

Financial Assets and Financial Liabilities are recognised when it becomes party to the contractual provisions of the instrument. The municipality does not offset a Financial Asset and a Financial Liability unless a legally enforceable right to set off the recognised amounts currently exist and the municipality intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

4.1 FINANCIAL ASSETS – CLASSIFICATION

The municipality has the following types of Financial Assets:

Type of Financial Asset	Classification in terms of GRAP 104
Long-term Receivables	Financial Assets at Amortised Cost
Receivables from Exchange Transactions	Financial Assets at Amortised Cost
Receivables from Non-exchange Transactions	Financial Assets at Amortised Cost
Bank, Cash and Cash Equivalents – Fixed Deposits	Financial Assets at Amortised Cost
Bank, Cash and Cash Equivalents – Bank	Financial Assets at Amortised Cost
Bank, Cash and Cash Equivalents – Cash	Financial Assets at Amortised Cost

Receivables from Exchange Transactions exclude Value Added Taxation, Prepayments and Operating Lease Receivables are classified as Financial Assets at Amortised Cost.

Cash includes cash-on-hand (including petty cash) and cash with banks (including call deposits). For the purposes of the Cash Flow Statement, Cash and Cash Equivalents comprise cash-on-hand and deposits held on call with banks, net of bank overdrafts.

4.2 FINANCIAL LIABILITIES – CLASSIFICATION

The municipality has the following types of Financial Liabilities:

Type of Financial Liability	Classification in terms of GRAP 104
Borrowings	Financial Liabilities at Amortised Cost
Payables from Exchange Transactions	Financial Liabilities at Amortised Cost
Payables from Non-exchange Transactions	Financial Liabilities at Amortised Cost
Unspent Conditional Grants	Financial Liabilities at Amortised Cost

KOUGA LOCAL MUNICIPALITY

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

4.3 Initial and Subsequent Measurement

4.3.1 Financial Assets:

Financial Assets measured at Amortised Cost

Financial Assets at Amortised Cost are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the Financial Asset. Subsequently, these assets are measured at amortised cost using the Effective Interest Method less any impairment, with interest recognised on an Effective Yield Basis.

4.3.2 Financial Liabilities:

Financial Liabilities held at Amortised Cost

Any other Financial Liabilities are classified as Other Financial Liabilities (All Payables, Loans and Borrowings are classified as Other Liabilities) and are initially measured at fair value, net of transaction costs. Trade and Other Payables, Interest-bearing Debt including Finance Lease Liabilities, Non-interest-bearing Debt and Bank Borrowings are subsequently measured at amortised cost using the Effective Interest Rate Method. Interest expense is recognised in Surplus or Deficit by applying the effective interest rate.

4.4 Impairment of Financial Assets

Financial Assets are assessed for indicators of impairment at the end of each reporting period. Financial Assets are impaired where there is objective evidence of impairment of Financial Assets (such as the probability of insolvency or significant financial difficulties of the debtor). If there is such evidence the recoverable amount is estimated and an impairment loss is recognised through the use of an allowance account.

4.4.1 FINANCIAL ASSETS AT AMORTISED COST

Government accounts are not provided for as such accounts are regarded as receivable for the following reasons:

- It is management's judgement that the accounts are not "lost events" in terms of GRAP 104.58.
- This is based on management's expert opinion and generally accepted practice within the industry.
- Interest is charged on all outstanding balances at a rate of the banker's prime rate plus 1%.
- There is an urge from National Treasury that State Departments and Entities should start paying their outstanding debt.

The carrying amount of the Financial Asset is reduced by the impairment loss directly for all Financial Assets carried at Amortised Cost with the exception of Consumer Debtors, where the carrying amount is reduced through the use of an allowance account. When a Consumer Debtor is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against revenue. Changes in the carrying amount of the allowance account are recognised in Surplus or Deficit.

4.5 DERECOGNITION OF FINANCIAL ASSETS

The municipality derecognises Financial Assets only when the contractual rights to the cash flows from the asset expires or it transfers the Financial Asset and substantially all the risks and rewards of ownership of the asset to another entity, except when Council approves the write-off of Financial Assets due to non-recoverability.

If the municipality neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the municipality recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the municipality retains substantially all the risks and rewards of ownership of a transferred Financial Asset, the municipality continues to recognise the Financial Asset and also recognises a collateralised borrowing for the proceeds received.

KOUGA LOCAL MUNICIPALITY

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

4.6 DERECOGNITION OF FINANCIAL LIABILITIES

The municipality derecognises Financial Liabilities when, and only when, the municipality's obligations are discharged, cancelled or they expire.

The municipality recognises the difference between the carrying amount of the Financial Liability (or part of a Financial Liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, in Surplus or Deficit.

5. STATUTORY RECEIVABLES

Statutory Receivables are receivables that arise from legislation, supporting regulations, or similar means and require settlement by another entity in cash or another financial asset.

The municipality has the following Statutory Receivables from Non-exchange Transactions:

- Assessment Rates
- Fines
- Local Government Seta Subsidies

5.1 RECOGNITION AND INITIAL MEASUREMENT

Statutory Receivables are recognised if the transaction is an exchange transaction per GRAP 9 or a non-exchange transaction per GRAP 23 or, if the transaction is not within the scope of GRAP 9 or GRAP 23, or another Standard of GRAP, and the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the municipality and the transaction amount can be reliably measured.

The municipality recognises Statutory Receivables when they arise.

Statutory Receivables are initially measured at their transaction amount. The transaction amount would be the amount that is determined on initial measurement in accordance with the relevant Standard of GRAP.

The transaction amounts of the Statutory Receivables of the municipality are determined as follows:

- Assessment Rates are levied in terms of the stipulations contained in the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004) at rates determined each year by Council.

5.2 SUBSEQUENT MEASUREMENT

Statutory Receivables are measured after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- Interest or other charges that may have accrued on the receivable, where applicable;
- Impairment losses; and
- Amounts derecognised.

5.3 Impairment

Statutory Receivables are assessed for indicators of impairment at the end of each reporting period. Statutory Receivables are impaired where there is any indication of impairment of Statutory Receivables, such as the probability of insolvency or significant financial difficulties of the debtor.

In assessing whether Statutory Receivables are impaired, the municipality assesses whether there are any indications that individually significant receivables are impaired; and/or groups of similar, individually insignificant, receivables are impaired.

KOUGA LOCAL MUNICIPALITY

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

The municipality groups together and assesses collectively for impairment those receivables that exhibit similar characteristics which provide information about the possible collectability of the amounts owing to the municipality. The municipality uses the following groupings:

- Assessment Rates
- Fines
- LG Seta Subsidies

If there is such evidence the carrying amount is reduced to the estimated future cash flows, an impairment loss is recognised, directly or indirectly, through the use of an allowance account, with the amount of the impairment loss being recognised in Surplus or Deficit.

5.4 DERECOGNITION

The municipality derecognises Statutory Receivables only when the rights to the cash flows from the receivable expires or it transfers the Statutory Receivable and substantially all the risks and rewards of ownership of the receivable to another municipality, except when council approves the write-off of the receivable due to non-recoverability.

The municipality derecognises a receivable if the municipality, despite having retained some significant risks and rewards of ownership, transfers control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the municipality recognises separately any rights and obligations created or retained in the transfer. The carrying amount of statutory receivables transferred is allocated between the rights and obligations retained and those transferred on the basis of the relative fair values at the transfer date. The municipality assesses whether any newly created rights and obligations are within the scope of GRAP 104 or another Standards of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, is recognised in surplus or deficit in the period transferred.

6. PROPERTY, PLANT AND EQUIPMENT

6.1 INITIAL RECOGNITION AND MEASUREMENT

Property, Plant and Equipment are initially recognised at cost.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Repairs and Maintenance are expenses incurred through servicing equipment or repairing of existing assets. These expenses are not recognised in the carrying value of the asset, but directly recognised in Surplus or Deficit and measured at cost against the attributing segments of the Municipal Standard Chart of Accounts (mSCOA).

6.2 SUBSEQUENT MEASUREMENT

Subsequently all Property Plant and Equipment are measured at cost, less accumulated depreciation and accumulated impairment losses.

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6.3 DEPRECIATION

Depreciation on assets other than land is calculated on cost, using the Straight-line Method, to allocate their cost amounts to their residual values over the estimated useful lives of the assets. Each part of an item of Property, Plant and Equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation rates are based on the following estimated useful lives:

	Asset Class	Years		Asset Class	Years
	Buildings			Community	
	Improvements	5 - 50		Community Facilities	5 - 50
				Recreational Facilities	10 - 40
	Infrastructure			Other	
	Electricity	10 - 80		Computer Equipment	3 - 10
	Railways	30		Emergency Equipment	5 - 10
	Roads and Paving	5 - 80		Furniture and Fittings	5 - 15
	Sanitation	5 - 80		Transport Assets	7 - 15
	Sewerage / Solid Waste	5 - 80		Office Equipment	3 - 15
	Water	5 - 80		Plant and Equipment	2 - 20
	Landfill Sites	30 - 50		Other Assets	5 - 15

6.4 LAND

Land is stated at historical cost and is not depreciated as it is deemed to have an indefinite useful life.

6.5 INCOMPLETE CONSTRUCTION WORK

Incomplete Construction Work is stated at historical cost. Depreciation only commences when the asset is available for use.

6.6 INFRASTRUCTURE ASSETS

Infrastructure Assets are any assets that are part of a network of similar assets. Infrastructure assets are shown at cost less accumulated depreciation and accumulated impairment. Infrastructure assets are treated similarly to all other assets of the municipality in terms of the asset management policy.

6.7 FINANCE LEASES

Assets capitalised under finance leases are depreciated over their expected useful lives on the same basis as Property, Plant and Equipment controlled by the municipality or, where shorter, the term of the relevant lease if there is no reasonable certainty that the municipality will obtain ownership by the end of the lease term.

6.8 DERECOGNITION

The gain or loss arising from the derecognition of an item of Property, Plant and Equipment is included in Surplus or Deficit when the item is derecognised. Gains are not classified as Revenue.

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7. INTANGIBLE ASSETS

7.1 INITIAL RECOGNITION AND MEASUREMENT

Identifiable non-monetary assets without physical substance are classified and recognised as Intangible Assets. Intangible Assets are initially recognised at cost.

Where an Intangible Asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

The cost of an Intangible Asset acquired in exchange for non-monetary assets or monetary assets, or a combination of monetary and non-monetary assets, is measured at the fair value of the asset given up, unless the fair value of the asset received is more clearly evident.

Repairs and Maintenance are expenses incurred through servicing equipment or repairing of existing assets. These expenses are not recognised in the carrying value of the asset, but directly recognised in Surplus or Deficit and measured at cost against the attributing segments of the Municipal Standard Chart of Accounts (mSCOA).

7.2 SUBSEQUENT MEASUREMENT, AMORTISATION AND IMPAIRMENT

After initial recognition, Intangible Assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is charged on a Straight-line Method over the Intangible Assets' useful lives. The residual value of Intangible Assets with finite useful lives is zero, unless an active market exists.

The amortisation rates are based on the following estimated useful lives:

	Asset Class	Years		Asset Class	Years
	Computer Software Purchased	3 - 5			

7.3 DERECOGNITION

The gain or loss arising from the derecognition of an item of Intangible Asset is included in Surplus or Deficit when the item is derecognised. Gains are not classified as Revenue.

8. INVESTMENT PROPERTY

8.1 INITIAL RECOGNITION AND MEASUREMENT

At initial recognition, the municipality measures Investment Property at cost. However, where an Investment Property was acquired through a non-exchange transaction (i.e. where it acquired the Investment Property for no or a nominal value), its cost is its fair value as at the date of acquisition.

Repairs and Maintenance are expenses incurred through servicing equipment or repairing of existing assets. These expenses are not recognised in the carrying value of the asset, but directly recognised in Surplus or Deficit and measured at cost against the attributing segments of the Municipal Standard Chart of Accounts (mSCOA).

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8.2 SUBSEQUENT MEASUREMENT

Investment Property is measured using the Cost Model and is stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated on cost, using the Straight-line Method over the useful life of the property, which is estimated at 5 - 50 years. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately.

The gain or loss arising on the disposal of an Investment Property is recognised in Surplus or Deficit.

8.3 DERECOGNITION

The gain or loss arising from the derecognition of an item of Investment Property is included in Surplus or Deficit when the item is derecognised. Gains are not classified as Revenue.

9. HERITAGE ASSETS

Heritage Assets are not depreciated owing to uncertainty regarding to their estimated useful lives. The municipality assess at each reporting date if there is an indication of impairment.

9.1 INITIAL RECOGNITION AND MEASUREMENT

Heritage Assets are initially recognised at cost.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Repairs and Maintenance are expenses incurred through servicing equipment or repairing of existing assets. These expenses are not recognised in the carrying value of the asset, but directly recognised in Surplus or Deficit and measured at cost against the attributing segments of the Municipal Standard Chart of Accounts (mSCOA).

9.2 SUBSEQUENT MEASUREMENT

Subsequently all Heritage Assets are measured at cost, less accumulated impairment losses.

Subsequent to initial recognition Heritage Assets are carried at a revalued amount based on municipal valuations less any subsequent accumulated impairment losses. Revaluations are performed by experienced valuers with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

9.3 DERECOGNITION

The gain or loss arising from the derecognition of an item of Heritage Assets is included in Surplus or Deficit when the item is derecognised. Gains are not classified as Revenue.

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10. LIVING AND NON-LIVING RESOURCES

Living Resources are defined as living organisms such as animals and plants that are used or held for the delivery or provision of goods and services, research, conservation, recreation, agricultural activities, education and training and rehabilitation or breeding processes.

Agricultural Assets are excluded from the scope of this Standard and are accounted for by the municipality in accordance with GRAP 27 (Agricultural Assets).

Living Resources are assets that undergo biological transformation and are those organisms that can grow, reproduce and degenerate. These assets include fruit trees, cattle and seed-bearing plants.

Non-living Resources are those resources, other than living resources, that occur naturally and have not been extracted from their source. These assets include minerals, oils, etc.

Agricultural Assets are assets that are produced from living resources through agricultural activity and biological transformation through growth, degeneration and procreation. These assets are fruit from fruit-bearing plants, eggs from feathered animals and seeds from seed-bearing plants.

10.1 INITIAL RECOGNITION AND MEASUREMENT

A Living Resource shall be recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the asset will flow to the municipality, and when the cost or fair value of the asset can be measured reliably.

A Living Resource that qualifies for recognition as an asset shall be recognised at its cost.

Where a Living Resource is acquired through a non-exchange transaction, its cost shall be recognised at its fair value as at the date of the acquisition.

10.2 SUBSEQUENT MEASUREMENT

When a municipality intends to hold a living resource for less than twelve months from the reporting date, it will account for the living resource in accordance with GRAP 12 (Inventories).

Subsequent to initial recognition, a group of Living Resources shall be carried at its cost, less any accumulated depreciation and any accumulated impairment losses.

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10.3 DEPRECIATION

Depreciation is calculated on cost, using the Straight-line Method, to allocate their cost or revalued amounts to their residual values over the estimated useful lives of the assets. The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the municipality. Each part of an item of Living and Non-living Resources with a cost that is significant in relation to the total cost of the item is depreciated separately.

Depreciation only commences when the asset is available for use, unless stated otherwise. The depreciation rates are based on the following estimated useful lives:

	Asset Class	Years		Asset Class	Years
	Living Resources			Non-living Resources	
	Dairy Cattle	10		Water	Based
	Feathered Animals	3		Minerals	on
	Forests and Plantations	20		Oils	Actuarial
	Fruit Trees	20		Gas	Valuation
	Game Animals	20		Other Non-regenerative Resources	
	Animals for Reproduction	5			
	Animals for Wool or Milk	7			
	Dogs (law enforcement & security)	7			
	Horses (law enforcement & working)	7			
	Plants (for production of seeds)	10			
	Vines	20			
	Other Animals	5			

The assets' residual values, estimated useful lives and depreciation methods are reviewed annually and adjusted prospectively, if appropriate, at each reporting date. The municipality assesses the indicators for impairment based on the actuarial valuations, actual and potential uses of the Living Resources.

10.4 DERECOGNITION

The carrying amount of a Living Resource is derecognised on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of the Living Resource is recognised in Surplus or Deficit when the item is derecognised. Gains are not classified as Revenue.

11. IMPAIRMENT OF ASSETS

The municipality classifies all assets held with the primary objective of generating a commercial return as Cash Generating Assets. All other assets are classified as Non-cash Generating Assets.

11.1 IMPAIRMENT OF CASH GENERATING ASSETS

The municipality assesses at each reporting date whether there is any indication that an asset may be impaired.

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If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in Surplus or Deficit.

An impairment loss is recognised for cash generating units if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit pro rata on the basis of the carrying amount of each asset in the unit.

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in Surplus or Deficit.

11.2 IMPAIRMENT OF NON-CASH GENERATING ASSETS

The municipality assesses at each reporting date whether there is any indication that an asset may be impaired.

If there is any indication that an asset may be impaired, the recoverable service amount is estimated for the individual asset. If it is not possible to estimate the recoverable service amount of the individual asset, the recoverable service amount of the non-cash generating unit to which the asset belongs is determined.

The recoverable service amount of a non-cash generating asset is the higher of its fair value less costs to sell and its value in use.

If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in Surplus or Deficit.

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An impairment loss is recognised for non-cash generating units if the recoverable service amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit pro rata on the basis of the carrying amount of each asset in the unit.

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable service amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in Surplus or Deficit.

12. CONSUMER DEPOSITS

Consumer deposits are a partial security for a future payment of an account. All consumers are therefore required to pay a deposit equal to two months consumption of electricity and water services. Deposits are considered a liability as the deposit is only refunded once the service is terminated. No interest is paid on deposits.

13. PROVISIONS

The best estimate of the expenditure required to settle the present obligation is the amount that the municipality would rationally pay to settle the obligation at the reporting date or to transfer it to a third party at that time and are determined by the judgment of the management of the municipality, supplemented by experience of similar transactions and, in some cases, reports from independent experts. The evidence considered includes any additional evidence provided by events after the reporting date. Uncertainties surrounding the amount to be recognised as a provision are dealt with by various means according to the circumstances. Where the provision being measured involves a large population of items, the obligation is estimated by weighting all possible outcomes by their associated probabilities.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision.

Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision. An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it – this unavoidable cost resulting from the contract is the amount of the provision to be recognised.

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Provisions are reviewed at reporting date and the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. When the effect of discounting is material, provisions are determined by discounting the expected future cash flows using discount rates that reflect current market assessments of the time value of money. The impact of the periodic unwinding of the discount is recognised in Surplus or Deficit as a finance cost as it occurs.

13.1 PROVISION FOR ENVIRONMENTAL REHABILITATION

Estimated long-term environmental provisions, comprising rehabilitation and landfill site closure, are based on the municipality's policy, taking into account current technological, environmental and regulatory requirements. The provision for rehabilitation is recognised as and when the environmental liability arises. To the extent that the obligations relate to the asset, they are capitalised as part of the cost of those assets. Any subsequent changes to an obligation that did not relate to the initial related asset are charged to Surplus or Deficit.

14. LEASES

14.1 THE MUNICIPALITY AS LESSEE

14.1.1 Finance Leases

Property, plant and equipment subject to finance lease agreements are capitalised at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Corresponding liabilities are recognised at equal amounts. In discounting the lease payments, the municipality uses the interest rate that exactly discounts the lease payments to the fair value of the asset, plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant and equipment or intangible assets. The lease liability is reduced by the lease payments, which are allocated between the finance cost and the capital repayment using the Effective Interest Rate Method. Finance costs are expensed when incurred. The accounting policies relating to derecognition of financial instruments are applied to lease payables. The lease asset is depreciated over the shorter of the asset's useful life or the lease term.

14.1.2 OPERATING LEASES

The municipality recognises operating lease rentals as an expense in Surplus or Deficit on a Straight-line Basis over the term of the relevant lease. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability. Any lease incentives are included as part of the net consideration agreed.

14.2 THE MUNICIPALITY AS LESSOR

Amounts due from lessees under **Finance Leases** or instalment sale agreements are recorded as receivables at the amount of the municipality's net investment in the leases. Finance lease or instalment sale revenue is allocated to accounting periods so as to reflect a constant periodic rate of return on the municipality's net investment outstanding in respect of the leases or instalment sale agreements.

Rental revenue from **Operating Leases** is recognised on a Straight-line Basis over the term of the relevant lease.

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15. BORROWING COSTS

All borrowing costs are treated as an expense in the period in which they are incurred.

16. EMPLOYEE BENEFIT LIABILITIES

16.1 SHORT-TERM EMPLOYEE BENEFITS

The costs of all short-term employee benefits such as leave pay, are recognised during the period in which the employee renders the related service. The liability for leave pay is based on the total accrued leave days at year end and is shown as a creditor in the Statement of Financial Position. The municipality recognises the expected cost of performance bonuses only when the municipality has a present legal or constructive obligation to make such payment and a reliable estimate can be made.

16.1.1 PROVISION FOR STAFF LEAVE

Liabilities for annual leave are recognised as they accrue to employees. The liability is based on the total amount of leave days due to employees at year-end and also on the total remuneration package of the employee.

Accumulating leave is carried forward and can be used in future periods if the current period's entitlement is not used in full. All unused leave will be paid out to the specific employee at the end of that employee's employment term.

Accumulated leave is vesting.

16.1.2 STAFF BONUSES ACCRUED

Liabilities for staff bonuses are recognised as they accrue to employees. The liability at year end is based on bonus accrued at year-end for each employee.

16.1.3 PROVISION FOR PERFORMANCE BONUSES

A provision, in respect of the liability relating to the anticipated costs of performance bonuses payable to Section 57 employees, is recognised as it accrues to Section 57 employees. Municipalities' performance bonus provisions are based on the employment contract stipulations as well as previous performance bonus payment trends.

16.2 POST-EMPLOYMENT BENEFITS

The municipality provides retirement benefits for its employees and councillors, and has both defined benefit and defined contribution post-employment plans.

16.2.1 DEFINED CONTRIBUTION PLANS

The municipality's contributions to the defined contribution funds are established in terms of the rules governing those plans. Contributions are recognised in Surplus or Deficit in the period in which the service is rendered by the relevant employees. The municipality has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

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16.2.2 DEFINED BENEFIT PLANS

Post-retirement Health Care Benefits

The municipality has an obligation to provide Post-retirement Health Care Benefits to certain of its retirees. According to the rules of the Medical Aid Funds with which the municipality is associated, a member (who is on the current Conditions of Service), on retirement, is entitled to remain a continued member of the Medical Aid Fund, in which case the municipality is liable for a certain portion of the medicalaid membership fee. Not all Medical Aid Funds with which the municipality is associated, provide for continued membership.

The defined benefit liability is the aggregate of the present value of the defined benefit obligation and unrecognised actuarial gains and losses, reduced by unrecognised past service costs. The plan is unfunded. The present value of the defined benefit obligation is calculated using the Projected Unit Credit Method, incorporating actuarial assumptions and a discount rate based on the government bondrate. Valuations of these obligations are carried out annually by independent qualified actuaries.

Actuarial gains or losses are recognised immediately in Surplus or Deficit. Past-service costs

are recognised immediately in Surplus or Deficit.

Long-service Allowance

The municipality has an obligation to provide Long-service Allowance Benefits to all of its employees. According to the rules of the Long-service Allowance Scheme, which the municipality instituted and operates, an employee (who is on the current Conditions of Service), is entitled to a cash allowance, calculated in terms of the rules of the scheme, after 10, 15, 20, 25 and 30 years of continued service. The municipality's liability is based on an actuarial valuation. The Projected Unit Credit Method is used to value the liabilities. Actuarial gains and losses on the long-term incentives are accounted for through Surplus or Deficit.

Provincially-administered Defined Benefit Plans

The municipality contributes to various National- and Provincial-administered Defined Benefit Plans on behalf of its qualifying employees. These funds are multi-employer funds. The contributions to fund obligations for the payment of retirement benefits are charged against revenue in the year they become payable. These defined benefit funds are actuarially valued triennially on the Projected Unit Credit Method basis. Deficits are recovered through lump sum payments or increased future contributions on a proportional basis from all participating municipalities.

Defined Benefit Pension Plans

The municipality has an obligation to provide Post-retirement Pension Benefits to certain of its retirees. Pension contributions in respect of employees who were not members of a pension fund are recognised as an expense when incurred. Staff provident funds are maintained to accommodate personnel who, due to age, cannot join or be part of the various pension funds. The municipality contributes monthly to the funds.

The liability recognised in the Statement of Financial Position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, together with adjustments for unrecognised past- service costs. The defined benefit obligation is calculated annually by independent actuaries using the Projected Unit Credit Method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high- quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains or losses are recognised immediately in Surplus or Deficit.

Past-service costs are recognised immediately in Surplus or Deficit.

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17. NET ASSETS

Included in the Net Assets of the municipality are the following items that are maintained in terms of specific requirements:

17.1 RESERVES

17.1.1 Revaluation Reserve

The surplus arising from the revaluation of land and buildings as per Note N/A is credited to the Revaluation Reserve. Subsequent adjustments to the Revaluation Reserve are made in accordance with GRAP 17 (Property, Plant and Equipment).

17.2 ACCUMULATED SURPLUS

Included in the Accumulated Surplus of the municipality are the following Reserves that are maintained in terms of specific requirements.

17.2.1 CAPITAL REPLACEMENT RESERVE (CRR)

In order to finance the provision of Infrastructure and other items of Property, Plant and Equipment from internal sources, amounts are transferred from the Accumulated Surplus/(Deficit) to the CRR in terms of delegated powers.

The following provisions are set for the creation and utilisation of the CRR:

- The cash funds that back up the CRR are invested until utilised. The cash may only be invested in accordance with the Investment Policy of the municipality.
- The CRR may only be utilised for the purpose of purchasing items of Property, Plant and Equipment and may not be used for the maintenance of these items.
- Whenever an asset is purchased out of the CRR, an amount equal to the cost price of the asset is transferred from the CRR and the Accumulated Surplus/(Deficit) is credited by a corresponding amount.
- If a profit is made on the sale of assets other than land, the profit on these assets is reflected in Surplus or Deficit and is then transferred, via the Statement of Changes in Net Assets, to the CRR, provided that it is cash backed. Profit on the sale of land is not transferred to the CRR as it is regarded as revenue.

17.2.2 CAPITALISATION RESERVE

On the implementation of GRAP, the balance on certain funds, created in terms of the various Provincial Ordinances applicable at the time, that had historically been utilised for the acquisition of items of Property, Plant and Equipment were transferred to a Capitalisation Reserve rather than the Accumulated Surplus/(Deficit) in terms of a directive (Circular No 18) issued by National Treasury. The purpose of this Reserve is to promote consumer equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of these items of Property, Plant and Equipment are offset by transfers from this Reserve to the Accumulated Surplus/(Deficit).

The balance on the Capitalisation Reserve equals the carrying value of the items of Property, Plant and Equipment financed from the former legislated funds. When items of Property, Plant and Equipment are depreciated, a transfer is made from the Capitalisation Reserve to the Accumulated Surplus/(Deficit).

When an item of Property, Plant and Equipment is disposed, the balance in the Capitalisation Reserve relating to such item is transferred to the Accumulated Surplus/(Deficit).

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17.2.3 DONATIONS AND PUBLIC CONTRIBUTIONS RESERVE

When items of Property, Plant and Equipment are financed from public contributions and donations, a transfer is made from the Accumulated Surplus/(Deficit) to the Donations and Public Contributions Reserve equal to the donations and public contributions recorded as revenue in Surplus or Deficit in accordance with a directive (Circular No 18) issued by National Treasury. When such items of Property, Plant and Equipment are depreciated, a transfer is made from the Donations and Public Contributions Reserve to the Accumulated Surplus/(Deficit). The purpose of this policy is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the future depreciation charges that will be incurred over the estimated useful life of the item of Property, Plant and Equipment financed from donations and public contributions.

When an item of Property, Plant and Equipment financed from donations and public contributions is disposed, the balance in the Donations and Public Contributions Reserve relating to such item is transferred to the Accumulated Surplus/(Deficit).

17.2.4 GOVERNMENT GRANTS RESERVE

When items of Property, Plant and Equipment are financed from government grants, a transfer is made from the Accumulated Surplus/(Deficit) to the Government Grants Reserve equal to the government grants recorded as revenue in Surplus or Deficit in accordance with a directive (Circular No 18) issued by National Treasury. When such items of Property, Plant and Equipment are depreciated, a transfer is made from the Government Grants Reserve to the Accumulated Surplus/(Deficit). The purpose of this policy is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the future depreciation charges that will be incurred over the estimated useful life of the item of Property, Plant and Equipment financed from government grants.

When an item of Property, Plant and Equipment financed from government grants is disposed, the balance in the Government Grants Reserve relating to such item is transferred to the Accumulated Surplus/(Deficit).

17.2.5 HOUSING DEVELOPMENT FUND (HDF):

Sections 15(5) and 16 of the Housing Act (Act No 107 of 1997), which came into operation on 1 April 1998, required that the municipality maintains a separate housing operating account. This legislated separate operating account is known as the Housing Development Fund.

The Housing Development Fund was established in terms of the Housing Act. Loans from national and provincial government used to finance housing selling schemes undertaken by the municipality were extinguished on 1 April 1998 and transferred to the Housing Development Fund. Housing selling schemes, both complete and in progress as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

The following provisions are set for the creation and utilisation of the Housing Development Fund:

- The HDF is backed by cash, receivables and assets. The cash funds in the HDF are invested in accordance with the Investment Policy of the municipality.
- The proceeds in this fund are utilised for housing development in accordance with the National Housing Policy and also for housing development projects approved by the MEC for Human Settlements.
- Any contributions to or from the fund are shown as transfers in the Statement of Changes in Net Assets.
- Interest earned on the investments of the fund is disclosed as interest earned in the Statement of Financial Performance.

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17.2.6 SELF-INSURANCE RESERVE

A general Insurance Reserve has been established and, subject to reinsurance where deemed necessary, it covers claims that may occur. Premiums are charged to the respective services, taking into account claims history and replacement value of the insured assets.

Reinsurance premiums paid to external reinsurers are regarded as an expense and are shown as such in Surplus or Deficit. The net surplus or deficit on the insurance operating account is transferred to or from the insurance reserve via the Statement of Changes in Net Assets.

The balance of the Self-insurance Reserve is invested in short-term cash investments. Interest earned on the Insurance Reserve is recorded as interest earned in Surplus or Deficit and is transferred to the Insurance Reserve via the Statement of Changes in Net Assets as a contribution.

17.2.7 COMPENSATION FOR OCCUPATIONAL INJURIES AND DISEASES (COID) RESERVE

The municipality has been exempted from making contributions to the Compensation Commissioner for Occupational Injuries and Diseases in terms of Section 84 of the COID Act (Act No 130 of 1993).

The certificate of exemption issued by the Commissioner, as prescribed by the COID Act, requires that the municipality deposits cash and/or securities with the Commissioner, the market values of which in aggregate shall not be less than the capitalised value of the continuing liability of the municipality as at 31 December of each year.

The continuing liability is that of annual pensions, the capitalised value of which is determined on the basis of an actuarial determination prescribed by the Commissioner. A COID Reserve has been established to equate to the value of the continuing liability. The market value of the securities is determined annually by the Commissioner and the municipality is required to meet any shortfall in the aggregate value of the securities as at 31 December. Monthly pensions are funded by transferring funds out of the reserve to the expense account in Surplus or Deficit.

18. REVENUE RECOGNITION

18.1 GENERAL

Revenue is derived from a variety of sources which include rates levied, grants from other tiers of government and revenue from trading activities and other services provided.

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the municipality's activities. Revenue is shown net of value-added tax, returns, rebates and discounts.

18.2 REVENUE FROM NON-EXCHANGE TRANSACTIONS

18.2.1 Rates and Taxes

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a Time-proportionate Basis with reference to the principal amount receivable and effective interest rate applicable. A composite rating system charging different rate tariffs is employed. Rebates are granted to certain categories of ratepayers and are deducted from revenue.

18.2.2 FINES

Fines constitute both spot fines and summonses

Revenue for fines is recognised when the fine is issued at the full amount of the receivable. The municipality uses estimates to determine the amount of revenue that the municipality is entitled to collect that is subject to further legal proceedings.

KOUGA LOCAL MUNICIPALITY

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

18.2.3 GOVERNMENT GRANTS AND RECEIPTS

Equitable share allocations are recognised in revenue at the start of the financial year if no time-based restrictions exist.

Conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the municipality with no future related costs, are recognised in Surplus or Deficit in the period in which they become receivable.

Interest earned on investments is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor and if it is the municipality's interest, it is recognised as interest earned in Surplus or Deficit.

18.2.4 PUBLIC CONTRIBUTIONS

Revenue from public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment are brought into use.

18.2.5 OTHER DONATIONS AND CONTRIBUTIONS

Donations are recognised on a cash receipt basis or where the donation is in the form of property, plant and equipment, when such items of property, plant and equipment are available for use.

18.2.6 INTEREST EARNED

Interest earned on investments is recognised in Surplus or Deficit on the Time-proportionate Basis that takes into account the effective yield on the investment.

18.2.7 RENTALS RECEIVED

Revenue from the rental of facilities and equipment is recognised on a Straight-line Basis over the term of the lease agreement.

18.2.8 TARIFF CHARGES

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant authorised tariff. This includes the issuing of licences and permits.

18.2.9 REVENUE FROM RECOVERY OF UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

The recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No 56 of 2003) and is recognised as revenue when the recovery thereof from the responsible councillors or officials became virtually certain in a financial period subsequent to the period when the actual unauthorised, irregular, fruitless and wasteful expenditure was incurred.

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ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

18.3 REVENUE FROM EXCHANGE TRANSACTIONS

18.3.1 Service Charges

Service Charges are levied in terms of approved tariffs.

Service Charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption, based on the consumption history, are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced, except at year-end when estimates of consumption up to year-end are recorded as revenue without it being invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the average monthly consumption of consumers.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to all properties that have been developed. Tariffs are determined per category of property usage, and are levied based on the extent of each property.

Service charges relating to sewerage and sanitation are recognised on a monthly basis in arrears by applying the approved tariff to all properties. Tariffs are determined per category of property usage, and are levied based on the extent of each property.

In circumstances where services cannot readily be measured and quantified, a flat rate service charge is levied monthly on such properties.

18.3.2 PREPAID ELECTRICITY

Revenue from the sale of electricity prepaid meter cards are recognised at the point of sale. Revenue from the sale of electricity prepaid meter cards are recognised based on an estimate of the prepaid electricity consumed as at the reporting date.

18.3.3 INCOME FROM AGENCY SERVICES

Revenue for agency services is recognised on a monthly basis once the revenue collected on behalf of agents has been quantified. The revenue recognised is in terms of the agency agreement.

Interest on outstanding customer receivables is calculated when the receivable is more than 30 days at prime rate plus 1%, and recognised in surplus or deficit on the time-proportionate basis.

18.3.4 SALE OF GOODS (INCLUDING HOUSES)

Revenue from the sale of goods is recognised when all the following conditions have been met:

- (a) The municipality has transferred to the buyer the significant risks and rewards of ownership of the goods;
- (b) The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- (c) The amount of revenue can be measured reliably;
- (d) It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- (e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

KOUGA LOCAL MUNICIPALITY

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

19. GRANTS-IN-AID

The municipality transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the municipality does not:

- (a) Receive any goods or services directly in return, as would be expected in a purchase or sale transaction;
- (b) Expect to be repaid in future; or
- (c) Expect a financial return, as would be expected from an investment.

These transfers are recognised in Surplus or Deficit as expenses in the period that the events giving rise to the transfer occurred.

20. MATERIAL LOSSES

The MFMA requires the disclosure of material losses incurred during the year under review. The disclosure is provided in order to comply to the legislative requirements governing Municipalities and Municipal Entities.

Due to their significance, the complete calculation of water and electricity losses is provided, including the opening balance, purchases, sales and closing balance where applicable. The unit rate is the rate per the last purchase as inventory is measured based on the First-In-First-Out Method as defined by GRAP 12 (Inventories).

21. TREATMENT OF SUPPORT FUNDS RECEIVED

Funding received from Local Municipalities for support services are not recognised as revenue but are allocated to support accounts where the actual cost of support services (admin fees, travel costs and subsistence allowances) are deducted from. By using support accounts for each Local Municipality ZFM has more control over its support services and cannot overspend on support rendered.

22. UNAUTHORISED EXPENDITURE

Unauthorised Expenditure is expenditure that has not been budgeted for, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state, and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No 56 of 2003).

All expenditure relating to Unauthorised Expenditure is accounted for as an expense in Surplus or Deficit in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in Surplus or Deficit.

23. IRREGULAR EXPENDITURE

Irregular Expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No 56 of 2003), the Municipal Systems Act (Act No 32 of 2000), the Public Office Bearers Act (Act No 20 of 1998), or is in contravention of the Municipality's or Municipal Entities' Supply Chain Management Policies. Irregular Expenditure excludes Unauthorised Expenditure.

Irregular Expenditure is accounted for as an expense in Surplus or Deficit in the period it occurred and where recovered, it is subsequently accounted for as revenue in Surplus or Deficit.

KOUGA LOCAL MUNICIPALITY

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

24. FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and Wasteful Expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to Fruitless and wasteful expenditure is accounted for as expenditure in Surplus or Deficit in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in Surplus or Deficit.

25. COMMITMENTS

Commitments are disclosed for:

- Approved and contracted commitments, where the expenditure has been approved and the contract has been awarded at the reporting date, where disclosure is required by a specific standard of GRAP;
- Approved but not yet contracted commitments, where the expenditure has been approved and the contract has yet to be awarded or is awaiting finalisation at the reporting date;
- Items are classified as commitments where the Municipality commits itself to future transactions that will normally result in the outflow of resources;
- Contracts that are entered into before the reporting date, but goods and services have not yet been received are disclosed in the disclosure Notes to the Annual Financial Statements; and
- Other commitments for contracts that are non-cancellable or only cancellable at significant cost, should relate to something other than the business of the municipality.

26. RELATED PARTIES

Individuals as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Management is regarded as a related party and comprises the Councillors, Mayor, Executive Committee Members, Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

27. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Contingent Assets and Contingent Liabilities are not recognised. Contingencies are disclosed in Notes to the Annual Financial Statements.

28. EVENTS AFTER THE REPORTING DATE

Events after the reporting date that are classified as adjusting events have been accounted for in the Annual Financial Statements.

The events after the reporting date that are classified as Non-adjusting Events after the Reporting Date have been disclosed in Notes to the Annual Financial Statements.

KOUGA LOCAL MUNICIPALITY

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

29. SEGMENT REPORTING

The mandate of the municipality is to provide basic services to the community over which it governs. In order to properly execute its mandate and achieve its strategic goals, internal management reporting is based on each service objective and also considered separately for each of the towns within the municipal jurisdiction. The components described below have been identified as individually significant segments for purposes of reporting in terms of GRAP 18 (Segment Reporting).

The following services are considered significant to the municipality and is accordingly managed separately:

- Municipal governance and administration.
- Community and public safety.
- Housing.
- Health.
- Energy, waste, waste water and water.
- Other.

All other sources of income and expenditure is aggregated through means of the administrative function as these services are not significant to the other services of the municipality as a whole.

The municipality only operates in a single geographical location and accordingly does not report separately on each location within its jurisdiction.

Intersegmental transfers are per the municipality's approved tariff policy. The reconciliation clearly describes the effects of all internal transfers between segments.

The accounting policies for segmental reporting in the management accounts are aligned to the requirements of GRAP as described in these accounting policies.

No changes from were made from prior periods measurement methods used to determine reported segment surplus or deficit.

30. VALUE ADDED TAX

The municipality accounts for Value Added Tax on the Payments Basis in accordance with section 15(2)(a) of the Value-Added Tax Act (Act No 89 of 1991).

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

	2021	2020
	R	R
1. INVENTORIES		
Materials and Supplies	11 805 644	8 973 662
Water - At Cost	764 722	707 574
TOTAL INVENTORIES	12 570 366	9 681 236

1.1 ALLOCATION FOR CASH FLOW

Suppliers Paid:-

Inventory - Opening	9 681 236	9 249 357
Inventory - Closing	(12 570 366)	(9 681 236)
Adjustment for Non-cash Transactions: Realisable Value Adjustment	39 808	56 653
Total Inventory allocated to Suppliers Paid	(2 849 323)	(375 226)
Total Inventory allocated to Cash Flow	(2 849 323)	(375 226)

Materials and Supplies are held for own use and measured at the lower of Cost and Current Replacement Cost. No write downs of Inventory to Current Replacement Cost were required.

Water is held for distribution and measured at the lower of Cost and Net Realisable Value. Nowrite down of Inventory to Net Realisable Value was required.

The cost of water production for the year amounted to R0.00 (2020: R0.00) per kilolitre.

The cost of Inventories recognised as an expense includes R71 674 858 (2020: R73 143 260)

2. RECEIVABLES FROM EXCHANGE TRANSACTIONS

	Gross	Provision for	Net
	Balances	Impairment	Balances
	R	R	R
AS AT 30 JUNE 2021			
Service Debtors:	230 078 797	167 310 947	62 767 850
Electricity	47 499 064	15 329 521	32 169 543
Refuse	58 520 385	50 430 864	8 089 521
Sewerage	35 842 740	29 920 609	5 922 131
Other Service Charges	6 812 323	5 372 510	1 439 813
Water	81 404 286	66 257 442	15 146 843
Other Debtors	724 062	-	724 062
Prepayments and Advances	3 613 699	22 000	3 591 699
Control, Clearing and Interface Accounts	476 634	-	476 634
Deposits for Land	1 253 543	-	1 253 543
TOTAL RECEIVABLES FROM EXCHANGE TRANSACTIONS	236 146 736	167 332 947	68 813 788

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

	Gross Balances R	Provision for Impairment R	Net Balances R
AS AT 30 JUNE 2020			
Service Debtors:	191 765 082	129 050 796	62 714 286
Electricity	46 030 497	14 072 304	31 958 193
Refuse	46 457 771	39 343 262	7 114 509
Sewerage	27 829 645	21 981 883	5 847 762
Other Service Charges	5 230 406	3 296 280	1 934 126
Water	66 216 763	50 357 067	15 859 696
Other Debtors	724 062	-	724 062
Prepayments and Advances	3 139 189	22 000	3 117 189
Control, Clearing and Interface Accounts	480 017	-	480 017
Deposits for Land	893 543	-	893 543
	<u>197 001 893</u>	<u>129 072 796</u>	<u>67 929 097</u>

2.1 ALLOCATION FOR CASH FLOW

Service Charges:-

Service Debtors - Opening Balance	62 714 286	48 279 205
Service Debtors - Closing Balance	(62 767 850)	(62 714 286)
Service Debtors: Provision for Impairment - Opening Balance	129 050 796	111 436 400
Service Debtors: Provision for Impairment - Closing Balance	(167 310 947)	(129 050 796)
Other Receivables - Opening Balance	724 062	140 060
Other Receivables - Closing Balance	(724 062)	(724 062)
	<u>(38 313 716)</u>	<u>(32 633 478)</u>

Total Receivables from Exchange Transactions allocated to Service Charges

Other Receipts:-

Receivables from Exchange Transactions: Gross - Opening Balance	38 313 716	32 633 478
Receivables from Exchange Transactions: Gross - Closing Balance	197 001 893	165 551 604
	834 510	(1 172 284)
	(236 146 736)	(197 001 893)
Less Cash Flow for:-		
Service Charges		
Suppliers Paid		
	<u>3 383</u>	<u>10 905</u>

Total Receivables from Exchange Transactions allocated to Other Receipts

Suppliers Paid:-

Prepayments and Advances - Opening Balance	3 117 189	2 898 016
Prepayments and Advances - Closing Balance	(3 591 699)	(3 117 189)
Prepayments and Advances: Provision for Impairment - Opening Balance	22 000	22 000
Prepayments and Advances: Provision for Impairment - Closing Balance	(22 000)	(22 000)
Deposit for Land - Opening Balance	893 543	2 285 000
Deposit for Land - Closing Balance	(1 253 543)	(893 543)
	<u>(834 510)</u>	<u>1 172 284</u>

Total Receivables from Exchange Transactions allocated to Suppliers Paid

Total Receivables from Exchange Transactions allocated to Profit on Sale of Land (Other Receipts)

Total Receivables from Exchange Transactions allocated to Cash Flow

(39 144 843) **(31 450 289)**

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

2.2 AGEING OF RECEIVABLES FROM EXCHANGE

TRANSACTIONS AS AT 30 JUNE 2021

	Current	Past Due			Total
	0 - 30 days	31 - 60 Days	61 - 90 Days	+ 90 Days	
Electricity:					
Gross Balances	10 529 433	18 003 388	1 649 892	17 316 350	47 499 064
Less: Provision for Impair	-	180 247	1 370 560	13 778 714	15 329 521
NET BALANCES	10 529 433	17 823 141	279 332	3 537 637	32 169 543
Refuse:					
Gross Balances	15 958	6 046 721	1 553 285	50 904 421	58 520 385
Less: Provision for Impair	-	1 026 497	1 511 154	47 893 214	50 430 865
NET BALANCES	15 958	5 020 224	42 131	3 011 207	8 089 520
Sewerage:					
Gross Balances	9 886	5 508 369	1 164 533	29 159 951	35 842 740
Less: Provision for Impair	-	805 626	1 116 770	27 998 213	29 920 609
NET BALANCES	9 886	4 702 744	47 763	1 161 738	5 922 131
Other Service Charges:					
Gross Balances	462 965	1 940 591	134 507	4 274 260	6 812 323
Less: Provision for Impair	-	991 317	134 193	4 247 000	5 372 511
NET BALANCES	462 965	949 274	314	27 260	1 439 813
Water:					
Gross Balances	5 916 938	8 476 633	2 174 744	64 835 970	81 404 286
Less: Provision for Impair	-	1 685 728	2 109 511	62 462 203	66 257 443
NET BALANCES	5 916 938	6 790 905	65 233	2 373 767	15 146 843
Other Debtors:					
Gross Balances	724 062	-	-	-	724 062
NET BALANCES	724 062	-	-	-	724 062
Prepayments and Advances:					
Gross Balances	3 613 699	-	-	-	3 613 699
Less: Provision for Impair	22 000	-	-	-	22 000
NET BALANCES	3 591 699	-	-	-	3 591 699
Control, Clearing and Interface Accounts:					
Gross Balances	476 634	-	-	-	476 634
NET BALANCES	476 634	-	-	-	476 634
Deposits for Land					
Gross Balances	1 253 543	-	-	-	1 253 543
NET BALANCES	1 253 543	-	-	-	1 253 543

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

As at 30 June Receivables of R45 832 669 were past due but not impaired. The age analysis of these Receivables are as follows:

	Past Due			Total
	31 - 60 Days	61 - 90 Days	+ 90 Days	
ALL RECEIVABLES:	39 975 703	6 676 961	166 490 954	213 143 617
Gross Balances				
Less: Provision for Impair	4 689 415	6 242 188	156 379 345	167 310 948
Net Balances	35 286 287	434 773	10 111 609	45 832 669

As at 30 June 2020

	Current	Past Due			Total
	0 - 30 days	31 - 60 Days	61 - 90 Days	+ 90 Days	
Electricity:					
Gross Balances	11 045 323	14 101 287	3 447 184	17 436 704	46 030 497
Less: Provision for Impair	106 944	61 878	1 970 754	11 932 727	14 072 304
NET BALANCES	10 938 379	14 039 409	1 476 429	5 503 977	31 958 193

Refuse:					
Gross Balances	559 303	4 100 801	1 938 630	39 859 037	46 457 771
Less: Provision for Impair	(12 575 104)	5 257 712	1 352 673	45 307 981	39 343 262
NET BALANCES	13 134 407	(1 156 911)	585 957	(5 448 944)	7 114 509

Sewerage:					
Gross Balances	(84 325)	4 009 593	1 533 866	22 370 510	27 829 645
Less: Provision for Impair	-	-	972 246	21 009 637	21 981 883
NET BALANCES	(84 325)	4 009 593	561 620	1 360 873	5 847 762

Other Service Charges:					
Gross Balances	603 360	144 488	99 471	4 383 088	5 230 406
Less: Provision for Impair	10 662	6 367	34 284	3 244 967	3 296 280
NET BALANCES	592 698	138 120	65 187	1 138 121	1 934 126

Water:					
Gross Balances	5 618 387	6 905 476	3 052 291	50 640 609	66 216 763
Less: Provision for Impair	-	633 697	1 245 917	48 477 453	50 357 067
NET BALANCES	5 618 387	6 271 779	1 806 374	2 163 155	15 859 695

Other Debtors:					
Gross Balances	724 062	-	-	-	724 062
NET BALANCES	724 062	-	-	-	724 062

Prepayments and Advances:					
Gross Balances	3 139 189	-	-	-	3 139 189
Less: Provision for Impair	22 000	-	-	-	22 000
NET BALANCES	3 117 189	-	-	-	3 117 189

Control, Clearing and Interface Accounts:					
Gross Balances	480 017	-	-	-	480 017
NET BALANCES	480 017	-	-	-	480 017

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Deposits for Land

Gross Balances

893 543	-	-	-	893 543
893 543	-	-	-	893 543

NET BALANCES

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

As at 30 June Receivables of R32 514 741 were past due but not impaired. The age analysis of these Receivables are as follows:

	Past Due			Total
	31 - 60 Days	61 - 90 Days	+ 90 Days	
All Receivables:				
Gross Balances	29 261 645	10 071 441	134 689 948	174 023 035
Less: Provision for Impair	5 959 655	5 575 874	129 972 765	141 508 294
Net Balances	23 301 990	4 495 567	4 717 183	32 514 741

	2021 R	2020 R
2.3 Reconciliation of the Provision for Impairment		
Balance at beginning of year	129 072 796	111 458 401
Impairment Losses recognised	42 567 225	44 689 219
Amounts written off as uncollectable	(4 307 074)	(27 074 824)
Balance at end of year	167 332 947	129 072 796
2.3.1 Allocation for Cash Flow		
Provision for Impairment at Beginning of Year	129 072 796	111 458 400
Movement in Non-cash Transactions:-		
Impairment Recognised	38 108 783	31 492 073
Impairment Reversed	4 458 442	13 197 146
Movement in Service Charges:-		
Total Receivables from Exchange Transactions Impairment allocated to Non-cash Transactions	42 567 225	44 689 219
Amounts Written Off	(4 307 074)	(27 074 824)
Total Receivables from Exchange Transactions Impairment allocated to Service Charges	(4 307 074)	(27 074 824)
Provision for Impairment at End of Year	167 332 948	129 072 795

In determining the recoverability of Receivables, the municipality has placed strong emphasis on verifying the indigent status of consumers. Provision for impairment of Receivables has been made for all consumer balances outstanding based on the payment ratio over 12 months per service type. No further credit provision is required in excess of the Provision for Impairment.

Prepayments and Advances include an amount of R169,443 for Recoveries from Staff. A historic portion of R22,000 has been deemed to be irrecoverable.

No provision has been made in respect of government debt as these amounts are considered to be fully recoverable. The municipality holds collateral over these balances in the form of Consumer Deposits / Guarantees, which are not covering the total outstanding debt and vacant property respectively. Furthermore, it is management's expert opinion and generally accepted practice within the industry not to impair government debt between different government entities, and National Treasury could be approached to engage in the matters if required.

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

3. STATUTORY RECEIVABLES FROM NON-EXCHANGE TRANSACTION

	Gross Balances	Provision for Impairment R	Net BalancesR R
As at 30 June 2021			
Property Rates	47 426 052	24 907 490	22 518 561
Fines	32 227 658	30 754 158	1 473 500
TOTAL STATUTORY RECEIVABLES FROM NON-EXCHANG	79 653 710	55 661 648	23 992 062

	GROSS Balances	PROVISION FOR Impairment R	NET BalancesR R
As at 30 June 2020			
Property Rates	44 851 594	23 942 021	20 909 574
Fines	29 964 796	22 869 973	7 094 823
TOTAL STATUTORY RECEIVABLES FROM NON-EXCHANG	74 816 391	46 811 994	28 004 397

**3.1 Allocation for Cash Flow
Property Rates:-**

Property Rates Debtors - Opening Balance	20 909 574	19 581 209
Property Rates Debtors - Closing Balance	(22 518 561)	(20 909 574)
Property Rates Debtors: Provision for Impairment - Opening Balance	23 942 021	18 090 368
Property Rates Debtors: Provision for Impairment - Closing Balance	(24 907 490)	(23 942 021)

Total Statutory Receivables from Non-exchange Transactions allocated to Property Rates

(2 574 457)	(7 180 018)
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Other Receipts:

Fines Debtors - Opening Balance	7 094 823	11 066 356
Fines Debtors - Closing Balance	(1 473 500)	(7 094 823)
Fines Debtors: Provision for Impairment - Opening Balance	22 869 973	39 610 451
Fines Debtors: Provision for Impairment - Closing Balance	(30 754 158)	(22 869 973)

Total Statutory Receivables from Non-Exchange Transactions allocated to Other Receipts

(2 262 862)	20 712 010
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TOTAL STATUTORY RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS ALLOCATED TO CASH FLOW

(4 837 319)	13 531 993
--------------------	-------------------

3.2 Ageing of Statutory Receivables from Non-Exchange Transaction

AS AT 30 JUNE 2021

	Current	Past Due			
	0 - 30 days	31 - 60 Days	61 - 90 Days	+ 90 Days	
Property Rates:					
Gross Balances	11 026	10 981 751	1 170 645	35 262 630	47 426 052
Less: Provision for Impair	5 791	5 767 460	614 806	18 519 433	24 907 490
NET BALANCES					

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Fines:

Gross Balances
Less: Provision for Impair

	32 227 658	-	-	-	32 227 658
	30 754 158	-	-	-	30 754 158
NET BALANCES					

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

As at 30 June Receivables of R22 513 326 were past due but not impaired. The age analysis of these Receivables are as follows:

	Past Due			Total
	31 - 60 Days	61 - 90 Days	+ 90 Days	
ALL RECEIVABLES:	10 981 751	1 170 645	35 262 630	47 415 026
Gross Balances	5 767 460	614 806	18 519 433	24 901 700
Less: Provision for Impair	5 214 291	555 839	16 743 197	22 513 326

NET BALANCES

As at 30 June 2020

	Current 0 - 30 days	Past Due			Total
		31 - 60 Days	61 - 90 Days	+ 90 Days	
Property Rates:					
Gross Balances	7 973 543	1 610 486	856 123	34 411 442	44 851 594
Less: Provision for Impair	3 962 987	729 564	424 853	18 824 617	23 942 021
Net Balances	4 010 557	880 922	431 270	15 586 825	20 909 574

Fines:

Gross Balances	29 964 796	-	-	-	29 964 796
Less: Provision for Impair	22 869 973	-	-	-	22 869 973
Net Balances	7 094 823	-	-	-	7 094 823

As at 30 June Receivables of R16 899 017 were past due but not impaired. The age analysis of these Receivables are as follows:

	Past Due			Total
	31 - 60 Days	61 - 90 Days	+ 90 Days	
All Receivables:				
Gross Balances	1 610 486	856 123	34 411 442	36 878 051
Less: Provision for Impair	729 564	424 853	18 824 617	19 979 034
Net Balances	880 922	431 270	15 586 825	16 899 017

2021
R

2020
R

3.3 Reconciliation of Provision for Impairment

Balance at Beginning of year	46 811 994	57 700 819
Impairment Losses Recognised	9 417 404	(10 888 825)
Impairment Losses Reversed	-	-
Amounts Written-off as uncollectable	(567 750)	-
Balance at end of year	55 661 648	46 811 994

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

3.3.1 Allocation for Cash Flow

Provision for Impairment at Beginning of Year	46 811 994	57 700 819
Movement in Non-cash Transactions:-		
Impairment Recognised	9 417 404	(10 888 825)
Impairment Reversed	-	-
	<hr/>	<hr/>
Total Receivables from Non-exchange Transactions Impairment allocated to Non-cash Transaction	<u>9 417 404</u>	<u>(10 888 825)</u>
Movement in Property Rates:-		
Amounts Written-off	(567 750)	-
	<hr/>	<hr/>
Total Receivables from Non-exchange Transactions Impairment allocated to Property Rates	<u>(567 750)</u>	<u>-</u>
Movement in Other Receipts:-		
Amounts Written-off	-	-
	<hr/>	<hr/>
Total Receivables from Non-exchange Transactions Impairment allocated to Other Receipts	<u>-</u>	<u>-</u>
PROVISION FOR IMPAIRMENT AT END OF YEAR	<u><u>55 661 648</u></u>	<u><u>46 811 994</u></u>

The Provision for Impairment on Receivables exists predominantly due to the possibility that these debts will not be recovered. The Provision for Impairment was calculated after grouping all the financial assets of similar nature and risk ratings and assessing the recoverability.

No Provision for Impairment has been made in respect of government debt as these amounts are considered to be fully recoverable. The municipality holds collateral over these balances in the form of Rates Assessment Deposits / Guarantees, which are not covering the total outstanding debt and vacant property respectively.

4. VAT RECEIVABLE

Vat Receivable	<u><u>47 750 212</u></u>	<u><u>44 160 992</u></u>
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4.1 ALLOCATION FOR CASH FLOW

VAT Received	-	2 634 901
VAT Paid	(3 589 220)	-
Total VAT allocated to Cash Flow	<u><u>(3 589 220)</u></u>	<u><u>2 634 901</u></u>

VAT is payable on the receipts basis. The municipality however uses accrual accounting, and only once payment is received from debtors, VAT is paid over to SARS.

Furthermore, VAT is claimable on the payment basis.

No interest is payable to SARS if the VAT is paid over timeously, but interest for late payments is charged according to SARS policies. The municipality has financial risk policies in place to ensure that payments are affected before the due date.

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

5. CASH AND CASH EQUIVALENTS

Current Investments	40 489 896	122 294 823
Bank Accounts	12 904 130	19 481 806
Cash on Hand	421	421

TOTAL BANK, CASH AND CASH EQUIVALENTS	53 394 447	141 777 050
--	-------------------	--------------------

5.1 ALLOCATION FOR CASH FLOW:

Increase / (Decrease) in Cash Equivalents:-

Cash and Cash Equivalents - Opening Balance	141 777 050	214 527 388
Cash and Cash Equivalents - Closing Balance	(53 394 447)	(141 777 050)

Total Cash and Cash Equivalents allocated to Increase / (Decrease) in Cash Equivalents	88 382 603	72 750 338
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Total Cash and Cash Equivalents allocated to Cash Flow	88 382 603	72 750 338
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For the purposes of the Statement of Financial Position and the Cash Flow Statement, Cash and Cash Equivalents include Cash-on-Hand, Cash in Banks and Investments in Money Market Instruments, net of outstanding Bank Overdrafts.

5.2 Current Investment Deposits

Call Deposits	40 489 896	122 294 823
---------------	------------	-------------

Total Current Investment Deposits	40 489 896	122 294 823
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Call Deposits are investments with a maturity period of less than 3 months and earn interest rates varying from 3.00 % to 8.00% (2020: 3.40 % to 10.00 %) per annum.

5.3 Bank Accounts

Cash in Bank	12 904 130	19 481 806
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Total Bank Accounts	12 904 130	19 481 806
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The Municipality has the following operational bank accounts:

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Primary Bank Account

Cash book balance at beginning of year	19 481 806	5 694 930
Cash book balance at end of year	<u>12 904 130</u>	<u>19 481 806</u>

First National Bank - Jeffreys bay Branch-Cheque Account Number: 52540020791

Bank statement balance at beginning of year	11 782 906	11 217 561
Bank statement balance at end of year	<u>7 082 227</u>	<u>11 782 906</u>

First National Bank - Jeffreys bay Branch-Cheque Account Number: 52540033304

Bank statement balance at beginning of year	6 954 464	2 383 385
Bank statement balance at end of year	<u>5 795 584</u>	<u>6 954 464</u>

First National Bank - Jeffreys bay Branch-Cheque Account Number: 62682103591

Bank statement balance at beginning of year	27 768	
Bank statement balance at end of year	<u>26 319</u>	<u>27 768</u>

The municipality does not have any overdrawn current account facilities with its banker and therefore does not incur interest on overdrawn current accounts. Interest is earned at different rates per annum on favourable balances.

5.4 CASH AND CASH EQUIVALENTS

Cash Floats and Advances	421	421
Total Cash on hand in Cash Floats, Advances and Equivalents	<u>421</u>	<u>421</u>

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

6. PROPERTY, PLANT AND EQUIPMENT

30 June 2021 Reconciliation

of Carrying Value

Description	Land	Buildings	Infra-structure	Landfill Sites	Community	Other	TransportAssets	Leased Assets	Work in Progress	Total
	R	R	R	R	R	R	R	R	R	R
Carrying values at 01 July 2020	234 719 377	50 836 868	1 546 611 608	14 699 974	24 121 041	15 307 580	25 533 458	1 953 748	163 353 801	2 077 137 455
Cost	234 719 377	53 605 907	2 198 444 059	44 252 422	25 731 956	43 684 191	56 542 201	5 167 861	163 353 801	2 825 501 775
- Completed Assets	234 719 377	53 605 907	2 198 444 059	44 252 422	25 731 956	43 684 191	56 542 201	5 167 861	-	2 662 147 974
- Under Construction	-	-	-	-	-	-	-	-	163 353 801	163 353 801
Accumulated Impairment Losses	-	(879 000)	-	-	(1 587 000)	(441 442)	(454 957)	-	-	(3 362 399)
Accumulated Depreciation	-	(1 890 039)	(651 832 452)	(29 552 448)	(23 915)	(27 935 169)	(30 553 786)	(3 214 113)	-	(745 001 922)
Acquisition of Assets										
- Cost	-	1 377 612	-	-	-	4 406 098	5 775 708	-	-	11 559 417
- Capital Under Construction	-	-	-	-	-	-	-	-	48 799 692	48 799 692
Decommissioning and other Liabilities	-	-	-	(74 640)	-	-	-	-	-	(74 640)
Depreciation	-	(768 968)	(68 569 523)	(2 092 215)	(74 468)	(4 368 759)	(4 183 428)	(433 284)	-	(80 490 644)
Carrying value of Disposals:	-	(99 748)	(235 129)	-	-	(154 341)	(1 547 222)	(10 452)	-	(2 046 892)
- Cost	-	(120 000)	(829 267)	-	-	(2 410 752)	(5 092 073)	(98 715)	-	(8 550 808)
- Accumulated Impairment Losses	-	-	-	-	-	50 690	291 684	-	-	342 374
- Accumulated Depreciation	-	20 252	594 138	-	-	2 205 721	3 253 168	88 263	-	6 161 542
Impairment (losses)/reversals	-	(87 808)	(68 413)	-	-	(26 372)	-	-	-	(182 593)
Capital under Construction - Completed	-	-	-	-	-	-	-	-	(59 348 298)	(59 348 298)
Transfer to Cost - Completed	-	2 417 532	53 789 028	-	3 141 738	-	-	-	-	59 348 298
Carrying values at 30 June 2021	234 719 377	53 675 487	1 531 527 571	12 533 119	27 188 312	15 164 206	25 578 516	1 510 013	152 805 195	2 054 701 795
Cost	234 719 377	57 281 050	2 251 403 820	44 177 782	28 873 694	45 679 537	57 225 835	5 069 146	152 805 195	2 877 235 437
- Completed Assets	234 719 377	57 281 050	2 251 403 820	44 177 782	28 873 694	45 679 537	57 225 835	5 069 146	-	2 724 430 242
- Under Construction	-	-	-	-	-	-	-	-	152 805 195	152 805 195
Accumulated Impairment Losses	-	(966 808)	(68 413)	-	(1 587 000)	(417 124)	(163 273)	-	-	(3 202 618)
Accumulated Depreciation	-	(2 638 755)	(719 807 836)	(31 644 663)	(98 382)	(30 098 207)	(31 484 046)	(3 559 134)	-	(819 331 023)

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

30 June 2020 Reconciliation

of Carrying Value

Description	Land	Buildings	Infra-structure	Landfill Sites	Community	Other	TransportAssets	Leased Assets	Work in Progress	Total
	R	R			R	R	R	R	R	R
Carrying values at 01 July 2019	231 769 377	51 389 637	1 566 945 742	16 009 370	24 132 290	12 102 855	15 216 850	1 897 578	98 827 320	2 018 291 019
Cost	231 769 377	53 605 907	2 154 597 135	42 963 771	25 731 956	36 012 509	43 057 413	4 687 823	98 827 320	2 691 253 211
- Completed Assets	231 769 377	53 605 907	2 154 597 135	42 963 771	25 731 956	36 012 509	43 057 413	4 687 823	-	2 592 425 891
- Under Construction	-	-	-	-	-	-	-	-	98 827 320	98 827 320
Accumulated Impairment Losses	-	(879 000)	-	-	(1 587 000)	(392 222)	(341 978)	-	-	(3 200 200)
Accumulated Depreciation	-	(1 337 270)	(587 651 393)	(26 954 401)	(12 666)	(23 517 432)	(27 498 585)	(2 790 245)	-	(669 761 992)
Acquisition of Assets										
- Cost	2 950 000	-	-	1 176 792	-	7 685 532	13 662 214	480 038	-	25 954 576
- Capital Under Construction	-	-	-	-	-	-	-	-	111 477 179	111 477 179
Decommissioning and other Liabilities	-	-	15 264	111 859	-	-	-	-	-	127 123
Depreciation	-	(552 769)	(65 592 236)	(2 598 047)	(11 249)	(4 425 063)	(3 213 277)	(423 868)	-	(76 816 509)
Carrying value of Disposals:	-	-	(1 691 696)	-	-	(6 524)	(19 351)	-	-	(1 717 571)
- Cost	-	-	(3 102 874)	-	-	(13 849)	(177 426)	-	-	(3 294 149)
- Accumulated Depreciation	-	-	1 411 178	-	-	7 325	158 075	-	-	1 576 579
Impairment (losses)/reversals	-	-	-	-	-	(49 220)	(112 979)	-	-	(162 199)
Capital under Construction - Completed	-	-	-	-	-	-	-	-	(46 950 698)	(46 950 698)
Transfer to Cost - Completed	-	-	46 934 534	-	-	-	-	-	-	46 934 534
Carrying values at 30 June 2020	234 719 377	50 836 868	1 546 611 608	14 699 974	24 121 041	15 307 580	25 533 458	1 953 748	163 353 801	2 077 137 455
Cost	234 719 377	53 605 907	2 198 444 059	44 252 422	25 731 956	43 684 191	56 542 201	5 167 861	163 353 801	2 825 501 775
- Completed Assets	234 719 377	53 605 907	2 198 444 059	44 252 422	25 731 956	43 684 191	56 542 201	5 167 861	-	2 662 147 974
- Under Construction	-	-	-	-	-	-	-	-	163 353 801	163 353 801
Accumulated Impairment Losses	-	(879 000)	-	-	(1 587 000)	(441 442)	(454 957)	-	-	(3 362 399)
Accumulated Depreciation	-	(1 890 039)	(651 832 452)	(29 552 448)	(23 915)	(27 935 169)	(30 553 786)	(3 214 113)	-	(745 001 922)

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021 R	2020 R
6. PROPERTY, PLANT AND EQUIPMENT (Continued)		
6.1 ALLOCATION FOR CASH FLOW		
Property, Plant and Equipment at Beginning of Year	2 077 137 455	2 018 291 020
Property, Plant and Equipment	1 913 783 654	1 919 463 699
Construction Work-in-Progress	163 353 801	98 827 320
Movement in Non-cash Transactions:-		
Depreciation for the Year	(80 490 644)	(76 816 509)
Impairment for the Year	(182 593)	(162 199)
Revaluation	-	-
Total Property, Plant and Equipment allocated to Non-cash Transactions	<u>(80 673 237)</u>	<u>(76 978 707)</u>
Purchase of Property, Plant and Equipment:-		
Acquisition of Property, Plant and Equipment	11 484 777	26 081 699
Acquisitions	11 559 417	25 954 576
Correction of Error	-	-
Decommissioning, Restoration and Other Liabilities	(74 640)	127 123
Acquisition of Construction Work-in-Progress	48 799 692	111 477 179
Total Property, Plant and Equipment allocated to Purchase of Property, Plant and Equipment	<u>60 284 470</u>	<u>137 558 877</u>
Disposal of Property, Plant and Equipment:-		
Carrying Value of Disposals	(2 046 892)	(1 717 571)
Total Property, Plant and Equipment allocated to Proceeds on Disposal of Property, Plant and Equipment	<u>(2 046 892)</u>	<u>(1 717 571)</u>
Transfer of Property, Plant and Equipment:-		
Work in Progress Completed: Transferred In	59 348 298	46 934 534
Work in Progress Completed: Transferred Out	(59 348 298)	(46 950 698)
Total Property, Plant and Equipment allocated to Suppliers Paid	-	(16 164)
Property, Plant and Equipment at End of Year	2 054 701 795	2 077 137 455
Proceeds on Disposal of Property, Plant and Equipment:-		
Disposals as per Reconciliation of Property, Plant and Equipment	2 046 892	1 717 571
Gains / Losses on Disposal of Property, Plant and Equipment	(1 989 467)	(1 717 571)
	<u>57 425</u>	<u>-</u>
TOTAL PROCEEDS ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT ALLOCATED TO CASH FLOW		

6.2 ASSETS PLEDGED AS SECURITY

No assets have been pledged as security.

6.3 PROPERTY, PLANT AND EQUIPMENT RENTED OUT

For certain Property Plant and Equipment a portion is being rented out. Due to the insignificance of this portion relative to the whole, judgement has been made that this does not fit the recognition criteria as Investment Property.

6.4 IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT

Impairment Losses on Property, Plant and Equipment to the amount of R182 593 (2020: R162 199) has been recognised in operating surplus and are included in Impairment Losses in the Statement of Financial Performance as indicated in Note 33..

Land	-	-
Buildings	87 808	-
Infrastructure	68 413	-
Other Assets	26 372	49 220
Transport Assets	-	112 979

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

TOTAL IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT

182 593

162 199

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

6.5 DELAYED PROJECTS

Project Details	Delayed or Halted		
Community Asset	Delayed	5 813 027	5 813 027
Reason: The projects was delayed due to COVID 19 and the Drought disaster in the Kouga Area			
Other Assets	Delayed	587 615	587 615
Reason: The projects was delayed due to COVID 19 and the Drought disaster in the Kouga Area			
TOTAL CARRYING AMOUNTS OF DELAYED OR HALTED PROJECTS		6 400 642	6 400 642

6.6 COMPENSATION RECEIVED FOR LOSSES

Compensation, included in Operating Surplus, was received from the municipality's insurers and other third parties for Property, Plant and Equipment lost during the year:

	Compensation Received R	Carrying Value of Lost Assets R	Surplus / Deficit on Compensation R
30 JUNE 2021			
Buildings	-	99 748	(99 748)
Infrastructure	-	235 129	(235 129)
Leased Assets	-	10 452	(10 452)
Other Assets	-	154 341	(154 341)
Transport Assets	-	1 547 222	(1 547 222)
Totals for Lost Property, Plant and Equipment	-	2 046 892	(2 046 892)
	Compensation Received R	Carrying Value of Lost Assets R	Surplus / Deficit on Compensation R

30 JUNE 2020

Infrastructure	-	1 691 696	(1 691 696)
Other Assets	-	6 524	(6 524)
Transport Assets	-	19 351	(19 351)
Totals for Lost Property, Plant and Equipment	-	1 717 571	(1 717 571)

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021 R	2020 R
6.7 EXPENDITURE INCURRED FOR REPAIRS AND MAINTENANCE		
The following specific costs included in the amount of repairs and maintenance were incurred by municipality during the reporting period:		
Electrical Infrastructure	8 824 439	9 819 954
- Contracted Services	5 591 155	2 043 287
- Inventory Consumed	3 196 953	7 680 626
- Other Operational Costs	36 332	96 041
Information and Communication Infrastructure	45 677	-
- Other Operational Costs	45 677	-
Rail Infrastructure	193 534	-
- Contracted Services	193 534	-
Roads Infrastructure	32 759 937	25 495 148
- Contracted Services	32 095 143	18 685 600
- Inventory Consumed	664 794	5 299 599
- Other Operational Costs	-	1 509 949
Sanitation Infrastructure	2 567 395	3 207 749
- Contracted Services	1 112 115	1 660 904
- Inventory Consumed	918 014	1 110 962
- Other Operational Costs	537 266	435 883
Solid Waste Disposal	65 120	1 538 237
- Contracted Services	65 120	1 500 483
- Other Operational Costs	-	37 754
Storm Water Infrastructure	1 058 488	726 282
- Contracted Services	67 015	79 464
- Inventory Consumed	467 450	499 260
- Other Operational Costs	524 024	147 559
Water Supply Infrastructure	8 766 492	2 956 702
- Contracted Services	588 155	1 076 193
- Inventory Consumed	1 923 183	1 783 107
- Other Operational Costs	6 255 154	97 402
Community Assets	3 348 767	4 362 399
- Contracted Services	2 669 277	3 502 966
- Inventory Consumed	679 490	859 433
Machinery and Equipment	390 736	318 266
- Contracted Services	307 455	240 585
- Inventory Consumed	83 282	77 681
Other Assets - Buildings	2 546 506	1 965 669
- Contracted Services	2 095 775	1 651 392
- Inventory Consumed	445 596	314 277
- Other Operational Costs	5 134	-
Transport Assets	7 945 875	9 898 657
- Contracted Services	6 680 305	8 714 695
- Inventory Consumed	1 161 570	914 209
- Other Operational Costs	104 000	269 752
TOTAL EXPENDITURE RELATED TO REPAIRS AND MAINTENANCE PROJECTS	68 512 967	60 289 063

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

7. INTANGIBLE ASSETS

At Cost less Accumulated Amortisation and Accumulated Impairment Losses

1 294 963

679 541

The movement in Intangible Assets is reconciled as follows:

SOFTWARE PURCHASED:

Carrying values at 01 July	679 540	243 850
Cost	1 176 385	623 643
Accumulated Amortisation	(496 844)	(379 793)
Acquisitions:	976 994	552 741
Purchased	976 994	552 741
Amortisation:	(361 571)	(117 051)
Purchased	(361 571)	(117 051)
Internally Developed	-	-
Carrying values at 30 June	1 294 963	679 540
Cost	2 153 379	1 176 385
Accumulated Amortisation	(858 415)	(496 844)

Movement in Non-cash Transactions:-

Amortisation for the Year
7.1 Allocation for Cash Flow

Intangible Assets at Beginning of Year	679 541	243 850
Purchase of Intangible Assets:-		
Acquisition of Intangible Assets	(361 571)	(117 051)
Total Intangible Assets allocated to Non-cash Transactions	<u>(361 571)</u>	<u>(117 051)</u>
	976 994	552 742
Total Intangible Assets allocated to Purchase of Intangible Assets	<u>976 994</u>	<u>552 742</u>
Intangible Assets at End of Year	1 294 963	679 541

The amortisation expense has been included in the line item "Depreciation and Amortisation" in the Statement of Financial Performance (see Note 32.).

All of the municipality's Intangible Assets are held under freehold interests and no Intangible Assets had been pledged as security for any liabilities of the municipality.

Refer to Appendix "B" for more detail on Intangible Assets.

7.2 Significant Intangible Assets

Significant Intangible Assets, that did not meet the recognition criteria for Intangible Assets as stipulated in GRAP 102 and SIC 32, are the following:

(i) Website Costs incurred during the last two financial years, if applicable, have been expensed and not recognised as Intangible Assets. The municipality cannot demonstrate how its website will generate probable future economic benefits.

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

8. INVESTMENT PROPERTY

At Cost less Accumulated Depreciation

262 645 444

262 645 444

The movement in Investment Property is reconciled as follows:

Carrying values at 1 July

262 645 444

262 645 444

Cost

262 645 444

262 645 444

Acquisitions during the Year

-

-

Cost

-

-

Carrying values at 30 June

262 645 444

262 645 444

Cost

262 645 444

262 645 444

8.1 Allocation for Cash Flow

Movement in Non-cash Transactions:-

Investment Property at Beginning of Year

262 645 444

262 645 444

Depreciation for the Year

-

-

Total Investment Property allocated to Non-cash Transactions

-

-

Purchase of Investment Property:-

Acquisition of Investment Property

-

-

Total Investment Property allocated to Purchase of Investment Property

-

-

Investment Property at End of Year

262 645 444

262 645 444

Revenue and Expenditure disclosed in the Statement of Financial Performance include the following:

Rental Revenue earned from Investment Property

925 404

-

Direct Operating Expenses - incurred to generate rental revenue

-

-

Direct Operating Expenses - incurred which did not generate rental revenue

-

-

All of the municipality's Investment Property is held under freehold interests and no Investment Property had been pledged as security for any liabilities of the municipality.

Refer to Appendix "B" for more detail on Investment Property.

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021 R	2020 R
9. LEASE RECEIVABLES		
Current Lease Receivables	107 590	171 287
Non-current Lease Receivables	-	-
Total Lease Receivables	107 590	171 287
9.1 Operating Lease Receivables		
Operating Leases are recognised on the straight-line basis as per the requirement of GRAP 13. In respect of Non-cancellable Operating Leases the following assets have been recognised:		
Balance at beginning of year	171 287	234 365
Operating Lease - Straight lining	-	-
Operating Lease Revenue effected	(63 697)	(63 078)
TOTAL OPERATING LEASE RECEIVABLES	107 590	171 287

9.1.1 ALLOCATION FOR CASH FLOW

Other Receipts:-

Operating Lease Receivables - Opening Balance	171 287	234 365
Operating Lease Receivables - Closing Balance	(107 590)	(171 287)
Total Operating Lease Receivables allocated to Other Receipts	63 697	63 078
Total Operating Lease Receivables allocated to Cash Flow	63 697	63 078

9.1.2 Leasing Arrangements

The Municipality as Lessor:

Operating Leases relate to Property owned by the municipality with lease terms of between 1 to 99 years, with an option to extend.

All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

9.1.3 AMOUNTS RECEIVABLE UNDER OPERATING LEASES

At the Reporting Date the following minimum lease payments were receivable under Non-cancellable Operating Leases for Property, Plant and Equipment, which are receivable as follows:

Up to 1 year	360 075	360 075
2 to 5 years	1 311 975	1 311 975
More than 5 years	-	-
TOTAL OPERATING LEASE ARRANGEMENTS	1 672 050	1 672 050

The impact of charging the escalations in Operating Leases on a straight-line basis over the term of the lease has been a decrease of R63 697 (2020: decrease of R63 078) in current year income.

10. LONG-TERM RECEIVABLES

Staff Related Long Term Receivables	-	13 000
Gross Balance	10 000	13 000
Provision for Impairment	(10 000)	-
Total Long Term Receivables	-	26 000

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Less: Current Portion transferred to Current Receivables:-
Staff Related Long Term Receivables

-	3 000
<u>-</u>	<u>3 000</u>

NON-CURRENT POTION OF LONG TERM RECEIVABLES

-	10 000
<u>-</u>	<u>10 000</u>

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

10.1 ALLOCATION FOR CASH FLOW

Decrease / (Increase) in Long-term Receivables:-

Long-term Receivables - Opening Balance	10 000	13 000
Long-term Receivables - Closing Balance	-	(10 000)

Total Long-term Receivables allocated to Decrease / (Increase) in Long-term Receivables

	10 000	3 000
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Other Receipts:-

Current Portion of Long-term Receivables - Opening Balance	3 000	3 000
Current Portion of Long-term Receivables - Closing Balance	-	(3 000)

Total Current Portion of Long-term Receivables allocated to Other Receipts

	3 000	-
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Total Long-term Receivables allocated to Cash Flow

	13 000	3 000
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Staff Related Long Term Receivables

Staff Related Long Term Receivables relate to an acting allowance that was overpaid to an employee in 2009. A provision has now been made for the write-off of this receivable in the new financial year, as this person is not employed by the municipality any more, and does not have the means to repay the monies.

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021 R	2020 R
11. CONSUMER DEPOSITS		
Electricity	11 881 426	10 835 939
Water	2 024 497	1 821 417
Other Deposits:-	6 868 333	5 418 508
- Land Sales	6 794 262	5 359 835
- Rental Properties	42 070	58 673
- Wayleave	32 000	-
TOTAL CONSUMER DEPOSITS	20 774 255	18 075 864
11.1 ALLOCATION FOR CASH FLOW		
Service Charges:-		
Consumer Deposits: Trading Services - Opening Balance	(12 657 356)	(12 292 453)
Electricity	(10 835 939)	(10 563 805)
Water	(1 821 417)	(1 728 648)
Consumer Deposits: Trading Services - Closing Balance	13 905 922	12 657 356
Electricity	11 881 426	10 835 939
Water	2 024 497	1 821 417
Total Consumer Deposits allocated to Service Charges	1 248 566	364 903
Other Receipts:-		
Consumer Deposits: Other Services - Opening Balance	(5 418 508)	(5 085 670)
Consumer Deposits: Other Services - Closing Balance	6 868 333	5 418 508
Total Consumer Deposits allocated to Other Receipts	1 449 825	332 839
TOTAL CONSUMER DEPOSITS ALLOCATED TO CASH FLOW	2 698 391	697 742

Consumer Deposits - Electricity and Water

Consumer Deposits are paid by consumers on application for new water and electricity connections. The deposits are repaid when the water and electricity connections are terminated. In cases where consumers default on their accounts, the municipality can utilise the deposit as payment for the outstanding account.

No interest is paid on Consumer Deposits held.

12. PAYABLES FROM EXCHANGE TRANSACTIONS		
Bonus	-	-
Other Payables	11 734 759	10 646 509
Retentions	3 697 847	3 349 136
Salary Related Payables	834 091	816 076
Trade Creditors	54 817 337	112 202 790
Advance Payments	17 800 699	16 092 821
TOTAL PAYABLES FROM EXCHANGE TRANSACTIONS	88 884 733	143 107 331
12.1 Allocation for Cash Flow		
Service Charges:-		
Advance Payments	1 707 879	1 136 418
Control, Clearing and Interface Accounts: Prepaid Electricity	-	0
Total Payables from Exchange Transactions allocated to Service Charges	1 707 879	1 136 419

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	929 217	(5 445 894)
Total Payables from Exchange Transactions allocated to Other Receipts	<u>929 217</u>	<u>(5 445 894)</u>

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Employee Related Costs:-

Bonus	-	-
Compensation Commission (COID)	-	(11 953 994)
Control, Clearing and Interface Accounts: Salary Clearing and Control	98 406	1 184 437
Long Service Award	118 046	12 036 228
PAYE Deductions	(100 031)	38 380

Total Payables from Exchange Transactions allocated to Employee Related Costs	<u><u>116 421</u></u>	<u><u>1 305 051</u></u>
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Suppliers Paid:-

Auditor-General of South Africa	0	(43 254)
Bulk Water	(777 517)	(59 693 978)
Control, Clearing and Interface Accounts: Goods Received / Invoices Received	0	2 364
Electricity Bulk Purchase	2 355 827	3 192 220
Payables and Accruals	(58 963 764)	115 412 173
Retentions	348 711	809 640

Total Payables from Exchange Transactions allocated to Suppliers Paid	<u><u>(57 036 742)</u></u>	<u><u>59 679 166</u></u>
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Other Payments:-

Affiliates, Related Parties and Associated Companies	-	(0)
Control, Clearing and Interface Accounts: Cash and Bank	60 627	(949 963)

Total Payables from Exchange Transactions allocated to Other Payments	<u><u>60 627</u></u>	<u><u>(949 964)</u></u>
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Total Payables from Exchange Transactions allocated to Cash Flow	<u><u>(54 222 598)</u></u>	<u><u>55 724 778</u></u>
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13. PAYABLES FROM NON-EXCHANGE TRANSACTIONS

Transfers and Subsidies	751 430	235 741
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Total Payables from Non-exchange Transactions	<u><u>751 430</u></u>	<u><u>235 741</u></u>
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13.1 Allocation for Cash Flow

Other Payments:-

Payables from Non-exchange Transactions - Opening Balance	-	235 741
Payables from Non-exchange Transactions - Closing Balance	751 430	235 741

Total Payables from Non-exchange Transactions allocated to Other Payments	<u><u>515 689</u></u>	<u><u>235 741</u></u>
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Total Payables from Non-exchange Transactions allocated to Cash Flow	<u><u>515 689</u></u>	<u><u>235 741</u></u>
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No credit period exists for Payables from Non-exchange Transactions, neither has any credit period been arranged.No interest is charged on outstanding amounts.

14. UNSPENT CONDITIONAL GRANTS AND RECEIPTS

District Municipalities	-	-
National Government	5 962 915	26 927 177
Provincial Government	235 741	-

TOTAL UNSPENT CONDITIONAL GRANTS AND RECEIPTS	<u><u>6 198 656</u></u>	<u><u>26 927 177</u></u>
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14.1 Allocation for Cash Flow

Transfers and Subsidies:-

Unspent Conditional Grants and Receipts - Opening Balance	(26 927 177)	(103 445 548)
Unspent Conditional Grants and Receipts - Closing Balance	6 198 656	26 927 177

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Total Unspent Conditional Grants and Receipts allocated to Transfers and Subsidies

(20 728 521)

(76 518 371)

Total Unspent Conditional Grants and Receipts allocated to Cash Flow

(20 728 521)

(76 518 371)

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

The Unspent Conditional Grants and Receipts are invested in investment accounts until utilised.

See Note 23 for the reconciliation of Grants from Government and other sources. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. No grants were withheld.

15. LEASE PAYABLES

Current Lease Payables	618 501	645 622
Non-current Lease Payables	-	618 497
Total Lease Payables	618 501	1 264 119
15.1 Finance Lease Payables		
Finance Lease Liability	618 501	1 264 119
Total Non-current Lease Payables	618 501	1 264 119
Less: Current Portion transferred to Current Lease Payables:-	(618 501)	(645 622)
Non-Current Portion of Finance Lease Payables	-	618 497
15.1.1 Allocation for Cash Flow		
15.1.1.1 Current Portion:-		
Movement in Current Portion of Finance Lease Payables:-		
Opening Balance	(645 622)	(1 067 666)
Closing Balance	618 501	645 622
Total Movement in Current Portion of Finance Lease Payables	(27 121)	(422 045)
Adjustment for Non-cash Transactions:	422 045	696 860
Total Current Portion allocated to Repayment of Borrowings	394 924	274 816

15.1.1.2 NON-CURRENT PORTION:-

Movement in Non-current Finance Lease Payables:-		
Non-current Finance Lease Payables - Opening Balance	(618 497)	(1 264 119)
Non-current Finance Lease Payables - Closing Balance	-	618 497
Total Movement in Non-current Finance Lease Payables	(618 497)	(645 622)
Adjustment for Non-cash Transactions:	(422 045)	(696 860)
Total Non-current Long-term Liabilities allocated to Repayment of Borrowings	(1 040 542)	(1 342 482)
Total Long-term Liabilities allocated to Cash Flow	(645 618)	(1 067 666)

15.1.2 Summary of Arrangements

Finance Lease Liabilities relates to Vehicles and IT Equipment with lease terms of 5 (2020: 5) years. The effective interest rate on Finance Leases is between 13,21% and 48,13% (2020: 13,21 to 48,13%). Capitalised Lease Liabilities are secured over the items of vehicles and equipment leased.

15.1.3 OBLIGATIONS UNDER LEASES

The Municipality as Lessee:

Finance Leases relate to Property, Plant and Equipment with lease terms not more than 5 years (2020: 5 years). The effective interest rate on Finance Leases is between 14.73% and 21.53% (2020: 13.21% and 48.13%).

The municipality has options to purchase the Property, Plant and Equipment for a nominal amount at the conclusion of the lease agreements. The municipality's obligations under Finance Leases are secured by the lessors' title to the leased assets.

The municipality does not have an option to purchase the leased Property, Plant and Equipment at the conclusion of the lease agreements. The municipality's obligations under Finance Leases are secured by the lessors' title to the leased assets.

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

The risks and rewards of ownership in respect of the Property, Plant and Equipment will transfer to the municipality at the conclusion of the agreement.

The municipality's obligations under Finance Leases are secured by the lessors' title to the leased assets.

The obligations under Finance Leases are as follows:

	Minimum Lease Payments		Present Value of Minimum Lease Payments	
	2021 R	2020 R	2021 R	2020 R
AMOUNTS PAYABLE UNDER BORROWINGS:				
Within one year	795 355	795 355	618 501	645 622
In the second to fifth years, inclusive	662 796	662 796		618 497
Over five years	-	-	-	-
	1 458 151	1 458 151	618 501	1 264 119
Less: Future Finance Obligations	194 036	194 036		
Present Value of Minimum Lease Obligations	1 264 115	1 264 115	618 501	1 264 119
Less: Amounts due for settlement within 12 months (Current Portion)			(618 501)	(645 622)
			-	618 497

BORROWINGS DUE FOR SETTLEMENT AFTER 12 MONTHS (NON-CURRENT PORTION)

The municipality has finance lease agreements for the following significant classes of assets:

- Office Equipment
- Vehicles

Included in these classes are the following significant leases:

- (i) Photocopiers, Computers and Fax Machines
- Instalments are payable monthly in arrears
 - Average period outstanding
 - Average effective interest rate, based on prime
 - Average monthly instalment

	R 1 264 119	R 1 264 119
	12 months	12 months
	15.33%	15.33%
	R 52 860	R 52 860

16. BORROWINGS

Long-Term Borrowings

Development Bank of South Africa

6 128 308 15 090 289

6 128 308	15 090 289
-----------	------------

Less: Current Portion transferred to Current Borrowings:-

Development Bank of South Africa

(6 128 308) (8 961 975)

(6 128 308)	(8 961 975)
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NON-CURRENT PORTION OF BORROWINGS

6 128 314

16.1 ALLOCATION FOR CASH FLOW

16.1.1 Current Portion:-

Movement in Current Portion of Borrowings:-

Current Portion of Borrowings - Opening Balance

(8 961 975) (7 998 872)

Current Portion of Borrowings - Closing Balance

6 128 308 8 961 975

Total Movement in Current Portion of Borrowings

(2 833 667) 963 103

Adjustment for Non-cash Transactions:

2 833 667 (963 103)

- Transfer from Non-current Borrowings

2 833 667	(963 103)
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Total Current Portion allocated to Repayment of Borrowings

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

16.1.2 NON-CURRENT PORTION:-

Movement in Non-current Borrowings:-

Non-current Borrowings - Opening Balance	(6 128 314)	(15 090 290)
Non-current Borrowings - Closing Balance	-	6 128 314
Total Movement in Non-current Borrowings	(6 128 314)	(8 961 976)
Adjustment for Non-cash Transactions:	(2 833 667)	963 103
- Transfer to Current Portion of Long-term Liabilities	(2 833 667)	963 103
Total Non-current Long-term Liabilities allocated to Repayment of Borrowings	(8 961 981)	(7 998 873)
Total Long-term Liabilities allocated to Cash Flow	(8 961 981)	(7 998 873)

16.2 Summary of Arrangements

The fixed term loan is over a period of 10 years was taken up with the Development Bank of Southern Africa to purchase heavy duty vehicles. In terms of the service level agreement, as amended, the loan will be repaid in monthly instalments at a interest rate of 11.18 %.

16.3 Obligations under Borrowings

Annuity and Bullet Loans	-	6 128 314
Current Portion transferred to Current Liabilities:-	6 128 308	8 961 975
Annuity and Bullet Loans	6 128 308	8 961 975
Total Borrowings	6 128 308	15 090 289

17. EMPLOYEE BENEFIT LIABILITIES

Employee Benefit Liabilities

Post-retirement Health Care Benefits Liability	109 669 451	94 571 941
Post-retirement Pension Benefits Liability	89 626 999	75 535 567
Long Service Awards Liability	150 949	151 045
Performance Bonus	17 157 000	16 490 264
	2 734 503	2 395 065
Less: Current Portion of Employee Benefit Liabilities	7 872 752	8 316 102
Post-retirement Health Care Benefits Liability	3 144 000	3 176 023
Post-retirement Pension Benefits Liability	21 249	21 249
Long Service Awards Liability	1 973 000	2 723 765
Performance Bonus	2 734 503	2 395 065
Non-Current Portion of Employee Benefit Liabilities	101 796 699	86 255 839

17.1 Allocation for Cash Flow

17.1.1 Current Portion

Provisions at Beginning of Year	8 316 102	7 828 354
Movement in Non-cash Transactions:-		
Defined Benefit Obligations	3 144 000	3 197 272
Long Service Awards Liability	(750 765)	195 364
Performance Bonus	339 439	98 402
Total Provisions allocated to Non-cash Transactions	2 732 674	3 491 038
Movement in Employee Related Costs:-		
Actual Benefit Payments	(3 176 023)	(3 003 291)
Reductions (Outflow of Economic Benefits)	-	-
Total Provisions allocated to Employee Related Costs	(3 176 023)	(3 003 291)
Provisions at End of Year	7 872 752	8 316 102

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

17.1.2 NON-CURRENT PORTION

Employee Benefit Liabilities at Beginning of Year	86 255 839	94 807 417
Movement in Non-cash Transactions:-		
Long-service Awards	4 141 266	1 885 792
Post Retirement Health Care	14 102 206	(7 901 855)
Post Retirement Pension	50 353	(7 114)
	<hr/>	<hr/>
Total Employee Benefit Liabilities allocated to Non-cash Transactions	18 293 825	(6 023 177)
	<hr/>	<hr/>
Movement in Employee Related Costs:-		
Long-service Awards: Reductions (Outflow of Economic Benefits)	(2 723 765)	(2 528 401)
Post Retirement Health Care: Actual Employer Benefit Payments	(29 200)	-
Defined Benefit Obligations: Actual Benefit Payments	-	-
	<hr/>	<hr/>
Total Employee Benefit Liabilities allocated to Employee Related Costs	(2 752 965)	(2 528 401)
	<hr/>	<hr/>
Employee Benefit Liabilities at End of Year	101 796 699	86 255 839

17.2 Current Portion of Employee Benefit Liabilities

The movement in Current Portion of Employee Benefit Liabilities is reconciled as follows:

	Performance Bonus R	Medical Aid R	Pension Fund R	Long-term Service R
<hr/>				
30 JUNE 2021				
Opening Balance	2 395 065	3 176 023	-	2 723 765
Current service cost	339 438	3 144 000	21 249	-
Actual employer benefit payments	-	(3 176 023)	-	-
Reversals	-	-	-	(750 765)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at end of year	2 734 503	3 144 000	21 249	1 973 000
	<hr/>	<hr/>	<hr/>	<hr/>
	Performance Bonus R	Medical Aid R	Pension Fund R	Long-term Service R
<hr/>				
30 JUNE 2020				
Opening Balance	2 296 662	2 982 243	21 048	2 528 401
Current service cost	98 403	3 176 023	21 249	2 723 765
Actual employer benefit payments	-	(2 982 243)	(21 048)	-
Reversals	-	-	-	(2 528 401)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at end of year	2 395 065	3 176 023	21 249	2 723 765
	<hr/>	<hr/>	<hr/>	<hr/>

Performance Bonuses accrue to senior managers on an annual basis, subject to certain conditions. The provision is an estimate of the amount due at the reporting date.

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

17.3 POST-RETIREMENT HEALTH CARE BENEFITS LIABILITY

Opening Balance	75 535 567	83 222 393
Interest Cost	10 123 421	7 767 684
Current Service Cost	3 369 081	3 821 493
Actual Employer Benefit Payments	(3 176 023)	(2 982 243)
Actuarial Loss/ (Gain) recognised in the year	3 774 953	(16 293 760)
Balance at end of Year	<u>89 626 999</u>	<u>75 535 567</u>
Transfer to Current Provisions	3 144 000	3 176 023
Total Post-retirement Health Care Benefits Liability	<u>86 482 999</u>	<u>72 359 544</u>

The municipality provides certain post-retirement health care benefits by funding the medical aid contributions of qualifying retired members of the municipality. According to the rules of the Medical Aid Funds, with which the municipality is associated, a member (who is on the current Conditions of Service) is entitled to remain a continued member of such medical aid fund on retirement, in which case the municipality is liable for a certain portion of the medical aid membership fee. The municipality operates an unfunded defined benefit plan for these qualifying employees. No other post-retirement benefits are provided to these employees.

The most recent actuarial valuations of the present value of the defined benefit obligation were carried out at 30 June 2021 by Arch Actuarial Consulting. The present value of the defined benefit obligations, and the related current service costs and past service costs, were measured using the Projected Unit Credit Method.

The members of the Post-employment Health Care Benefit Plan are made up as follows:

In-service Members (Employees)	423	438
Continuation Members (Retirees, widowers and orphans)	76	71
Total Members	<u>499</u>	<u>509</u>

The liability in respect of past service has been estimated as follows:

In-service Members	49 071 999	36 187 184
Continuation Members	40 555 000	39 348 384

TOTAL LIABILITY

<u>89 626 999</u>	<u>75 535 567</u>
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The municipality makes monthly contributions for health care arrangements to the following Medical Aid Schemes:

- Bonitas
- Keyhealth
- LA Health
- Hosmed
- Samwumed

The Current-service Cost for the year ending 30 June 2021 is estimated to be R3 369 081, whereas the cost for the ensuing year is estimated to be R3 144 000 (30 June 2020: R3 821 493 and R3 369 081 respectively)."

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Discount Rate	10.26%	13.69%
Health Care Cost Inflation Rate	6.86%	9.41%
Net Effective Discount Rate	3.18%	3.91%
Expected Retirement Age - Females	62	62
Expected Retirement Age - Males	62	62

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Movements in the present value of the Defined Benefit Obligation were as follows:

Opening Balance	75 535 567	83 222 393
Interest Cost	10 123 421	7 767 684
Current Service Cost	3 369 081	3 821 493
Benefits Paid	(3 176 023)	(2 982 243)
Actuarial Losses / (Gains)	3 774 953	(16 293 760)

TOTAL RECOGNISED BENEFIT LIABILITY	<u>89 626 999</u>	<u>75 535 567</u>
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The amounts recognised in the Statement of Financial Position are as follows:

Present Value of Fund Obligations	89 626 999	75 535 567
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TOTAL BENEFIT LIABILITY	<u>89 626 999</u>	<u>75 535 567</u>
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The amounts recognised in the Statement of Financial Performance are as follows:

Current service cost	3 369 081	7 767 684
Interest cost	10 123 421	3 821 493
Actuarial losses / (gains)	3 774 953	(16 293 760)

TOTAL POST-RETIREMENT BENEFIT INCLUDED IN EMPLOYEE RELATED COSTS (NOTE 30.)	<u>17 267 455</u>	<u>(4 704 583)</u>
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The history of fair values are as follows:

	2021 R	2020 R	2019 R	2018 R	2017 R
Present Value of Defined Benefit Obligation	89 626 999	75 535 567	83 222 393	86 379 999	82 973 999
Deficit	<u>89 626 999</u>	<u>75 535 567</u>	<u>83 222 393</u>	<u>86 379 999</u>	<u>82 973 999</u>
Experienced adjustments on Plan Liabilities	(9 109 000)	(1 919 000)	2 356 040	41 820	6 739 754

The effect of a 1% movement in the assumed rate of health care cost inflation is as follows:

Increase:

Effect on the aggregate of the current service cost and the interest cost	14 896 000	15 565 243
Effect on the defined benefit obligation	15 565 243	86 136 671

Decrease:

Effect on the aggregate of the current service cost and the interest cost	10 670 000	11 755 460
Effect on the defined benefit obligation	11 755 460	66 738 349

The municipality expects to make a contribution of R3,273,000 (2020: R3,144,000) to the Defined Benefit Plans during the next financial year.

Refer to Note 49., "Multi-employer Retirement Benefit Information", to the Annual Financial Statements for more information regarding the municipality's other retirement funds that is Provincially and Nationally administered.

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

17.4 POST-RETIREMENT PENSION BENEFITS LIABILITY

Opening Balance	129 796	179 207
Interest Cost	10 405	13 021
Current Service Cost	21 249	-
Actual Employer Benefit Payments	(29 200)	(21 048)
Actuarial Loss/ (Gain) recognised in the year	18 699	(20 135)
Balance at end of Year	150 949	151 045
Transfer to Current Provisions	21 249	21 249
Total Post-retirement Pension Benefits Liability	129 700	129 796

The municipality provides certain post - retirement pension benefits to certain retired employees of the municipality. According to the rules of the pension fund, with which the municipality is associated, a member (which is on the current Conditions of Service) on retirement, is entitled to certain pension benefits in which case the municipality is liable for pension payments to retired members for the remainder of their lives.

The most recent actuarial valuations of the present value of the defined benefit obligation were carried out at 30 June 2021 Arch Actuarial Consulting a fellow of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Discount Rate	7.41%	7.41%
Health Care Cost Inflation Rate	2.57%	2.57%
Net Effective Discount Rate	4.72%	4.72%
Expected Retirement Age - Females	62	62
Expected Retirement Age - Males	62	62

Movements in the present value of the Defined Benefit Obligation were as follows:

Opening Balance	151 045	179 207
Interest Cost	10 405	13 021
Current Service Cost	(29 200)	(21 048)
Actual Employer Benefit Payments	(21 249)	-
Actuarial Loss/ (Gain) recognised in the year	18 699	(20 135)
Total Recognised Benefit Liability	129 700	151 045

The amounts recognised in the Statement of Financial Position are as follows:

Total Benefit Liability	129 700	151 045
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The amounts recognised in the Statement of Financial Performance are as follows:

Interest cost	10 405	13 021
Actuarial losses / (gains)	18 699	(20 135)

Total Post-retirement Benefit included in Employee Related Costs (Note)

	29 104	(7 114)
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The history of experienced adjustments is as follows:

	2021 R	2020 R	2019 R	2018 R	2017 R
Present Value of Defined Benefit Obligation	129 700	151 045	179 207	715 000	742 000
Deficit	129 700	151 045	179 207	715 000	742 000
Experienced adjustments on Plan Liabilities	7 899	(1 189)	622 911	Unknown	2 356 040

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021 R	2020 R
The effect of a 1% movement in the assumed rate of health care cost inflation is as follows:		
Increase:		
Effect on the aggregate of the current service cost and the interest cost	11 186	11 186
Effect on the defined benefit obligation	124 000	143 637
Decrease:		
Effect on the aggregate of the current service cost and the interest cost	8 000	9 528
Effect on the defined benefit obligation	136 200	159 265

17.5 LONG SERVICE AWARDS LIABILITY

Opening Balance	16 490 264	16 937 509
Current Service Cost and Interest Cost	3 140 278	5 795 768
Payments Made	(2 723 765)	(2 528 401)
Other Reductions	-	(990 847)
Actuarial Gain/(Loss)	250 223	(2 723 765)
Balance at end of Year	17 157 000	16 490 264
Transfer to Current Provisions	1 973 000	2 723 765
Total Long Service Awards Liability	15 184 000	13 766 499

The municipality operates an unfunded defined benefit plan for all its employees. Under the plan, a Long-service Award is payable after 10 years of continuous service, and every 5 years of continuous service thereafter to 45 years, to employees. The provision is an estimate of the long-service based on historical staff turnover. No other long-service benefits are provided to employees.

The most recent actuarial valuations of the present value of the defined benefit obligation were carried out at 30 June 2021 by Arch Actuarial Consulting. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

At year end, 798 (2020: 852) employees were eligible for Long-service Awards.

The Current-service Cost and Interest Cost for the year ending 30 June 2021 is estimated to be R3 140 278, whereas the cost for the ensuing year is estimated to be R (30 June 2021: R5 795 768 and R3 140 278 respectively).

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Discount Rate	9.73%	9.73%
Cost Inflation Rate	5.57%	4.57%
Net Effective Discount Rate	3.94%	3.94%
Expected Rate of Salary Increase	4.00%	6.25%
Expected Retirement Age - Females	62	62
Expected Retirement Age - Males	62	62

Movements in the present value of the Defined Benefit Obligation were as follows:

Opening Balance	16 490 264	16 937 509
Interest Cost	-	-
Current Service Cost	250 223	(2 723 765)
Actuarial Loss/ (Gain) recognised in the year	3 140 278	4 804 921
Benefits Paid	(2 723 765)	(2 528 401)
Total Recognised Benefit Liability	17 157 000	16 490 264

The amounts recognised in the Statement of Financial Position are as follows:

Present value of fund obligations	17 157 000	16 490 264
Total Benefit Liability	17 157 000	16 490 264

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

The amounts recognised in the Statement of Financial Performance are as follows:

Current service cost	3 140 278	5 795 768
Interest cost	-	-

TOTAL POST-RETIREMENT BENEFIT INCLUDED IN EMPLOYEE RELATED COSTS (NOTE 30.)	3 140 278	5 795 768
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The history of experienced adjustments is as follows:

	2021	2020	2019	2018
	R	R	R	R
Present Value of Defined Benefit Obligation	17 157 000	16 490 264	16 937 509	14 292 000
Deficit	17 157 000	16 490 264	16 937 509	14 292 000

Experienced adjustments on Plan Liabilities	(632 777)	-	179 135	-
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	2021	2020
	R	R

The effect of a 1% movement in the assumed rate of long service cost inflation is as follows:

Increase:		
Effect on the aggregate of the current service cost and the interest cost	3 117 863	3 117 863
Effect on the defined benefit obligation	18 107 000	15 692 185

Decrease:		
Effect on the aggregate of the current service cost and the interest cost	3 164 217	3 164 217
Effect on the defined benefit obligation	16 285 000	17 371 225

The municipality expects to make a contribution of R2 723 765 (2020: R3 140 278) to the defined benefit plans during the next financial year.

18. PROVISIONS

Current Provisions	27 574 289	24 778 557
Non-current Provisions	73 834 000	72 316 640

TOTAL PROVISIONS	101 408 289	97 095 197
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18.1 Current Provisions

Current Portion of Non-Current Provisions:	27 574 289	24 778 557
Decommissioning, Restoration and Similar Liabilities: Landfill Sites	3 624 276	3 547 270
Environmental Cleanup	1 450 000	1 036 522
Leave	22 500 013	20 194 765

Total Provisions	27 574 289	24 778 557
-------------------------	-------------------	-------------------

Movement in Non-cash Transactions:-

Provisions		
18.1.1 Allocation for Cash Flow		

Provisions at Beginning of Year	24 778 557	21 820 446
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	2 795 732	2 958 111
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Total Provisions allocated to Non-cash Transactions	2 795 732	2 958 111
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Provisions at End of Year	27 574 288	24 778 557
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The movement in Current Provisions is reconciled as follows:

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Current Portion of Non-Current Provisions:

Staff Benefit Provisions:

Leave Provision

Opening Balance	20 194 765	17 026 502
Increases	2 305 248	3 168 263
Payments Made	-	-
Reversals	-	-
	<hr/>	<hr/>
Balance at end of year	22 500 013	20 194 765

Other Operational Provisions:

	Environmental Cleanup	Decommissioning of Landfill Sites
	R	R
30 June 2021		
Opening Balance	1 036 522	3 547 270
Increases	413 478	77 006
Reversals	-	-
	<hr/>	<hr/>
Balance at end of year	1 450 000	3 624 276

	Environmental Cleanup	Decommissioning of Landfill Sites
	R	R
30 June 2020		
Opening Balance	2 000 000	2 793 944
Increases	-	3 547 270
Reversals	(963 478)	(2 793 944)
	<hr/>	<hr/>
Balance at end of year	1 036 522	3 547 270

Environmental Clean-up Illegal dumping of builders and other rubble is taken place throughout the Kouga area to the municipality's property. Contrary to S19A of Environmental Conservation Act, 73 (No 73 of 19 89), the municipality has not cleared the illegal dumping and other rubble. The municipality has accounted for a provision for the cost of clearing of builders and other rubble as required by GRAP 19.

Leave Provision Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave. All leave has to be taken within a timeframe of 18 months subsequent to earning it There is no possibility of reimbursement.

Long Service Award Long service awards are provided to employees who achieve certain pre-determined milestones of service within the Municipality. The Municipality's obligation under these plans is valued by independent qualified actuaries annually and the corresponding liability is raised.

18.2 Non-current Provisions

Decommissioning, Restoration and Similar Liabilities: Landfill Sites	73 834 000	72 316 640
Decommissioning, Restoration and Similar Liabilities: Non-specific	-	-
	<hr/>	<hr/>

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Total Non-current Provisions	73 834 000	72 316 640
18.2.1 Allocation for Cash Flow		
Non-current Provisions at Beginning of Year	72 316 640	68 637 404
Movement in Non-cash Transactions:-		
Decommissioning, Restoration and Similar Liabilities	1 517 360	3 731 436
Total Non-current Provisions allocated to Non-cash Transactions	<u>1 517 360</u>	<u>3 731 436</u>
Decommissioning, Restoration and Similar Liabilities:Non-specific	-	(52 200)
Total Non-current Provisions allocated to Suppliers Paid	<u>-</u>	<u>(52 200)</u>
Non-current Provisions at End of Year	73 834 000	72 316 640

The movement in Non-current Provisions are reconciled as follows:

	Decommissioning of Non-Specific R	Decommissioning of Landfill Sites R
30 June 2021		
Opening Balance	-	72 316 640
Finance Charges	-	1 517 360
Payments Made	-	-
Increases (Passage of Time/Discounted Rate)	-	-
Balance at end of year	-	73 834 000
	<u>Decommissioning of Non-Specific R</u>	<u>Decommissioning of Landfill Sites R</u>
30 June 2020		
Opening Balance	52 200	68 585 204
Finance Charges	-	3 211 375
Other Reductions	-	-
Balance at end of year	-	72 316 640

18.3 Rehabilitation of Land-fill Sites

The municipality has an obligation to rehabilitate its land-fill sites in terms of its licence stipulations. The net present value of the rehabilitation cost of land-fill sites has been determined as at 30 June 2021 by a technical specialist, MrS Nel, (Pr Eng, BSc Eng (Civil), BCom Honours), the branch manager for the East London branch of Bosch Munitech (Pty) Ltd. The provision is the best estimate of the net present value of future rehabilitation costs of the land-fill sites to restore the sites at the end of their useful lives. The payment dates of the total closure and rehabilitation are uncertain, but are currently expected to be between 2021 and 2038.

Major assumptions concerning future events

The cost estimate for construction works to be performed for the closure and rehabilitation of an existing disposal site include the following assumptions made by the technical specialist:

- (a) The consolidation of "old" waste in the cell and filling of voids with builders rubble or other waste permissible for disposal at the site.
- (b) Doming the entire site in such a way to prevent the formation of pools due to rain, to ensure free surface runoff of rain water.
- (c) Capping the site in accordance with the capping design requirements as stipulated in the Minimum Requirements for Closure for the various classes of disposal sites; and
- (d) Rehabilitating the site in accordance with the end-use plan e.g. grassing, sport field etc.

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

LANDFILL SITES - USEFUL LIFE

	Humansdorp	Hankey	Oyster Bay	JBAY (Open)	St. Francis (Open)
	Landfill Site	Landfill Site	Transfer Station	Transfer Station	Transfer Station
Remaining Useful Life 30 June 2021	6	6	6	28	28

The following Landfill sites have closed:

St Francis - Site
Paradise Beach - Site
Patensie - Site

	Humansdorp	Hankey	Oyster Bay	JBAY (Open)	St. Francis (Open)
Closing Provision as at 30 June 2019					
Interest cost at 2019 weighted average - unwinding of interest	49 231 816	8 846 016	563 023	-	-
Change in PV in the future cash flows due to change in the discount rate	2 215 432	398 071	25 336	-	-
	72 784	15 945	37	588 396	588 396
Closing Provision as at 30 June 2020	51 520 032	9 260 032	588 396	588 396	588 396
Interest cost at 2020 weighted average - unwinding of interest	1 133 441	203 721	12 945	12 945	12 945
Change in PV in the future cash flows due to change in the discount rate	10 185	(17 995)	(1 228)	(1 228)	(1 228)
Closing Provision as at 30 June 2021	52 663 658	9 445 758	600 113	600 113	600 113

	St. Francis (Closed)	Paradise Beach (JBAY)	Patensie
Closing Provision as at 30 June 2019	11 898 116	563 023	261 890
Interest cost at 2019 weighted average - unwinding of interest	535 415	25 336	11 785
Change in PV in the future cash flows due to change in the discount rate	22 901	37	155
Closing Provision as at 30 June 2020	12 456 432	588 396	273 830
Interest cost at 2020 weighted average - unwinding of interest	535 415	25 336	11 785
Change in PV in the future cash flows due to change in the discount rate	22 901	37	155
CLOSING PROVISION AS AT 30 JUNE 2021	13 014 748	613 769	285 770

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	R	R
19. ACCUMULATED SURPLUS		
Accumulated Surplus / (Deficit) due to the results of Operations	2 190 837 047	2 235 831 837
TOTAL ACCUMULATED SURPLUS	<u>2 190 837 047</u>	<u>2 235 831 837</u>

Refer to Statement of Changes in Net Assets for more detail and the movement on Accumulated Surplus.

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

		2021 R	2020 R
ACTUAL LEVIES			
Property Rates Levies		210 204 642	196 958 729
Total Property Rates		210 204 642	196 958 729
20.1 Allocation for Cash Flow:			
Total Property Rates		210 204 642	196 958 729
Adjustment for Non-cash Transactions:-		-	-
Total Property Rates allocated to Cash Flow		210 204 642	196 958 729
20.2 Calculation of Cash Flow:			
Property Rates Income	Note 20.1	210 204 642	196 958 729
Non-exchange Interest Earned	Note 28.1	1 700 447	1 649 323
Cash Flow from Non-exchange Receivables	Note 5.1	(2 574 457)	(7 180 018)
Amounts Written-off as Uncollectable	Note 3.3.1	(567 750)	-
Total Receipts for Property Rates		208 762 882	191 428 034

Property Rates are levied on the value of land and improvements, which valuation is performed every four years. The last valuation came into effect on 1 July 2018.

Interim valuations are processed on a continuous basis to take into account changes in individual property values due to alterations and subdivisions.

An general rate is applied as follows to property valuations to determine property rates:

- Residential Properties: 0,008743 c/R (2019/20: 0,0078 c/R)
- Business Properties: 0,009093 c/R (2019/20: 0,008639 c/R)
- Agricultural Properties: 0,002186 c/R (2019/20: 0,002077 c/R)

A Rebate of R15,000 is received on all residential properties, private towns receives an additional 20% on property valuation and equitable share recipients and Pensioners earning R15 000 and less per month, receives an additional R85,000 rebate on property value.

21. FINES, PENALTIES AND FORFEITS

Traffic Fines:		3 063 146	1 847 650
Municipal		3 063 146	1 847 650
Service Provider		-	-
Other Fines:		244 942	277 421
Building		195 624	216 812
Overdue Books Fine		318	1 609
Pound Fees		49 000	59 000
Total Fines, Penalties and Forfeits		3 308 089	2 125 071
21.1 Allocation for Cash Flow:			
Total Fines, Penalties and Forfeits		3 308 089	2 125 071
Adjustment for Non-cash Transactions:-		-	-
Total Fines, Penalties and Forfeits allocated to Other Receipts		3 308 089	2 125 071

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

22. LICENCES AND PERMITS

Boat	5 773 009	4 535 150
Health Certificates	(57 968)	5 740
Road and Transport:	4 436 938	4 071 662
Drivers Licence Application/Duplicate Drivers Licences	2 673 110	2 593 358
Drivers Licence Certificate	-	34 674
Learners Certificate	839 891	700 477
Operators and Public Drivers Permits	923 938	743 153
Trading	75 076	202 124
Total Licences and Permits	10 227 056	8 814 675

22.1 Allocation for Cash Flow:

Total Licences and Permits	10 227 056	8 814 675
Adjustment for Non-cash Transactions:-	-	-
Total Licences and Permits allocated to Other Receipts	10 227 056	8 814 675

23. TRANSFERS AND SUBSIDIES RECEIVED

Capital Grants	46 786 514	126 693 735
Allocations In-kind	-	333 890
Monetary Allocations	46 786 514	126 359 845
Operational Grants	166 981 811	134 387 029
Monetary Allocations	166 981 811	134 387 029
Total Transfers and Subsidies Received	213 768 324	261 080 764

23.1 Allocation for Cash Flow:

Total Transfers and Subsidies Received	213 768 324	261 080 764
Adjustment for Non-cash Transactions:	-	-
Total Transfers and Subsidies Received allocated to Cash Flow	213 768 324	261 080 764

23.2 Calculation of Cash Flow:

Government Grants and Subsidies Income	Note 23.1	213 768 324	261 080 764
Cash Flow from Non-exchange Receivables	Note 5.1	-	(0)
Cash Flow from Unspent Government Grants	Note 14.1	(20 728 521)	(76 518 371)

Total Receipts for Government Grants and Subsidies

193 039 803 184 562 393

23.3 Summary of Grants:

23.3.1 Capital Grants

	Allocations In-kind		Monetary Allocations	
	2021	2020	2021	2020
District Municipalities	-	333 890	1 516 655	713 585
National Governments	-	-	45 269 859	125 646 260
Total Capital Grants Received	-	333 890	46 786 514	126 359 845

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

23.3.2 OPERATIONAL GRANTS

	Allocations In-kind		Monetary Allocations	
	2021	2020	2021	2020
District Municipalities	-	-	2 845 500	2 619 200
Foreign Government and International Organisations	-	-	867 207	-
National Governments	-	-	4 172 903	4 669 401
National Revenue Fund	-	-	157 046 000	124 938 000
Provincial Government	-	-	2 050 000	2 114 259
Total Operational Grants Received	-	-	166 981 811	134 387 029

23.4 DETAILED SUMMARIES

23.4.1 Equitable Share

Unspent Balance at the Beginning of the Year	-	-
Current Year Receipts	157 046 000	124 938 000
Transferred to Revenue	(157 046 000)	(124 938 000)
Unspent Balance at the End of the Year	-	-

In terms of the Constitution, the grant is used to subsidise the provision of basic services to indigent community members. This grant is unconditional.

23.4.2 NATIONAL: EPWP GRANT

Unspent Balance at the Beginning of the Year	-	-
Current Year Receipts	1 054 000	1 000 000
Conditions Met - Transferred to Revenue	(1 054 000)	(1 000 000)
Unspent Balance at the End of the Year	-	-

The Expanded Public Works Programme Grant was allocated to the municipality for environmental projects. No funds have been withheld.

23.4.3 NATIONAL: FMG GRANT

Unspent Balance at the Beginning of the Year	-	-
Current Year Receipts	1 500 000	1 770 000
Transferred to Revenue	(1 500 000)	(1 770 000)
Unspent Balance at the End of the Year	-	-

The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial management reforms required by the Municipal Finance Management Act (MFMA), 2003.

23.4.4 NATIONAL: MIG FUNDS

Unspent Balance at the Beginning of the Year	12 505 994	-
Current Year Receipts	31 190 000	37 996 000
Conditions Met - Transferred to Revenue	(37 733 079)	(25 490 006)
Unspent Balance at the End of the Year	5 962 915	12 505 994

The Municipal Infrastructure Grant (MIG) was allocated for the construction of roads, basic sewerage and water infrastructure as part of the upgrading of poor households, micro enterprises and social institutions; to provide for new, rehabilitation and upgrading of municipal infrastructure. R388 000 have been withheld. The roll over application for the 2019/2020 financial year to the amount of R2 900 000.00 was not approved, R 9 605 994.34 was

23.4.5 NATIONAL: WSIG FUNDS

Unspent Balance at the Beginning of the Year	14 315 680	98 017 338
Current Year Receipts	-	10 000 000
Conditions Met - Transferred to Revenue	(14 315 680)	(93 701 658)
Unspent Balance at the End of the Year	-	14 315 680

The Water Services Infrastructure Grant is allocated to municipalities to assist in drought relief. The roll over application for the 2019/2020 financial year to the amount of R6 815 680.72 was approved and R7 500 000.00 was not

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

23.4.6 NATIONAL: DEPARTMENT OF ECONOMIC DEVELOPMENT

Unspent Balance at the Beginning of the Year	65 500	65 500
Current Year Receipts	-	-
Transferred to Revenue	(65 500)	-
Unspent Balance at the End of the Year	-	65 500

No funds have been withheld.

23.4.7 INTEGRATED NATIONAL ELECTRIFICATION GRANT

Unspent Balance at the Beginning of the Year	-	-
Current Year Receipts	5 200 000	3 202 000
Conditions Met - Transferred to Revenue	(5 200 000)	(3 202 000)
Unspent Balance at the End of the Year	-	-

Expenses were incurred to promote rural development and upgrade electricity infrastructure. No funds have been withheld.

23.4.8 ENERGY EFFICIENCY GRANT

Unspent Balance at the Beginning of the Year	40 003	-
Current Year Receipts	-	4 000 000
Conditions Met - Transferred to Revenue	(40 003)	(3 959 997)
Unspent Balance at the End of the Year	-	40 003

Expenses were incurred to promote rural development and upgrade electricity infrastructure. No funds have been withheld.

23.4.9 DISASTER GRANT

Unspent Balance at the Beginning of the Year	-	-
Current Year Receipts	-	1 192 000
Transferred to Revenue	-	(1 192 000)
Unspent Balance at the End of the Year	-	-

This is an unconditional grant and was received from Sarah Baartman District Municipality.

23.4.10 Provincial: Department Human Settlement (Houses)

Balance unspent at the beginning of the year	-	5 362 710
Current year receipts	-	868 905
Conditions met - transferred to Revenue: Operating Expenses	-	(6 231 615)
Unspent Balance at the End of the Year	-	-

This grant is for the building of low cost housing. The municipality is only the agent of the department of Human Settlement for the construction of low cost houses. No funds have been withheld.

24. SERVICE CHARGES

Sale of Electricity	281 916 331	246 061 535
Sale of Water	80 982 787	73 768 737
Refuse Removal	53 973 636	51 351 251
Sewerage and Sanitation Charges	52 345 869	49 950 667

Total Service Charges	469 218 623	421 132 190
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24.1 Allocation for Cash Flow:

Total Service Charges	469 218 623	421 132 190
Adjustment for Non-cash Transactions:-	-	-
Total Service Charges allocated to Cash Flow	469 218 623	421 132 190

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

24.2 CALCULATION OF CASH FLOW:

Service Charges Income	Note 24.1	469 218 623	421 132 190
Exchange Interest Earned	Note 28.1	8 281 272	6 926 805
Cash Flow from Exchange Receivables	Note 2.1	(38 313 716)	(32 633 478)
Cash Flow from Consumer Deposits	Note 11.1	1 248 566	364 903
Cash Flow from Exchange Payables	Note 12.1	1 707 879	1 136 419
Exchange Receivables: Amounts written-off as uncollectable	Note 2.3.1	(4 307 074)	(27 074 824)
Bad Debt Written-off	Note 33.1	-	(20 210 729)
		437 835 551	349 641 285

The amounts disclosed above for revenue from Service Charges are in respect of services rendered which are billed to the consumers on a monthly basis according to approved tariffs.

25. SALES OF GOODS AND RENDERING OF SERVICES

Application Fees for Land Usage		436 398	601 929
Building Plan Approval		3 328 419	2 336 905
Camping Fees		267 897	1 986 091
Cemetery and Burial		376 649	365 039
Cleaning and Removal		108 383	6 128
Encroachment Fees		81 762	5 957
Fire Services		12 822	20 442
Legal Fees		2 664 616	5 138 444
Photocopies and Faxes		57 166	76 579
Removal of Restrictions		545 830	321 879
Sale of Goods		-	37 078
Scrap, Waste & Other Goods		913	-
Town Planning and Servitudes		-	5 530
Valuation Services		278 390	208 887
		8 159 247	11 110 886

25.1 Allocation for Cash Flow:

Total Sales of Goods and Rendering of Services		8 159 247	11 110 886
Adjustment for Non-cash Transactions:-		-	-
		8 159 247	11 110 886

26. INCOME FROM AGENCY SERVICES

Commission on Vehicle Registration		1 411 573	2 251 824
		1 411 573	2 251 824

26.1 Allocation for Cash Flow:

Total Income from Agency Services		1 411 573	2 251 824
Adjustment for Non-cash Transactions:-		-	-
		1 411 573	2 251 824

The municipality is party to a principal / agent agreement.

The municipality is an agent on behalf of the Eastern Cape Provincial Department of Transport in collecting motor vehicle licences at an agency fee of 19%, VAT inclusive.

There were no significant changes in the agreement which occurred during the reporting period. No material risks were identified on the agreement for the municipality.

The municipality does not incur any expenses on behalf of the principal.

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Revenue due to the Principal, and not paid over at year end included in Payables from Exchange Transactions:

140 056

114 582

Amount of revenue received on behalf of the principle during the reporting period

Motor vehicle licence fees	11 347 567	10 565 290
Revenue Retained, Income from Agency Services	(1 411 573)	(2 251 824)
Revenue due to the Principal	<u>9 935 994</u>	<u>8 313 467</u>

27. RENTAL FROM FIXED ASSETS

Straight-lined Operating Lease Revenue

Investment Property	925 404	-
Other Fixed Assets:	1 421 269	697 437
Property Plant and Equipment	<u>1 421 269</u>	<u>697 437</u>

Total Rental of Facilities and Equipment

2 346 673 697 437

27.1 Allocation for Cash Flow:

Total Rental of Facilities and Equipment 2 346 673 697 437

Adjustment for Non-cash Transactions:- - -

Total Rental of Facilities and Equipment allocated to Other Receipts

2 346 673 697 437

Rental income generated are at market related premiums. All rental income recognised is therefore market related.

28. INTEREST, DIVIDENDS AND RENT ON LAND EARNED

Non-exchange Receivables:

Outstanding Billing Debtors 1 700 447 1 649 323

TOTAL NON-EXCHANGE INTEREST, DIVIDENDS AND RENT ON LAND EARNED

1 700 447 1 649 323

External Investments:

Bank Account 613 189 1 717 291
 Investments 3 578 829 10 469 623

4 192 018 12 186 915

Outstanding Exchange Receivables:

Outstanding Billing Debtors	8 281 272	6 926 805
Electricity	980 770	749 081
Service Charges	66 538	67 973
Waste Management	2 579 261	2 251 788
Waste Water Management	<u>12 473 289</u>	<u>19 113 720</u>
Water	<u>1 514 488</u>	<u>1 234 385</u>
	3 140 215	2 623 578
	<u>14 173 737</u>	<u>20 763 043</u>

8 281 272 6 926 805

TOTAL EXCHANGE INTEREST, DIVIDENDS AND RENT ON LAND EARNED

INTEREST, DIVIDENDS AND RENT ON LAND EARNED

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

28.1 Allocation for Cash Flow:

Property Rates:-

Interest on Outstanding Non-exchange Receivables	1 700 447	1 649 323
Total Interest, Dividends and Rent on Land Earned allocated to Property Rates	1 700 447	1 649 323

Service Charges:-

Interest on Outstanding Exchange Receivables	8 281 272	6 926 805
Total Interest, Dividends and Rent on Land Earned allocated to Service Charges	8 281 272	6 926 805

External Interest and Dividends Received:-

Interest on External Investments	4 192 018	12 186 915
Total Interest, Dividends and Rent on Land Earned allocated to External Interest and Dividends Received	4 192 018	12 186 915

Total External Interest and Dividends Received allocated to Cash Flow

	14 173 737	20 763 043
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28.2 Calculation of Cash Flow:

External Interest and Dividends Income	4 192 018	12 186 915
Total Receipts for Interest and Dividends Received	4 192 018	12 186 915

29. OPERATIONAL REVENUE

Commission	471 938	499 644
Insurance Refund	14 917	2 581 454
Sale of Property	114	-
Skills Development Levy Refund	506 038	581 983
Staff Recoveries	58 651	3 623
Total Operational Revenue	1 051 658	3 666 703

29.1 Allocation for Cash Flow:

Total Operational Revenue	1 051 658	3 666 703
Adjustment for Non-cash Transactions:-	-	-
Total Operational Revenue allocated to Other Receipts	1 051 658	3 666 703

29.2 Calculation of Cash Flow:

Income from Operational Revenue	Note 29.1	1 051 658	3 666 703
Income from Rental from Fixed Assets	Note 27.1	2 346 673	697 437
Income from Sales of Goods and Rendering of Services	Note 25.1	8 159 247	11 110 886
Income from Surcharges and Taxes	Note 38.1	-	-
Income from Licences and Permits	Note 22.1	10 227 056	8 814 675
Income from Fines, Penalties and Forfeits	Note 21.1	3 308 089	2 125 071
Cash Flow from Exchange Receivables	Note 2.1	3 383	10 905
Cash Flow from Statutory Exchange Receivables	Note 4.1	-	-
Cash Flow from Non-exchange Receivables	Note 5.1	-	-
Cash Flow from Statutory Non-exchange Receivables	Note 3.1	(2 262 862)	20 712 010
Cash Flow from Operating Lease Receivables	Note 9.1	63 697	63 078
Cash Flow from Consumer Deposits	Note 11.1	1 449 825	332 839
Cash Flow from Exchange Payables	Note 12.1	929 217	(5 445 894)
Correction of Prior Year Errors	Note 33.1	-	-
Total Receipts for Other Revenue		26 690 555	44 339 534

The amounts disclosed above for Other Revenue are in respect of services, other than described in Notes 20 to 28, rendered which are billed to or paid for by the users as the services are required according to approved tariffs.

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

		2021 R	2020 R
30. EMPLOYEE RELATED COSTS			
Salaries and Wages:			
Basic		195 286 680	182 066 646
Long Service Awards		1 286 800	1 207 991
Bonuses		611 711	511 524
Leave Payments		4 252 056	1 221 247
Overtime		23 381 337	27 333 706
Allowances:			
Acting and Post Related Allowances		2 601 788	1 198 745
Bonus Allowance		14 980 178	13 388 228
Cellular and Telephone		9 588	5 559
Housing Benefits		899 547	856 667
Standby Allowance		7 198 775	7 395 340
Travel or Motor Vehicle		10 342 750	9 389 730
Social Contributions:			
Bargaining Council		1 724 006	1 577 147
Group Life Insurance		6 801 069	6 530 382
Medical		16 850 481	15 799 761
Pension		30 459 117	28 654 661
Unemployment Insurance		1 584 803	1 564 669
Post-retirement Benefits:			
Current Service Cost		-	-
Interest Cost		10 133 826	7 780 705
Actuarial Gains and Losses		3 793 652	(16 313 895)
Past Service Cost		3 369 081	3 821 493
Defined Contribution Fund Expenses		(3 205 223)	(3 003 291)
Leave Gratuity		2 305 248	3 168 263
Long Term Service Awards		666 736	(447 245)
Total Employee Related Costs		335 334 005	293 708 033
30.1 Allocation for Cash Flow:			
Employee Related Costs		335 334 005	293 708 033
Adjustment for Non-cash Transactions:		(23 158 393)	(636 124)
Provisions and Non-current Provisions:-		(2 644 686)	(3 266 665)
Performance Bonus		(339 438)	(98 403)
Leave		(2 305 248)	(3 168 263)
Employee Benefit Liabilities:-		(20 513 707)	2 630 541
Long-service Awards		(3 390 501)	(2 081 156)
Medical		(17 267 455)	4 704 583
Pension		(50 353)	7 114
Total Employee Related Costs allocated to Cash Flow		312 175 613	293 071 908
30.2 Calculation of Cash Flow:			
Employee Related Costs Expenditure	Note 30.1	312 175 613	293 071 908
Cash Flow from Exchange Payables	Note 12.1	(116 421)	(1 305 051)
Cash Flow from Employee Benefit Liabilities	Note 17.1	5 928 988	5 531 692
Total Payments for Employee Related Costs		317 988 180	297 298 549

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

30.3 REMUNERATION OF SECTION 57 EMPLOYEES:

Remuneration of the Municipal Manager: C Du Plessis

Annual Remuneration	1 555 880	1 415 803
Car and Other Allowances		97 097
Company Contributions to UIF, Medical and Pension Funds	235 528	17 911
Total	<u>20 744</u>	<u>1 530 811</u>
	1 812 152	

Remuneration of the Chief Financial Officer: S Thys (1 July 2019 - 31 December 2019)

Annual Remuneration		
Car and Other Allowances		695 253
Company Contributions to UIF, Medical and Pension Funds		329 813
Total	<u>-</u>	<u>11 187</u>
	<u>-</u>	1 036 253

Remuneration of the Chief Financial Officer: R Lorgat (1 April - Current)

Annual Remuneration		
Car and Other Allowances		
Company Contributions to UIF, Medical and Pension Funds	1 260 911	280 317
Total	129 588	32 397
	18 267	3 936
	<u>1 408 766</u>	<u>316 650</u>

Remuneration of the Director: Community Services - N Machalesi

Annual Remuneration		
Car and Other Allowances		
Company Contributions to UIF, Medical and Pension Funds	1 200 911	1 061 269
Total	312 821	228 372
	18 591	16 350
	<u>1 532 323</u>	<u>1 305 992</u>

Remuneration of Director: Infrastructure and Engineering - V Felton

Annual Remuneration		
Car and Other Allowances		
Company Contributions to UIF, Medical and Pension Funds	763 513	1 145 269
Total	1 599 964	317 483
	10 175	16 921
	<u>2 373 652</u>	<u>1 479 673</u>

Remuneration of Director: Corporate Services - K Moodley

Annual Remuneration		
Car and Other Allowances		
Company Contributions to UIF, Medical and Pension Funds	1 284 911	1 145 269
Total	245 285	188 431
	18 582	16 953
	<u>1 548 779</u>	<u>1 350 653</u>

Remuneration of Director: Planning, Development and Tourism - F Mabusela

Annual Remuneration		
Car and Other Allowances		
Company Contributions to UIF, Medical and Pension Funds	1 200 911	1 061 269
Total	270 404	207 891
	17 973	16 011
	<u>1 489 288</u>	<u>1 285 171</u>

Summary of Remuneration of Section 57 Employees:

All Managers		
	8 756 194	7 988 552
	<u>8 756 194</u>	<u>7 988 552</u>

TOTAL REMUNERATION OF SECTION 57 EMPLOYEES

31. REMUNERATION OF COUNCILLORS

Executive Mayor	893 853	893 853
Speaker	715 079	715 079
Executive Committee Members	4 022 282	4 022 282
Total for All Other Councillors	7 149 151	7 244 864
Total Councillors' Remuneration	<u>12 780 365</u>	<u>12 876 077</u>

31.1 Allocation for Cash Flow:

Total Councillors' Remuneration	12 780 365	12 876 077
Adjustment for Non-cash Transactions:-	-	-

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Total Councillors' Remuneration allocated to Cash Flow

12 780 365

12 876 077

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

31.2 Calculation of Cash Flow:

Remuneration of Councillors Expenditure	Note 31.1	12 780 365	12 876 077
Total Payments for Employee Related Costs		12 780 365	12 876 077

Remuneration of Councillors:

In-kind Benefits

The Executive Mayor, Speaker and all the Mayoral committee members are full-time. The Mayor is provided with secretarial support and an office at the cost of the municipality.

32. DEPRECIATION AND AMORTISATION

Depreciation: Property, Plant and Equipment		80 852 216	76 816 509
Amortisation: Intangible Assets		-	117 052
Total Depreciation and Amortisation		80 852 216	76 933 561

33. IMPAIRMENT LOSSES

Impairment Losses on Fixed Assets		182 593	162 199
Impairment Losses on Financial Assets		31 352 033	55 131 313
Fair Value Adjustment		(39 808)	(56 653)

TOTAL IMPAIRMENT LOSSES		31 494 818	55 236 859
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33.1 ALLOCATION FOR CASH FLOW:

Total Impairment Losses		31 494 818	55 236 859
Adjustment for Non-cash Transactions:		(31 494 818)	(35 026 130)
Impairment Losses on Fixed Assets	Note 33.2	(182 593)	(162 199)
Impairment Losses on Financial Assets	Note 33.3	(31 352 033)	(34 920 584)
Realisable Value Adjustment - Inventories		39 808	56 653
Total Impairment Losses allocated to Service Charges		-	20 210 729

33.2 IMPAIRMENT LOSSES ON FIXED ASSETS

Impairment Losses		182 593	162 199
Property, Plant and Equipment		182 593	162 199
Total		182 593	162 199

33.3 IMPAIRMENT LOSSES ON FINANCIAL ASSETS

Impairment Losses		26 477 209	21 723 438
Other Receivables from Non-exchange Revenue		(953 969)	(9 768 636)
Trade and Other Receivables from Exchange Transactions		27 431 178	31 492 073
Bad Debts Written Off		4 874 824	20 210 729

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Reversal of Impairment Losses

Other Receivables from Non-exchange Revenue
Trade and Other Receivables from Exchange Transactions

	-	13 197 146
	-	-
	-	13 197 146
	31 352 033	55 131 313

33.4 Fair Value Adjustment

Inventory

	(39 808)	(56 653)
	(39 808)	(56 653)

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

34. INTEREST, DIVIDENDS AND RENT ON LAND PAID

Interest Paid:	3 094 292	5 714 358
Borrowings	1 238 024	2 201 127
Finance Leases	149 733	262 416
Interest costs non-current Provisions	1 669 006	3 211 375
Overdue Accounts	37 528	39 440
Total Interest Expense	3 094 292	5 714 358
Total Interest, Dividends and Rent on Land Paid	<u>3 094 292</u>	<u>5 714 358</u>

34.1 Allocation for Cash Flow:

Non-cash Transactions:-

Interest Paid	1 669 006	3 731 436
Total Interest, Dividends and Rent on Land Paid allocated to Non-cash Transactions	<u>1 669 006</u>	<u>3 731 436</u>

External Interest and Dividends Paid:-

Interest Paid	1 425 286	1 982 922
Total Interest, Dividends and Rent on Land Paid allocated to External Interest and Dividends Paid	<u>1 425 286</u>	<u>1 982 922</u>

Total External Interest and Dividends Paid allocated to Cash Flow

<u>3 094 292</u>	<u>5 714 358</u>
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34.2 Calculation of Cash Flow:

Interest, Dividends and Rent on Land Paid Expenditure	Note 34.1	1 425 286	1 982 922
Total Payments for External Interest and Dividends Paid		<u>1 425 286</u>	<u>1 982 922</u>

35. BULK PURCHASES

Electricity	254 057 835	231 511 535
Water	-	-
Total Bulk Purchases	<u>254 057 835</u>	<u>231 511 535</u>

35.1 Allocation for Cash Flow:

Total Bulk Purchases	254 057 835	231 511 535
Adjustment for Non-cash Transactions:-	-	-
Total Bulk Purchases allocated to Suppliers Paid	<u>254 057 835</u>	<u>231 511 535</u>

36. CONTRACTED SERVICES

Outsourced Services	28 832 018	16 011 719
Consultants and Professional Services	8 533 562	12 341 781
Contractors	58 419 896	42 506 723
Total Contracted Services	<u>95 785 476</u>	<u>70 860 223</u>

36.1 Allocation for Cash Flow:

Total Contracted Services	95 785 476	70 860 223
Adjustment for Non-cash Transactions:-	(490 484)	210 152
Total Contracted Services allocated to Suppliers Paid	<u>95 294 992</u>	<u>71 070 375</u>

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

36.2 OUTSOURCED SERVICES

Animal Care	400 000	350 000
Burial Services	179 285	176 170
Business and Advisory	9 871 486	9 279 441
Catering Services	137 352	256 708
Cleaning Services	349 791	127 565
Clearing and Grass Cutting Services	2 667 492	513 959
Drivers Licence Cards	514 922	513 105
Fire Services	97 526	-
Illegal Dumping	2 131 689	-
Internal Auditors	25 300	27 074
Litter Picking and Street Cleaning	-	581 400
Medical Services [Medical Health Services & Support]	1 099 804	490 881
Personnel and Labour	6 196 304	1 892 383
Professional Staff	157 600	19 690
Security Services	4 914 140	1 650 029
Traffic Fines Management	68 437	77 402
Transport Services	20 889	55 912
	<hr/>	<hr/>
	28 832 018	16 011 719
	<hr/>	<hr/>

36.3 CONSULTANTS AND PROFESSIONAL SERVICES

Business and Advisory	2 039 195	4 306 172
Infrastructure and Planning	2 566 790	1 394 008
Laboratory Services	342 700	521 573
Legal Cost	3 584 876	6 120 027
	<hr/>	<hr/>
	8 533 562	12 341 781
	<hr/>	<hr/>

36.4 CONTRACTORS

Artists and Performers	-	112 500
Catering Services	2 058	1 093
Employee Wellness	174 707	138 922
Maintenance of Buildings and Facilities	5 639 907	5 344 849
Maintenance of Equipment	446 568	349 197
Maintenance of Infrastructure	52 155 338	36 524 056
Medical Services	-	1 057
Pest Control and Fumigation	1 318	35 049
	<hr/>	<hr/>
	58 419 896	42 506 723
	<hr/>	<hr/>

37. INVENTORY CONSUMED

Consumables	8 544 370	7 987 447
Materials and Supplies	18 785 953	32 138 028
Water	44 344 534	33 017 786
	<hr/>	<hr/>
Total Inventory Consumed	71 674 858	73 143 260
	<hr/>	<hr/>

37.1 Allocation for Cash Flow:

Total Inventory Consumed	71 674 858	73 143 260
Adjustment for Non-cash Transactions:-	-	-
	<hr/>	<hr/>
Total Inventory Consumed allocated to Suppliers Paid	71 674 858	73 143 260
	<hr/>	<hr/>

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

37.2 CALCULATION OF CASH FLOW:

Expenditure for Inventory Consumed	Note 37.1	71 674 858		73 143 260
Expenditure for Contracted Services	Note 36.1	95 294 992		71 070 375
Expenditure for Bulk Purchases	Note 35.1	254 057 835		231 511 535
Cash Flow from Inventories	Note 1.1	2 849 323		375 226
Cash Flow from Exchange Receivables	Note 2.1	834 510		(1 172 284)
Cash Flow from Property, Plant and Equipment	Note 6.1	-		(16 164)
Cash Flow from Exchange Payables	Note 12.1	57 036 742		(59 679 166)
Cash Flow from Non-current Provisions	Note 18.2	-		52 200
Total for Suppliers Paid		481 748 259		315 284 983

38. TRANSFERS AND SUBSIDIES PAID

Operational Grants		761 000		570 000
Monetary Allocations		761 000		570 000
Total Transfers and Subsidies Paid		761 000		570 000

38.1 Allocation for Cash Flow:

Total Transfers and Subsidies Paid		761 000		570 000
Adjustment for Non-cash Transactions:-		-		-
Total Transfers and Subsidies Paid allocated to Other Payments		761 000		570 000

39. OPERATING LEASES

Furniture and Office Equipment		1 979 168		2 571 933
Machinery and Equipment		15 132		24 017
Other Assets		4 556 663		4 103 789
Total Operating Leases		6 550 963		6 699 738

39.1 Allocation for Cash Flow:

Total Operating Leases		6 550 963		6 699 738
Adjustment for Non-cash Transactions:-		-		-
Total Operating Leases allocated to Other Payments		6 550 963		6 699 738

39.2 Leasing Arrangements

The Municipality as Lessee:

Operating leases relate to Property, Plant and Equipment with lease terms not longer than 5 years.

39.3 AMOUNTS PAYABLE UNDER OPERATING LEASES

At the Reporting Date the municipality had outstanding commitments under Non-cancellable Operating Leases for Property, Plant and Equipment, which fall due as follows:

Other Equipment:		6 510 115		6 699 738
Up to 1 year		6 510 115		6 699 738
2 to 5 years		-		-
More than 5 years		-		-
TOTAL OPERATING LEASE ARRANGEMENTS		6 510 115		6 699 738

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

The following payments have been recognised as an expense in the Statement of Financial Performance:

Minimum lease payments	6 510 115	6 699 738
Total Operating Lease Expenses	<u>6 510 115</u>	<u>6 699 738</u>

40. OPERATIONAL COSTS

Included in General Expenses are the following:

Achievements and Awards	1 084 110	1 125 234
Advertising, Publicity and Marketing	1 544 894	1 208 434
Bank Charges, Facility and Card Fees	707 900	1 455 363
Bargaining Council	2 947 746	2 765 653
Commission	5 533 247	4 456 481
Communication	2 227 272	2 566 490
Contribution to Provisions	413 478	(930 978)
Courier and Delivery Services	2 599	450
Deeds	13 438	-
External Audit Fees	4 320 105	4 996 934
External Computer Service	6 952 116	5 700 665
Firearm Handling Fees	-	31 936
Hire Charges	33 487 369	26 102 397
Insurance Underwriting	4 834 029	5 035 321
Licences	727 041	584 955
Management Fee	5 407 345	4 516 187
Municipal Services	-	(1)
Printing, Publications and Books	941 801	734 296
Professional Bodies, Membership and Subscription	14 930	1 637
Registration Fees	1 695 092	2 178 538
Remuneration to Ward Committees	3 407 166	2 696 498
Resettlement Cost	59 775	56 800
Samples and Specimens	-	64 973
Search Fees	85 350	72 636
Signage	301 050	250 939
Skills Development Fund Levy	1 685 716	1 600 975
Storage of Files (Archiving)	542 246	1 194 442
Supplier Development Programme	41 509	-
Travel and Subsistence	580 009	1 564 614
Uniform and Protective Clothing	3 174 022	2 138 545
Vehicle Tracking	656 135	619 787
Workmen's Compensation Fund	1 079 991	1 031 359
Total Operational Costs	<u>84 467 479</u>	<u>73 821 561</u>

40.1 Allocation for Cash Flow:

Total Operational Costs	84 467 479	73 821 561
Adjustment for Non-cash Transactions:-	-	-
Total Operational Costs allocated to Other Payments	<u>84 467 479</u>	<u>73 821 561</u>

40.2 Calculation of Cash Flow:

Expenditure for Operational Costs	Note 40.1	84 467 479	73 821 561
Expenditure for Operating Leases	Note 39.1	6 550 963	6 699 738
Expenditure for Transfers and Subsidies Paid	Note 38.1	761 000	570 000
Cash Flow from Exchange Payables	Note 12.1	(60 627)	949 964
Cash Flow from Non-exchange Payables	Note 13.1	(515 689)	(235 741)
Variance on Impairment (Provision for VAT on Receivables)		(20 632 596)	1 120 189
Other Non-cash Transactions		2 935	-
		<u>84 467 479</u>	<u>73 821 561</u>

TOTAL FOR OTHER PAYMENTS

70 573 464

82 925 712

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

40.3 TRAVEL AND SUBSISTENCE

Domestic	423 815	1 341 813
Accommodation	110 989	422 612
Daily Allowance	-	44 352
Food and Beverage (Served)	78 949	206 296
Transport without Operator	229 529	520 342
Transport with Operator	4 348	148 211
Foreign	-	83 383
Accommodation	-	6 333
Daily Allowance	-	77 050
Non-employees	156 194	139 418
	580 009	1 564 614

No other extra-ordinary expenses were incurred.

41. GAINS / LOSSES ON DISPOSAL OF CAPITAL ASSETS

Property, Plant and Equipment

(1 989 467)

(1 717 571)

TOTAL GAINS ON DISPOSAL OF CAPITAL ASSETS TOTAL

LOSSES ON DISPOSAL OF CAPITAL ASSETS

41.1 Allocation for Cash Flow:

Disposal of Property, Plant and Equipment:

Gains on Disposal of Capital Assets	Note 6.1	-	-
Losses on Disposal of Capital Assets	Note 6.1	(1 989 467)	(1 717 571)
Total Gains on Disposal of Capital Assets allocated to Property, Plant and Equipment		(1 989 467)	(1 717 571)
Total Gains / (Losses) on Disposal of Capital Assets allocated to Cash Flow		(1 989 467)	(1 717 571)

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

**2021
R**

**2020
R**

42. RECLASSIFICATION OF ANNUAL FINANCIAL STATEMENTS

42.1 RECLASSIFICATION OF ACCUMULATED SURPLUS

The prior year figures of Accumulated Surplus has been restated to correctly disclose the monies held by the municipality in terms of the disclosure notes indicated below.

THE EFFECT OF THE CHANGES ARE AS FOLLOWS:

		Accumulated Surplus
Balance published as at 30 June 2019		2 184 817 728
Correction of Error:-		
Adjustment for Carrying Value of Vehicles Written Off	-	
Reclassification of Investment Property, from PPE	25 041 000	
Reclassification of PPE, to Investment Property	(25 041 000)	
Adjustment for Receivables: Property Rates	(475 284)	
Adjustment for Land not previously included	22 362 974	
Adjustment for Properties not previously included	196 000	
Adjustment for Community Asset not previously included	7 500 000	
Bank Account not previously recognised	299 421	
Adjustment for Accumulated Depreciation	465 954	
Adjustment of Infrastructure Cost for WIP Capitalised	(389 788)	
Adjustment on Infrastructure WIP for capitalisation of Infrastructure assets	389 788	
Reclassification of Bulk Purchases to Inventory Consumed	(33 017 786)	
Reclassification of Inventory Consumed from Bulk Purchases	33 017 786	
Adjustment for Duplicated Asset	<u>(5 143 500)</u>	

25 205 565

RESTATED BALANCE AS AT 30 JUNE 2019

2 210 023 292

Transactions incurred for the Year 2019/20

25 515 155

Correction of Error:-

Adjustment for Properties not previously included	(585 407)
Bank Account not previously recognised	(271 652)
Adjustment of Interest on Bank Account	527 261
Adjustment for Prepaid Electricity	623 189
Adjustment for Rounding Errors	<u>(1)</u>

293 389

RESTATED BALANCES AS AT 30 JUNE 2020

2 235 831 837

42.2 Reclassification of Revenue

The prior year figures of Revenue Classes have been restated to correctly classify the nature of Revenue of the municipality.

The effect of the Correction of Error is as follows:

Prior Year 2019/20 Audited	Change in Accounting Policy	Correction of Error	Restated Amount 2019/20
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KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Property Rates	197 544 136	-	(585 407)	196 958 729
Fines, Penalties and Forfeits	2 124 921	-	150	2 125 071
Licences and Permits - Non-exchange	11 066 499	-	(2 251 824)	8 814 675
Transfers and Subsidies	261 034 594	-	46 170	261 080 764
Interest, Dividends & Rent on Land Non-Exchange	1 649 323	-	-	1 649 323
Service Charges	420 509 001	-	623 189	421 132 190
Sales of Goods and Rendering of Services	11 110 286	-	600	11 110 886
Rental from Fixed Assets	697 437	-	-	697 437
Interest, Dividends & Rent on Land Exchange	18 584 025	-	529 695	19 113 720
Operational Revenue	3 666 703	-	-	3 666 703
	<hr/>			
	927 986 924	-	614 397	928 601 321

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

42.3 RECLASSIFICATION OF EXPENDITURE

The prior year figures of Expenditure Classes have been restated to correctly classify the nature of Expenditure of the municipality.

The effect of the Correction of Error is as follows:

	Prior Year 2019/20 Audited	Change in Accounting Policy	Correction of Error	Restated Amount 2019/20
Employee Related Costs	293 708 033	-	-	293 708 033
Remuneration of Councillors	12 876 077	-	-	12 876 077
Depreciation and Amortisation	76 933 561	-	-	76 933 561
Impairment Losses	55 236 859	-	-	55 236 859
Interest, Dividends and Rent on Land	5 714 358	-	-	5 714 358
Bulk Purchases	264 529 320	-	(33 017 786)	231 511 535
Contracted Services	70 860 223	-	-	70 860 223
Inventory Consumed	40 125 475	-	33 017 786	73 143 260
Transfers and Subsidies Paid	250 000	-	320 000	570 000
Operating Leases	6 699 738	-	-	6 699 738
Operational Costs	73 820 554	-	1 007	73 821 561
Loss on Disposal of PPE	1 717 571	-	-	1 717 571
	902 471 769	-	321 007	902 792 776

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

42.4 RECLASSIFICATION OF STATEMENT OF FINANCIAL POSITION

The prior year figures of Classes in the Statement of Financial Position have been restated to correctly classify the nature of Assets, Liabilities and Net Assets of the municipality.

THE EFFECT OF THE CORRECTION OF ERROR IS AS FOLLOWS:

	PRIOR YEAR 2019/20 AUDITED	CHANGE IN ACCOUNTING POLICY	CORRECTION OF ERROR	RESTATED AMOUNT 2019/20
Current Assets				
Inventories	9 681 236	-	-	9 681 236
Receivables from Exchange Transactions	45 875 434	-	22 053 662	67 929 097
Receivables from Non-exchange Transactions	29 065 088	(29 065 088)	-	-
Statutory Receivables from Non-exchange Transactions	-	29 065 088	(1 060 691)	28 004 397
VAT Receivable	65 780 872	-	(21 619 880)	44 160 992
Cash and Cash Equivalents	141 032 614	-	744 436	141 777 050
Lease Receivables	171 287	-	-	171 287
Long-term Receivables	3 000	-	-	3 000
Non-Current Assets				
Property, Plant and Equipment	2 071 849 528	-	5 287 927	2 077 137 455
Intangible Assets	679 541	-	-	679 541
Investment Property	242 551 944	-	20 093 500	262 645 444
Long-term Receivables	10 000	-	-	10 000
Current Liabilities				
Consumer Deposits	(18 075 864)	-	-	(18 075 864)
Payables from Exchange Transactions	(143 107 331)	-	-	(143 107 331)
Unspent Conditional Grants and Receipts	(26 927 177)	-	-	(26 927 177)
Lease Payables	-	-	(645 622)	(645 622)
Borrowings	(9 607 597)	-	645 622	(8 961 975)
Employee Benefit Liabilities	-	-	(8 316 102)	(8 316 102)
Provisions	(33 094 658)	-	8 316 102	(24 778 557)
Non-Current Liabilities				
Lease Payables	-	-	(618 497)	(618 497)
Borrowings	(6 746 811)	-	618 497	(6 128 314)
Employee Benefit Liabilities	(86 255 839)	-	-	(86 255 839)
Provisions	(72 316 640)	-	-	(72 316 640)
Net Assets				
Accumulated Surplus / (Deficit)	(2 210 332 883)	-	(25 498 954)	(2 235 831 837)
	-	-	(515 689)	(515 689)

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

42.5 RECLASSIFICATION OF CASH FLOW STATEMENT

The prior year figures of the Cash Flow Statement have been restated to correctly classify the nature of cash receipts and expenditures of the municipality.

THE EFFECT OF THE CORRECTION OF ERROR IS AS FOLLOWS:

	PRIOR YEAR 2019/20 AUDITED	CHANGE IN ACCOUNTING POLICY	CORRECTION OF ERROR	RESTATED AMOUNT 2019/20
Receipts				
Property Rates	190 307 845	-	1 120 189	191 428 034
Transfers and Subsidies	184 516 223	-	46 170	184 562 393
Service Charges	371 128 411	-	(21 487 126)	349 641 285
External Interest and Dividends Received	11 657 220	-	529 695	12 186 915
Other Receipts	44 338 784	-	750	44 339 534
Payments				
Employee Related Costs	(297 508 701)	-	210 152	(297 298 549)
Remuneration of Councillors	(12 876 077)	-	-	(12 876 077)
External Interest and Dividends Paid	(2 502 983)	-	520 061	(1 982 922)
Suppliers Paid	(315 131 483)	-	(153 499)	(315 284 983)
Other Payments	(80 964 452)	-	(1 961 257)	(82 925 710)
VAT Paid	(18 984 979)	-	18 984 979	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	73 979 806	-	445 015	74 424 821
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of Property, Plant and Equipment	(137 558 877)	-	-	(137 558 877)
Purchase of Intangible Assets	(552 742)	-	-	(552 742)
Proceeds on Disposal of Property, Plant and Equipment	-	-	-	-
Decrease / (Increase) in Long-term Receivables	3 000	-	-	3 000
NET CASH FLOWS FROM INVESTING ACTIVITIES	(138 108 620)	-	-	(138 108 620)
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase in Finance Leases (Leases Taken-on)	-	-	-	-
Decrease in Finance Leases (Leases Redeemed)	-	-	(1 067 666)	(1 067 666)
Increase in Borrowings (Loans Taken-on)	-	-	-	-
Decrease in Borrowings (Loans Redeemed)	(9 066 540)	-	1 067 666	(7 998 873)
NET CASH FLOWS FROM FINANCING ACTIVITIES	(73 195 353) (9 066 540)	-	445 015	(72 750 338) (9 066 540)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENT	214 227 967 141 032 614	-	299 421 744 436	214 527 388 141 777 050
Cash and Cash Equivalents at Beginning of Period				
Cash and Cash Equivalents at End of Period				

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

43. CORRECTION OF ERROR

Corrections were made on disclosures of the previous financial year. These disclosures are limited to re-classification of line items within the different categories of the financial statements. Details of the corrections are described below:

43.1 RECLASSIFICATION OF STATEMENT OF FINANCIAL POSITION

Opening Balances and Prior Year Amounts of items in the Statement of Financial Position have been restated as indicated below:

	Property, Plant and Equipment	Investment Property	Accumulated Surplus / (Deficit)
Balances previously published per AFS as at 30 June 2019	2 013 003 092	242 551 944	(2 184 817 728)
Correction of Errors:-			
Reclassification of Investment Property, from PPE	(25 041 000)	-	-
Reclassification of PPE, to Investment Property	-	25 041 000	-
Adjustment for Receivables: Property Rates	-	-	475 284
Adjustment for Land not previously included	22 362 974	-	(22 362 974)
Adjustment for Properties not previously included	-	196 000	(196 000)
Adjustment for Community Asset not previously included	7 500 000	-	(7 500 000)
Bank Account not previously recognised	-	-	(299 421)
Adjustment for Accumulated Depreciation	465 954	-	(465 954)
Adjustment of Infrastructure Cost for WIP Capitalised	(389 788)	-	389 788
Adjustment on Infrastructure WIP for capitalisation of Infrastructure assets	389 788	-	(389 788)
Reclassification of Bulk Purchases to Inventory Consumed	-	-	33 017 786
Reclassification of Inventory Consumed from Bulk Purchases	-	-	(33 017 786)
Adjustment for Duplicated Asset	-	(5 143 500)	5 143 500
Rounding Errors	-	-	-
Balances now published per AFS as at 30 June 2019	2 018 291 020	262 645 444	(2 210 023 293)
Transactions incurred for the Year 2019/20	58 846 436	-	(25 515 155)
Correction of Errors:-			
Adjustment for Properties not previously included	-	-	585 407
Bank Account not previously recognised	-	-	271 652
Adjustment of Interest on Bank Account	-	-	(527 261)
Adjustment for Prepaid Electricity	-	-	(623 189)
Rounding Errors	-	-	1
BALANCES NOW PUBLISHED PER AFS AS AT 30 JUNE 2020	2 077 137 456	262 645 444	(2 235 831 837)

Property, Plant and Equipment:

The opening balances of Property, Plant and Equipment have been restated to correctly remove land parcel, previously incorrectly duplicated within PPE.

The prior year amounts of Inventories have been restated to correctly disclose the property Inventory that was transferred in the prior period, and for which the risks

	RECEIVABLES FROM EXCHANGE TRANSACTIONS	VAT Receivable
Balances previously published per AFS as at 30 June 2019	54 093 203	46 795 893
Balances now published per AFS as at 30 June 2019	54 093 203	46 795 893
Transactions incurred for the Year 2019/20	(8 217 769)	18 984 979
Correction of Errors:-		
VAT Previously Excluded from Receivables	22 053 662	(22 053 662)
Adjustment of Interest on Bank Account	-	527 261
Adjustment for Prepaid Electricity	-	(93 478)
BALANCES NOW PUBLISHED PER AFS AS AT 30 JUNE 2020	67 929 097	44 160 992

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Receivables from Exchange Transactions:

The **prior year amounts** of Receivables from Exchange Transactions have been restated to correctly include the VAT portion, which was previously disclosed as VAT Receivable.

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

VAT Receivable:

The **prior year amounts** of VAT Receivable have been restated to correctly exclude the VAT portion Receivables from Exchange Transactions.

	STATUTORY RECEIVABLES FROMNON- EXCHANGE TRANSACTIONS	CASH AND CASH EQUIVALENTS
Balances previously published per AFS as at 30 June 2019	31 122 849	214 227 967
Correction of Errors:-	(475 284)	299 421
Adjustment for Receivables: Property Rates		299 421
Bank Account not previously recognised		
BALANCES NOW PUBLISHED PER AFS AS AT 30 JUNE 2019	30 647 565	214 527 388
Transactions incurred for the Year 2019/20	(2 057 761)	(73 195 353)
Correction of Errors:-		
Adjustment for Receivables: Property Rates	(585 407)	-
Bank Account not previously recognised	-	(271 652)
Adjustment for Prepaid Electricity		716 667
BALANCES NOW PUBLISHED PER AFS AS AT 30 JUNE 2020	28 004 397	141 777 050
	2021	2020
	R	R

44. CASH GENERATED BY OPERATIONS

Surplus / (Deficit) for the Year

(44 973 152)

25 808 545

Adjustment for Non-cash Transactions included in Surplus / (Deficit):

Employee Related Costs	Refer Note 30.1	23 158 393	636 124
Depreciation and Amortisation	Refer Note 48.2	80 852 216	76 933 561
Impairment Losses	Refer Note 33.1	31 494 818	35 026 130
Interest, Dividends and Rent on Land	Refer Note 34.1	1 669 006	3 731 436

Adjustment for Cash Transactions not included in Surplus / (Deficit):

Exchange Receivables: Bad Debts Written-off	Refer Note 2.3.1	(4 307 074)	(27 074 824)
Statutory Exchange Receivables: Bad Debts Written-off	Refer Note 3.3.1	(567 750)	-
Transfer of Property, Plant and Equipment	Refer Note 6.1	-	16 164
Expenditure from Current Employee Benefit Liabilities	Refer Note 17.1.1	(3 176 023)	(3 003 291)
Expenditure from Non-current Employee Benefit Liabilities	Refer Note 17.1.2	(2 752 965)	(2 528 401)
Expenditure from Non-current Provisions	Refer Note 18.2	-	(52 200)

Adjustment for Non-cash Transactions included in Working Capital:

Inventories	Refer Note 1.1	39 808	56 653
Decrease/(Increase) in Impairment of Exchange Receivables	Refer Note 2.3	(38 260 151)	(17 614 396)
Decrease/(Increase) in Impairment of Statutory Non-exchange Receivables	Refer Note 3.3	(8 849 654)	10 888 825

Adjustment for Transactions included in Surplus / (Deficit) directly recognised in Cash Flow:

Gains / (Losses) on Disposal of Capital Assets	Refer Note 41.1	1 989 467	1 717 571
Variance on Impairment (Provision for VAT on Receivables)		20 632 596	(1 120 189)

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Minor Rounding Errors		3 000	1
Operating Surplus before Working Capital Changes		<u>57 440 084</u>	<u>103 211 556</u>
Decrease/(Increase) in Inventories		(2 889 130)	(431 879)
Decrease/(Increase) in Receivables from Exchange Transactions		(884 692)	(13 835 893)
Decrease/(Increase) in Receivables from Non-exchange Transactions		-	-
Decrease/(Increase) in Statutory Receivables from Non-exchange Transactions		4 012 335	2 643 168
Decrease/(Increase) in VAT Receivable		(3 589 220)	2 634 901
Decrease/(Increase) in Operating Lease Receivables		63 697	63 078
Increase/(Decrease) in Consumer Deposits		2 698 391	697 742
Increase/(Decrease) in Payables from Exchange Transactions		(54 222 598)	55 724 778
Increase/(Decrease) in Payables from Non-exchange Transactions	Lease Payables	515 689	235 741
Increase/(Decrease) in Unspent Conditional Grants and Receipts		(20 728 521)	(76 518 371)
Cash Generated by / (Utilised in) Operations		<u>(17 583 966)</u>	<u>74 424 821</u>

45. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED

45.1 UNAUTHORISED EXPENDITURE

To management's best of knowledge no Unauthorised Expenditure was incurred during the year under review, or the prior year.

45.2 Fruitless and Wasteful Expenditure

Reconciliation of Fruitless and Wasteful Expenditure:

Opening Balance	27 485	34 893 163
Fruitless and Wasteful Expenditure Current Year	37 528	27 485
Expenditure investigated and approved by Council	(27 485)	(34 893 163)
To be Recovered	-	-
To be Recovered – Receivables (refer Note 4)	-	-
Recouped from Salaries Payable	-	-
Fruitless and Wasteful Expenditure awaiting condonement	<u>37 528</u>	<u>27 485</u>

Incident	Disciplinary Steps / Criminal Proceedings
Interest and penalties on late payment of trade creditors. - R37 528 (2020: R27 485)	Currently None - subject to possible future investigation

45.3 Irregular Expenditure

Reconciliation of Irregular Expenditure:

Opening Balance:	4 809 197	70 513 695
Irregular Expenditure Current Year:	261 222	4 229 598
Condoned/Written-off by Council:	(3 729 888)	(69 934 095)
To be Recovered – Contingent Asset (see Note 48)	-	-
Transfer to Receivables for Recovery (see Note 4)	-	-
Irregular Expenditure awaiting condonation	<u>1 340 531</u>	<u>4 809 197</u>

Current Year:

Incident	Deviation
Invalid deviations - R261 222 (2020: R4 229 598)	Still to be investigated.

2021
R 2020
R

46. ADDITIONAL DISCLOSURES IN TERMS OF APPLICABLE LEGISLATION

46.1 MUNICIPAL FINANCE MANAGEMENT ACT

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

46.1.1 Contributions to Organised Local Government - SALGA

Opening Balance	-	-
Council Subscriptions	3 422 255	2 947 746
Amount Paid - current year	(3 422 255)	(2 947 746)

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

BALANCE UNPAID (INCLUDED IN CREDITORS)		
	-	-
46.1.2 Pension and Medical Aid Deductions		
Opening Balance	-	-
Current Year Contributions	73 272 224	68 602 142
Amount Paid - current year	(73 272 224)	(68 602 142)
Balance Unpaid (included in Creditors)		
	-	-
46.1.3 Audit Fees		
Opening Balance	3 774	-
Current year Audit Fees	4 322 780	4 069 729
Amount Paid - current year	(4 306 043)	(4 065 954)

BALANCE UNPAID (INCLUDED IN CREDITORS)		
	20 511	3 774
46.1.4 PAYE, Skills Development Levy and UIF		
Opening Balance	-	-
Current year Payroll Deductions	47 968 445	44 521 086
Amount Paid - current year	(47 968 445)	(44 521 086)

BALANCE UNPAID (INCLUDED IN CREDITORS)		
	-	-
46.1.5 VAT		
The net of VAT input receivables and VAT output payables are shown in Note 5. All VAT returns have been submitted by the due date throughout the year.	47 750 212	44 160 992

46.1.6 Councillor's arrear Consumer Accounts

During the financial year under review one Councillor (present or past) were in arrears with the settlement of his municipal accounts.

The following Councillors had arrear accounts outstanding for more than 90 days as at 30 June 2021:

30 JUNE 2021	TOTAL	Outstanding up to 90 days	Outstanding more than 90 days
Councillor Februarie ER	21 060	21 060	-
Total Councillor Arrear Consumer Accounts	21 060	21 060	-
30 June 2020	Total	Outstanding up to 90 days	Outstanding more than 90 days
Councillor Februarie ER	19 350	19 350	-
Total Councillor Arrear Consumer Accounts	19 350	19 350	-

46.1.7 Deviation from, and ratification of minor breaches of, the Procurement Processes

In terms of section 36(1) of the Municipal Supply Chain Management Policy approved by the Council, any deviation from the Supply Chain Management Policy needs to be approved / condoned by the Municipal Manager, noted by Council and bids where the formal procurement processes could not be followed must be noted in the Annual Financial Statements.

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

The following deviations from the tender stipulations in terms of the municipality's Supply Chain Management Policy were ratified by the Municipal Manager and reported to Council:

30 June 2021

Department	Tenderer	Reason	Amount
Finance	Various (26)	"Various reason like impracticality/emergency/ single provider /urgency"	5 329 657
Infrastructure & Engineering	Various (26)	"Various reason like impracticality/emergency/ single provider /urgency"	6 786 342
Corporate Services	Various (16)	"Various reason like impracticality/emergency/ single provider /urgency"	1 266 685
Office of MM	Various (4)	"Various reason like impracticality/emergency/ single provider /urgency"	151 027
Community Services	Various (47)	"Various reason like impracticality/emergency/ single provider /urgency"	12 741 681
Planning, Development & Tourism	Various (12)	"Various reason like impracticality/emergency/ single provider /urgency"	1 153 872
Total:			<u>27 429 263</u>

30 June 2020

Department	Tenderer	Reason	Amount
Finance	Various (9)	Various reasons like impracticality/ urgency/ Continuity and alignment	4 806 564
Infrastructure & Engineering	Various (154)	Various reasons like impracticality/ urgency/ Preferred supplier	87 253 294
Corporate Services	Various (17)	Various reasons like impracticality/ urgency/ Sole Supplier	851 570
Office of MM	Various (46)	Various reasons like Sole Supplier impracticality/ urgency/ Preferredsupplier	1 284 784
Community Services	Various (17)	Various reasons like Sole Supplier impracticality/ urgency/ Preferredsupplier	7 571 250
Planning, Development & Tourism	Various (14)	Impracticality	559 173
Total:			<u>102 326 634</u>

46.1.8)(D)(I) OF THE MFMA

Material Electricity and Water Losses were as follows and are not recoverable:

ELECTRICITY:

		Lost Units	Tariff	Value
30 June 2021	Unaccounted Electricity Losses	<u>14 656 036</u>	<u>1.3717</u>	<u>20 103 685</u>
30 June 2020	Unaccounted Electricity Losses	<u>25 056 544</u>	<u>1.2797</u>	<u>32 064 859</u>

Electricity Losses occur due to inter alia, technical and non-technical losses (Technical losses - inherent resistance of conductors, transformers and other electrical equipment; Non-technical losses - the tampering of meters, the incorrect ratios used on bulk meters, faulty meters and illegal electricity connections). The problem with tampered meters and illegal connections is an ongoing process, with regular action being taken against defaulters. Faulty meters are replaced as soon as they are reported.

	2021	2020
Volumes in kWh/year:		
System Input Volume	208 493 305	203 171 890
Billed Consumption	<u>177 157 805</u>	<u>161 861 595</u>
Unaccounted	31 335 500	41 310 295

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Normal distribution losses - 8% of electricity purchases	16 679 464	16 253 751
	<u>14 656 036</u>	<u>25 056 544</u>
Percentage Distribution Loss	7.03%	12.33%

Water:

		Lost Units	Tariff	Value
30 June 2021	Unaccounted Water Losses	<u>3 556 208</u>	<u>9.6300</u>	<u>34 246 283</u>
30 June 2020	Unaccounted Water Losses	<u>2 507 620</u>	<u>7.3100</u>	<u>18 330 702</u>

Water Losses occur due to inter alia, leakages, the tampering of meters, the incorrect ratios used on bulk meters, faulty meters and illegal water connections. The problem with tampered meters and illegal connections is an ongoing process, with regular action being taken against defaulters. Faulty meters and leakages are replaced/repared as soon as they are reported.

	2021	2020
Volumes in Kl/year:		
System Input Volume	7 243 049	7 234 555
Billed Consumption	3 686 841	4 726 935
Distribution Loss	<u>3 556 208</u>	<u>2 507 620</u>
Percentage Distribution Loss	49.10%	34.66%

46.2 BROAD-BASED BLACK ECONOMIC EMPOWERMENT ACT

Information on compliance with the B-BBEE Act is included in the Annual Report under the section titled B-BBEE Compliance Performance Information.

47. COMMITMENTS FOR EXPENDITURE

47.1 CAPITAL COMMITMENTS

- Approved and Contracted for:-	85 178 961	112 860 883
Infrastructure	76 618 933	102 298 930
Community	2 800 000	5 886 847
Other	5 760 028	4 675 106

Total Capital Commitments	<u>85 178 961</u>	<u>112 860 883</u>
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This expenditure will be financed from:	85 178 961	112 860 883
Internal and Grant funding	<u>85 178 961</u>	<u>112 860 883</u>

The Capital Commitments are VAT inclusive.

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

48. FINANCIAL INSTRUMENTS

48.1 Classification

FINANCIAL ASSETS:

In accordance with GRAP 104.13 the Financial Assets of the municipality are classified as follows:

Financial Assets at Amortised Cost:

Non-current Long-term Receivables	Staff Related Long Term Receivables	-	10 000
Receivables from Exchange Transactions	Electricity	32 169 543	31 958 193
Receivables from Exchange Transactions	Refuse	8 089 521	7 114 509
Receivables from Exchange Transactions	Sewerage	5 922 131	5 847 762
Receivables from Exchange Transactions	Other Service Charges	1 439 813	1 934 126
Receivables from Exchange Transactions	Water	15 146 843	15 859 696
Receivables from Exchange Transactions	Other Debtors	724 062	724 062
Receivables from Exchange Transactions	Prepayments and Advances	3 591 699	3 117 189
Receivables from Exchange Transactions	Control, Clearing and Interface Accounts	476 634	480 017
Receivables from Exchange Transactions	Deposits for Land	1 253 543	893 543
Cash and Cash Equivalents	Call Deposits	40 489 896	122 294 823
Cash and Cash Equivalents	Bank Balances	12 904 130	19 481 806
Cash and Cash Equivalents	Cash Floats and Advances	421	421
Current Long-term Receivables	Staff Related Long Term Receivables	-	3 000
		122 208 235	209 719 146

TOTAL FINANCIAL ASSETS

122 208 235

209 719 146

FINANCIAL LIABILITIES:

In accordance with GRAP 104.13 the Financial Liabilities of the municipality are classified as follows:

Financial Liabilities at Amortised Cost:

Non-current Finance Lease Obligations	Non-current Finance Lease Obligations	618 501	1 264 119
Non-current Borrowings	Development Bank of South Africa	-	6 128 314
Payables from Exchange Transactions	Other Payables	11 734 759	10 646 509
Payables from Exchange Transactions	Retentions	3 697 847	3 349 136
Payables from Exchange Transactions	Salary Related Payables	834 091	816 076
Payables from Exchange Transactions	Trade Creditors	54 817 337	112 202 790
Payables from Non-exchange Transactions	Transfers and subsidies	751 430	235 741
Unspent Conditional Grants and Receipts	National Government	5 962 915	26 927 177
Unspent Conditional Grants and Receipts	Provincial Government	235 741	-
Current Finance Lease Obligations	Current Finance Lease Obligations	618 501	645 622
Current Borrowings	Development Bank of South Africa	6 128 308	8 961 975
		85 399 431	171 177 460

TOTAL FINANCIAL LIABILITIES

85 399 431

171 177 460

No Financial Instruments of the municipality have been reclassified during the year.

48.2 CAPITAL RISK MANAGEMENT

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

The capital structure of the municipality consists of debt, which includes Cash and Cash Equivalents and Equity, comprising Funds, Reserves and Accumulated Surplus as disclosed in Note 19. and the Statement of Changes in Net Assets.

Gearing Ratio

	2021 R	2020 R
The gearing ratio at the year-end was as follows:		
Debt	7 365 311	17 000 030
Cash and Cash Equivalents	(40 490 317)	(122 295 244)
Net Debt	(33 125 006)	(105 295 214)
Equity	2 190 837 044	2 235 831 837
Net debt to equity ratio	-1.51%	-4.71%

Debt is defined as Long-term Liabilities, together with its Short-term Portion.

Equity includes all Funds and Reserves of the municipality, disclosed as Net Assets in the Statement of Financial Performance and Net Debt as described above.

48.3 Financial Risk Management Objectives

The Accounting Officer has overall responsibility for the establishment and oversight of the municipality's risk management framework. The municipality's risk management policies are established to identify and analyse the risks faced by the municipality, to set appropriate risk limits and controls and to monitor risks and adherence to limits.

Due to the largely non-trading nature of activities and the way in which they are financed, municipalities are not exposed to the degree of financial risk faced by business entities. Financial Instruments play a much more limited role in creating or changing risks that would be typical of listed companies to which the IAS's mainly apply. Generally, Financial Assets and Liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the municipality in undertaking its activities.

The Department Financial Services monitors and manages the financial risks relating to the operations through internal policies and procedures. These risks include interest rate risk, credit risk and liquidity risk. Compliance with policies and procedures is reviewed by the internal auditors on a continuous basis, and annually by external auditors. The municipality does not enter into or trade financial instruments for speculative purposes.

Internal audit, responsible for initiating a control framework and monitoring and responding to potential risk, reports periodically to the municipality's audit committee, an independent body that monitors the effectiveness of the internal audit function.

Further quantitative disclosures are included throughout these Annual Financial Statements.

48.4 Significant Risks

It is the policy of the municipality to disclose information that enables the user of its Annual Financial Statements to evaluate the nature and extent of risks arising from Financial Instruments to which the municipality is exposed on the reporting date.

The municipality has exposure to the following risks from its operations in Financial Instruments:

- Credit Risk;
- Liquidity Risk; and
- Market Risk.

Risks and exposures are disclosed as follows:

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Market Risk

Market Risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the municipality's income or the value of its holdings in Financial Instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Credit Risk

Credit Risk is the risk of financial loss to the municipality if a customer or counterparty to a Financial Instrument fails to meet its contractual obligations and arises principally from the municipality's receivables from customers and investment securities.

Liquidity Risk

Liquidity Risk is the risk that the municipality will encounter difficulty in meeting the obligations associated with its Financial Liabilities that are settled by delivering cash or another financial asset. The municipality's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the municipality's reputation.

Liquidity Risk is managed by ensuring that all assets are reinvested at maturity at competitive interest rates in relation to cash flow requirements. Liabilities are managed by ensuring that all contractual payments are met on a timely basis and, if required, additional new arrangements are established at competitive rates to ensure that cashflow requirements are met.

A maturity analysis for Financial Liabilities (where applicable) that shows the remaining undiscounted contractual maturities is disclosed in Note 48.8 to the Annual Financial Statements.

48.5 MARKET RISK

The municipality's activities expose it primarily to the financial risks of changes in interest rates (see Note 48.7 below). No formal policy exists to hedge volatilities in the interest rate market.

There has been no change to the municipality's exposure to market risks or the manner in which it manages and measures the risk.

48.5.1 FOREIGN CURRENCY RISK MANAGEMENT

The municipality's activities do not expose it to the financial risks of foreign currency and therefore has no formal policy to hedge volatilities in the interest rate market.

48.5.2 INTEREST RATE RISK MANAGEMENT

Interest Rate Risk is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes.

Potential concentrations of interest rate risk consist mainly of variable rate deposit investments, long-term receivables, consumer debtors, other debtors, bank and cash balances.

The municipality limits its counterparty exposures from its money market investment operations by only dealing with Absa Bank, First National Bank, Nedbank and Standard Bank. No investments with a tenure exceeding twelve months are made.

Long-term Receivables and Other Debtors are individually evaluated annually at Balance Sheet date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

The municipality is not exposed to credit interest rate risk as the municipality has no borrowings.

The municipality's exposures to interest rates on Financial Assets and Financial Liabilities are detailed in the Credit Risk Management section of this note.

Interest Rate Sensitivity Analysis

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The sensitivity analysis has been determined based on the exposure to interest rates at the Statement of Financial Position date. The analysis is prepared by averaging the amount of the investment at the beginning of the financial year and the amount of the investment at the end of the financial year. A 25 basis point increase or decrease was used, which represents management's assessment of the reasonably possible change in interest rates. The short and long-term financial instruments at year-end with variable interest rates are set out in Note 48.8 below:

Cash and Cash Equivalents:

If interest rates had been 25 basis points higher / lower and all other variables were held constant, the municipality's:

- Surplus for the year ended 30 June 2021 would have increased / decreased by R243 963 (30 June 2020: R445379). This is mainly attributable to the municipality's exposure to interest rates on its variable rate investments.

48.6 CREDIT RISK MANAGEMENT

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the municipality. The municipality has a sound credit control and debt collection policy and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The municipality uses its own trading records to assess its major customers. The municipality's exposure of its counterparties are monitored regularly.

Potential concentrations of credit risk consist mainly of variable rate deposit investments, long-term receivables, consumer debtors, other debtors, bank and cash balances.

Investments/Bank, Cash and Cash Equivalents

The municipality limits its counterparty exposures from its money market investment operations (financial assets that are neither past due nor impaired) by only dealing with Absa Bank, First National Bank, Nedbank and Standard Bank. No investments with a tenure exceeding twelve months are made.

Trade and Other Receivables

There were no material changes in the exposure to credit risk and its objectives, policies and processes for managing and measuring the risk during the year under review. The municipality's maximum exposure to credit risk is represented by the carrying value of each financial asset in the Statement of Financial Position, without taking into account the value of any collateral obtained. The municipality has no significant concentration of credit risk, with exposure spread over a large number of consumers, and is not concentrated in any particular sector or geographical area.

The municipality establishes an allowance for impairment that represents its estimate of anticipated losses in respect of trade and other receivables.

Long-term Receivables and Other Debtors are individually evaluated annually at reporting date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

The municipality does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The municipality defines counterparties as having similar characteristics if they are related entities. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings.

The table below shows the balance of the 5 major counterparties at the balance sheet date. Management is of the opinion that, although these parties are the 5 counterparties with highest outstanding balances, no significant credit risk exposure exists based on the payment history of the parties, except for Northern Province Academy of Sport and Department of Water and Forestry Affairs for which there is uncertainty about the collectivity. They have been included in the Provision for Impairment of Consumer Debtors.

	2021 R	2020 R
The maximum credit and interest risk exposure in respect of the relevant financial instruments is as follows:		
Long-term Receivables	-	26 000
Receivables from Exchange Transactions	236 146 736	197 001 893

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Bank, Cash and Cash Equivalents	53 394 447	141 777 050
<hr/>		
MAXIMUM CREDIT AND INTEREST RISK EXPOSURE	289 541 182	338 778 942
<hr/>		
<p>The major concentrations of credit risk that arise from the municipality's receivables in relation to customer classification are as follows:</p>		
	%	%
Exchange Debtors:		
- Service Debtors	97.43%	97.34%
- Other Debtors	0.31%	0.37%
- Prepayments and Advances	1.53%	1.59%
- Other Minor Classes	0.73%	0.70%
<hr/>		
TOTAL CREDIT RISK	100.00%	100.00%
<hr/>		
Bank and Cash Balances		
Current Investments	40 489 896	122 294 823
Bank Accounts	12 904 130	19 481 806
Cash on Hand	421	421
<hr/>		
TOTAL BANK AND CASH BALANCES	53 394 447	141 777 050
<hr/>		
Credit quality of Financial Assets:		
The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:		
Long-term Receivables		
High	-	-
Medium	-	-
Low	-	26 000
<hr/>		
TOTAL LONG-TERM RECEIVABLES	-	26 000
<hr/>		
Receivables from Exchange Transactions		
Counterparties without external credit rating:-		
High	18 302 163	28 203 993
Medium	4 678 956	7 210 363
Low	-	-
<hr/>		
TOTAL RECEIVABLES FROM EXCHANGE TRANSACTIONS	22 981 119	35 414 356
<hr/>		

Credit quality Groupings:

High - High certainty of timely payment. Liquidity factors are strong and the risk of non-payment is small.

Medium - Reasonable certainty of timely payment. Liquidity factors are sound, although ongoing funding needs may enlarge financing requirement. The risk of non-payment is small.

Low - Satisfactory liquidity factors and other factors which qualify the entity as investment grade. However, the risk factors of non-payment are larger.

None of the financial assets that are fully performing, have been renegotiated in the last year.

48. FINANCIAL INSTRUMENTS (Continued)

48.1 LIQUIDITY RISK MANAGEMENT

Ultimate responsibility for liquidity risk management rests with the Council, which has built an appropriate liquidity risk management framework for the management of the municipality's short, medium and long-term funding and liquidity management requirements. The municipality manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity and Interest Risk Tables

The municipality ensures that it has sufficient cash on demand or access to facilities to meet expected operational expenses through the use of cash flow forecasts.

The following tables detail the municipality's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the municipality can be required to pay.

Description	Note ref in AFS	Average effective Interest Rate	Total	6 Months or less	6 - 12 Months	1 - 2 Years	2 - 5 Years	More than 5 Years
	#	%	R	R	R	R		R
30 June 2021								
Non-interest Bearing		0.00%	78 034 120	78 034 120	-	-	-	-
Fixed Interest Rate Instruments			7 365 311	7 365 311	-	-	-	-
			85 399 431	85 399 431	-	-	-	-
30 June 2020								
Non-interest Bearing		0.00%	154 177 429	154 177 429	-	-	-	-
Fixed Interest Rate Instruments			17 000 030	17 000 030	-	-	-	-
			171 177 460	171 177 460	-	-	-	-

The following table details the municipality's expected maturity for its non-derivative financial assets. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the municipality anticipates that the cash flow will occur in a different period.

Description	Note ref in AFS	Average effective Interest Rate	Total	6 Months or less	6 - 12 Months	1 - 2 Years	2 - 5 Years	More than 5 Years
	#	%	R	R	R	R		R
30 June 2021								
Non-interest Bearing		0.00%	68 814 209	68 807 209	3 000	3 000	1 000	-
Variable Interest Rate Instruments		4.30%	53 394 026	53 394 026	-	-	-	-
			122 208 235	122 201 235	3 000	3 000	1 000	-
30 June 2020								
Non-interest Bearing		0.00%	67 942 518	67 932 518	3 000	3 000	4 000	-
Variable Interest Rate Instruments		6.84%	141 776 629	141 776 629	-	-	-	-
			209 719 146	209 709 146	3 000	3 000	4 000	-

The municipality does not have any financing facilities and expects to meet its obligations from operating cash flows and proceeds of maturing financial assets and to maintain current debt to equity ratio.

48.2 OTHER PRICE RISKS

The municipality is not exposed to equity price risks arising from equity investments as the municipality does not trade these investments.

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2021
R

2020
R

49. MULTI-EMPLOYER RETIREMENT BENEFIT INFORMATION

The municipality makes provision for post-retirement benefits to eligible councillors and employees, who belong to different pension schemes. All councillors belong to the Pension Fund for Municipal Councillors, whilst employees belong to a variety of approved Pension and Provident Funds as described below.

Council contribute to the Municipal Council Pension Fund, SALA Pension Fund and SAMWU National Provident Fund which are defined contribution funds. The retirement benefit fund is subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. Current contributions by Council are charged against expenditure on the basis of current service costs.

These funds are governed by the Pension Funds Act and include both defined benefit and defined contribution schemes.

All of these afore-mentioned funds are multi-employer plans and are subject to either a tri-annual, bi-annual or annual actuarial valuation, details which are provided below.

Sufficient information is not available to use defined benefit accounting for the pension and retirement funds, due to the following reasons:-

- (i) The assets of each fund are held in one portfolio and are not notionally allocated to each of the participating employers.
- (ii) One set of financial statements are compiled for each fund and financial statements are not drafted for each participating employer.
- (iii) The same rate of contribution applies to all participating employers and no regard is paid to differences in the membership distribution of the participating employers.

It is therefore seen that each fund operates as a single entity and is not divided into sub-funds for each participating employer.

The only obligation of the municipality with respect to the retirement benefit plans is to make the specified contributions. Where councillors / employees leave the plans prior to full vesting of the contributions, the contributions payable by the municipality are reduced by the amount of forfeited contributions.

The total expense recognised in the Statement of Financial Performance of R30 459 117 (2020: R28 654 661) represents contributions payable to these plans by the municipality at rates specified in the rules of the plans. These contributions have been expensed.

The Retirement Funds have been valued by making use of the Discounted Cash Flow method of valuation.

49.1 DEFINED BENEFIT SCHEMES

Cape Joint Pension Fund (Defined Benefit Scheme):

The scheme is subject to an annual actuarial valuation which is not the responsibility of the Municipality. The last statutory valuation was performed as at 30 June 2012.

The contribution rate payable is under the defined benefit section is 27%, 9% by the members and 18% by their councils. The actuarial valuation report at 30 June 2012 disclosed an actuarial valuation amounting to R3 014 878 (2011: R2 971 150) million, with a net accumulated deficit of R18 287 (2011: R58 935) million, with a funding level of 99.4% (2011: 104.1%).

Government Employees Pension Fund (GEPF):

The scheme is subject to a tri-annual actuarial valuation. The last statutory valuation was performed as at 30 June 2006.

The statutory valuation performed as at 30 June 2006 revealed that the fund had a surplus of R0,0 (30 June 2004: deficit of R12,8) million, with a funding level of 100,0% (30 June 2004: 96,5%). The contribution rate paid by the members (7,00%) and the municipalities (13,00%) is sufficient to fund the benefits accruing from the fund in the future.

Municipal Employees Pension Fund:

The scheme is subject to a tri-annual actuarial valuation. The last statutory valuation was performed as at 28 February 2014.

The net assets available for benefits were R5 715 557 193.

The statutory valuation performed as at 28 February 2014 revealed that the net assets of the fund were R0,0 (28 February 2011: R552,8) million, with a funding level of 100,0% (28 February 2011: 107,9%). The contribution rate paid by the members (7,50%) and Council (15,00%, 18,00% and 22,00%) is not sufficient to fund the benefits accruing from the fund in the future and there is a shortfall in the future employer contribution rate of 12,80% (28 February 2011: 8,10%).

The fund is closed for membership and no new members are allowed to join the fund. No

further information could be obtained.

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National Fund for Municipal Workers - Pension Fund:

The fund operates as a defined contribution fund and in terms of the rules of the fund category A and category C members contribute at a rate as agreed upon by the Local Authority and the member, subject to an absolute minimum contribution of 2% and 5% of their remuneration respectively. Category C-Members, appointed after 1 July 2012, who are not part of the Schedule shall make monthly contributions to the Fund equal to 7.5% of their Remuneration.

The Local Authority must contribute in respect of category A and category C members such an amount as agreed between the Local Authority and the fund, subject to a minimum contribution rate of 2% and 5% of their remuneration respectively. Category B members are members who belong to both category A and C and the Local Authority must, on behalf of such members, not contribute less than 7% of their remuneration. The contribution rates stipulated above include the amount payable towards the insured risk benefits policy.

The last statutory valuation performed as at 30 June 2015 revealed that the assets of the fund amounted to R10,050,029,000 (30 June 2014 : R9,031,759,000), with funding levels of 100.42% (30 June 2014: 100.10%). The actuary certified that the assets of the fund are sufficient to cover 100.42% of the members' liabilities, also that it can be expected that the funding level of a fund of this nature will fluctuate around 100%, for example due to timing differences in investment and receipt of monies, slight mismatching of assets and liabilities and processing errors.

Joint Municipal Pension Fund (previously Transvaal Municipal Pension Fund):

The scheme is subject to a bi-annual actuarial valuation. The last statutory valuation was performed as at 30 September 2007.

The statutory valuation performed as at 30 September 2007 revealed that the fund had a surplus of R82,1 (31 December 2005: shortfall of R44,2) million, with a funding level of 123,7% (31 December 2005: unknown). The contribution rate paid by the members (9,00%) and municipalities (22,00%) has a shortfall of 0,90%, but can be covered by the available margin in the fund.

The last valuation performed for the period ended 31 March 2006 revealed that the fund had a shortfall of R205 million, with a funding level of 83%. This will be taken into account in determining future surcharges, to be met by increased employer contributions. These surcharges are as follows:

- From 1 July 2006 14%
- From 1 July 2007 17%

The above-mentioned surcharge is payable until 1 July 2010. This position will be monitored on an annual basis. The fund is closed

for membership and no new members are allowed to join the fund.

No information could be obtained.

49.2 DEFINED CONTRIBUTION SCHEMES

Cape Joint Pension Fund (Defined Contribution Scheme):

The scheme is subject to an annual actuarial valuation which is not the responsibility of the Municipality. The last statutory valuation was performed as at 30 June 2012.

The actuarial valuation report at 30 June 2012 indicated that the defined contribution scheme of the fund is in a sound financial position, with assets amounting to R421 900 (2011: R386 570) million, net investment reserve of R21 231 (2011: R15 285) million and a funding level of 105.3% (2011: 104.1%).

Cape Joint Retirement Fund:

The scheme is subject to an annual actuarial valuation which is not the responsibility of the Municipality. The last statutory valuation was performed as at 30 June 2012.

The statutory valuation performed as at 30 June 2012 revealed that the assets of the fund amounted to R10 775 599 and R546 059 (30 June 2011: R9 930,837 in total) million, with funding levels of 99.9% and 108% (2011: 100,3% and 116,9%) for the Share Account and the Pensions Account respectively. The contribution rate paid by the members (7,50%) and the municipalities (19,50%) is sufficient to fund the benefits accruing from the fund in the future.

Municipal Councillors Pension Fund:

The Municipal Councillors Pension Fund operates as a defined contribution scheme. The statutory valuation performed as at 30 June 2015 revealed that the assets of the fund amounted to R2,551,861,000 (30 June 2014 : R2,229,410,000), with funding levels of 101.08% (30 June 2014: 98.83%). The contribution rate paid by the members (13,75 %) and council (15 %) is sufficient to fund the benefits accruing from the fund in the future. The Actuary certified that the Fund was in a sound financial condition as at 30 June 2015, in that the assets of the fund were sufficient to cover the accrued service liabilities including the recommended contingency reserves in full.

The appointment of a Curator in terms of section 5(1) of the Financial Institutions (protection of funds) Act 2001 for the whole of the business of the Municipal Councillors Pension Fund was done in December 2017. Due to the provisional curatorship, a short moratorium has been placed on the payment of benefits to members/beneficiaries. In terms of the curatorship order, the Court ordered as follows: 1. The provisional Curatorship order of the 19th December 2017 is made a final; 2. The Curator shall furnish the Registrar of the Pension Fund with progress report; 3. The Curator must deliver a further progress report to the Court by no later than 31st October 2018 which report deals with the status of curatorship as at the 30th September 2018; on the curatorship once every two months;

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National Fund for Municipal Workers - Provident Fund:

The Municipal Workers Retirement Fund is a defined contribution scheme. Members contribute at a rate of not less than 7.5% of salaries, as required by the Rules. The employers contribute at a total rate of not less than 18%. From 1 July 2017, members and employers that fall under other bargaining councils or forums are not bound by the above minimum contribution rates. The statutory valuation performed as at 30 June 2017 revealed that the assets of the fund amounted to R7,720,948.000 (30 June 2011 : R6,574,75.00), with funding levels of 102.0% (30 June 2014: 111.7%).

As a percentage of members' Fund Credits, the investment smoothing reserve has decreased from 5.6% to 4.9% over the valuation period. As a percentage of the market value of assets, it has decreased marginally from 4.6% to 4.4%. The Fund's assets are sufficient to cover the members' Fund Credits, the targeted levels of the risk benefits reserve and the data and processing error reserve, and an investment smoothing reserve of 4.9% of members' Fund Credits as at 30 June 2017. In addition, there is brought-forward surplus of some R152.8 million which has been allocated to former members and is awaiting payment. The Fund is therefore in a sound financial position.

None of the above mentioned plans are State Plans.

50. RELATED PARTY TRANSACTIONS

All Related Party Transactions are conducted at arm's length, unless stated otherwise.

50.1 COMPENSATION OF RELATED PARTIES

Compensation of Close Family Members of Councillors and/or Key Management:

Name of Related Person	Designation	Description of Related Party Relationship	2021	2020
S. Meleni	Official	Wife of councillor Meleni	291 927	474 411
GE Coenraad	Official	Daughter of councillor Coenraad	176 349	288 764

2021
R

2020
R

50.2 PURCHASES FROM RELATED PARTIES

The municipality bought goods from the following companies, which are considered to be Related Parties:

Company Name	Related Person	Municipal Capacity	Nature of relationship	Purchases for the Year	Purchases for the Year
Sheljesh Trading	S. Harmse	Official	Director was in the service of KLM until September 2019.	59 800	-
Central Bridge Trading 436 CC	Z. Tshume	Official	Wife of the director	132 608	219 050
Faulkner Bouers	B. Faulkner	Official	Director is the uncle of this employees	-	66 300
Kwa Nandipha Catering	P. Dondashe	Official	Husband of director	-	15 325
2326 Random Solutions	T. Madatt	Official	Uncle of directors	77 300	-
Amahle Waste Recycling	NI Dela (Emp 1959)	Ward Committee Member	NI Dela is the director/owner of the company	76 950	99 850
Unomtha Catering	Z Gxuluwe	Official	Daughter of the director	-	11 520
Mesrazest	J Hammond	Official	Brother in Law of Director	1 713 646	1 086 900
Infraforce Africa (Pty) Ltd	E. Sekula	Official	Owner was employed at KLM	154 560	24 460
Mgqandu & Coco Trading	C. Mgqandu	Official	Husband of Director	55 400	85 620
Premier Attraction 528 CC t/a ZIS Distributors	R. Lorgat	Official	Cousin of the director	550 057	-
GGG Engineering	J. Nhlangulela	Official	Director	126 341	154 982
Malubongwe General Trading (Pty) Ltd	H. U. Geleba	Official	Husband of Director	26 400	17 800
Arviclox	K. Papa	Official	Director was in the service of KLM until January 2020.	13 800	-

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RE Le Grange t/a RL Trading	J Hammond	Official	Brother in law of sole prop	19 300	46 200
Martinash Trading (Pty) Ltd	J Savage	Official	Director was an employee from KLM from 1/09/1994 - 27/08/2010	445 996	130 130
Terr Trillion Friendly (Pty) Ltd	V Yake	Official	Cousin of the director	-	21 600
Izwe Lethu General Trading	X Badi	Official	Director's spouse	29 000	-
Sys Smart (Pty) Ltd	D van Vuuren	Official	Director's son in law	29 900	-
Total Purchases				3 511 058	1 979 737

The transactions were concluded in full compliance with the municipality's Supply Chain Management Policy and the transactions are considered to be at arm's length.

51. CONTINGENT LIABILITIES

51.1 COURT PROCEEDINGS:

	51 356 057	61 988 665
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Court Proceedings arose due to various claims brought against the Municipality. The attorneys suggested that the matters will be defended, due to the circumstances of each.

The likelihood of successfully defending the claims, as well as the timing and possible costs thereof, cannot be determined at this time.

(i) EA Plaatjies / Kouga Local Municipality: A civil litigation action has been instituted against Kouga Municipality by the Plaintiff for payment of damages relating to a diving incident at a dam in Kruisfontein, Humansdorp for an amount of R12 million. This matter has been set down for a hearing on 26 June 2019. The quantum and merits issues were separated and the merits were settled on the basis that the Kouga Municipality would be liable to pay 30% of the damages that may be proven at the hearing in respect of the quantum part. We are currently waiting for a new trial date.	600 000	12 000 000
(ii) Tauris Garden CC: Civil Claim for damages. Awaiting instructions with regards to appointment of quantity surveyor.	-	-
(iii) Peter John France & Gerald Jack Friedman Trustees of The Rental Company Trust: Claim defended on behalf of Kouga. Currently preparing for trial.	4 000 000	4 000 000
(iii) Nelson Mandela Bay Metropolitan Municipality alleged claim in respect of Water Consumption. NMBM instituted action against Kouga Municipality in respect of an alleged claim of approximately R41 million in respect of water consumption.	41 000 000	41 000 000
(iv) Various claims arising from alleged negligence by the Municipality due to damages sustained by the Plaintiffs.: Civil Claim for damages. Awaiting instructions with regards to appointment of quantity surveyor.	47 711	47 711
(v) Tshepega Civil Engineers (Pty) Ltd / KOUGA Local Municipality Claims for monies owed for professional services rendered	1 950 346	1 900 355
(v) Various claims due to municipal administrative matters under dispute or investigation:	508 000	3 040 599
(i) Alleged Damages Incurred: H Goeda		
51.2 Unlawful and wrongful assault and arrest & detention	250 000	-

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52. CONTINGENT ASSETS

52.1 INSURANCE CLAIMS:

1 764 237

1 804 382

(i) Lost / Damaged Assets:

1 764 237

1 804 382

The municipality has claims outstanding against its Insurers for lost and/or damaged assets. The management believe that it is probable that the claims will be successful and that compensation of R1 764 237 (2020: R1 804 382) will be recovered.

53. COMPARATIVE FIGURES

The comparative figures were restated as a result of the effect of Prior Period Errors (Note 43.).

54. GOING CONCERN ASSESSMENT

The COVID-19 pandemic continues to have a devastating impact on the macro economy and a significant component of the institutions which operate therein. The municipality has not been immune to the impact of the pandemic. The impact and duration of the COVID-19 pandemic in the Province and Kouga's jurisdiction is uncertain at the date of this submission. Management of the municipality is however of the opinion that regardless of the possible effect of the COVID-19 pandemic, the municipality will continue to operate for the foreseeable future, which is usually regarded as at least the next 12 months from the reporting date, however not limited to this timeframe.

Management also considered the following matters in relation to the Going Concern position of Kouga Local Municipality:

(i) On 26 June 2020 the Council adopted the 2019/2020 to 2022/23 Budget. This three-year Medium Term Revenue and Expenditure Framework (MTREF) to support the ongoing delivery of municipal services to residents reflected that the Budget was cash-backed over the three-year period.

(ii) The municipality's Budget is subjected to a very rigorous independent assessment process to assess its cash-backing status before it is ultimately approved by Council.

(iii) Strict daily cash management processes are embedded in the municipality's operations to manage and monitor all actual cash inflows and cash outflows in terms of the cash-flow forecast supporting the Budget. The cash management processes is complemented by monthly reporting, highlighting the actual cash position, including the associated risks and remedial actions to be instituted.

(iv) As the municipality has the power to levy fees, tariffs and charges, this will result in an on-going inflow of revenue to support the on-going delivery of municipal services. Certain key financial ratios, such as liquidity, cost coverage, debtors' collection rates and creditors' payment terms are closely monitored and the necessary corrective actions instituted.

Taking the aforementioned into account, management has prepared the Annual Financial Statements on the Going Concern Basis.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

55. SEGMENT REPORTING

For management purposes the municipality is broadly organised into business units based on the nature of operations and the services they provide. The municipality has seven primary reportable segments:

- **The segment for Municipal Governance and Administration Services:-**
This segment consists of services such as executive services, support services to the executive and finance & administration services.
- **The segment for Community and Public Safety Services:-**
This segment consists of all services for community & social development, public safety and sport & recreation.
- **The segment for Housing Services:-**
This segment consists of all services for the providing of housing to the community.
- **The segment for Health Services:-**
This segment consists of all services for the providing of health to the community.
- **The segment for Economic and Environmental Services:-**
This segment consists of environmental services such as planning & development, environmental protection and roads & storm water.
- **The segment for Trading Services:-**
This segment consists of the following infrastructure services delivered to the community.
 - Energy Sources:-
This segment consists of all services for energy supply to the community.
 - Waste Management:-
This segment consists of all services for the management of solid waste in the municipal area.
 - Waste Water Management:-
This segment consists of all services for the management of waste water, including sewage, in the municipal area.
 - Water Management:-
This segment consists of all services for water supply to the community.
- **The segment for Other Services:-**
This segment consists of minor services rendered in the municipal jurisdiction area.

No individually material operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on non-financial metrics and the segment's operating surplus or deficit, measured consistently with the accounting policies applied in the Annual Financial Statements. However, the municipality's financing (including finance costs and finance income) and revenue from taxes are managed on a group basis and are not allocated to operating segments.

Inter-business unit services are not valued and are deemed to have been supplied for no consideration, and are therefore not eliminated. However, the quality of services provided internally is monitored as part of the non-financial service performance information.

The municipality operates within the following geographical areas:

WARD	AREA
Ward 1	- Oyster Bay, Sea Vista and surrounding farms
Ward 2	- Pellsrus, Tokyo Sexwale, Lootspark
Ward 3	- Lower Wavecrest
Ward 4	- Kruisfontein, Gill Marcus, Die Berg and surrounding farms
Ward 5	- Arcadia, Graslaagte, Johnson's Ridge and surrounds
Ward 6	- Kwanomzamo
Ward 7	- Loerie, Thornhill, Longmore, Mondplaas and surrounds
Ward 8	- Upper Wavecrest, Kabeljous and surrounds
Ward 9	- Hankey Town, Centerton, Phillipsville, Kleinfontein and Ext 4
Ward 10	- Ramaphosa Village, Andrieskraal, Cambria and surrounds
Ward 11	- Jeffreys Bay Central, C-Place
Ward 12	- St Francis Bay, Cape St Francis, Paradise Beach and lower Humansdorp Golf Course
Ward 13	- Hankey, Weston, Rosedale, ex Nathi Farm and Patensie Town
Ward 14	- Aston Bay, Marina Martinique, Mandela Bay, and Ocean View
Ward 15	- Humansdorp Town, Boskloof, Panorama, Upper Humansdorp Golf Course

The municipality does however not monitor operating results for these geographical segments, and operational results are only monitored within the business units as previously disclosed.

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

55.1 Segmental Analysis of Financial Performance Year Ended

30 June 2021

Description	Executive and Council	Finance and Administration	Community and Social Services	Public Safety	Sport and Recreation	Housing	Health	Environmental Protection	Planning and Development	Road Transport	Energy Sources	Waste Management	Waste Water Management	Water Management	Variance	Total for Municipality
	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R
REVENUE																
Revenue from Non-exchange Transactions																
Property Rates	-	210 204 642	-	-	-	-	-	-	-	-	-	-	-	-	-	210 204 642
Fines, Penalties and Forfeits	-	3 063 146	318	-	-	-	-	-	195 624	49 000	-	-	-	-	-	3 308 089
Licences and Permits	-	-	-	-	4 694 089	-	(57 968)	1 078 920	-	1 787 769	-	-	-	-	-	7 502 810
Transfers and Subsidies	867 407	109 339 310	2 050 000	1 516 655	-	-	2 845 500	-	1 578 900	1 054 000	10 810 279	16 968 661	42 377 931	24 359 681	-	213 768 324
Surcharges and Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest, Dividends and Rent on Land Earned	-	1 700 447	-	-	-	-	-	-	-	-	-	-	-	-	-	1 700 447
Revenue from Exchange Transactions																
Licences and Permits	-	-	-	-	-	-	75 076	-	-	2 649 170	-	-	-	-	-	2 724 245
Service Charges	-	(16 979 139)	-	-	-	-	-	(419 472)	-	-	298 895 470	54 393 108	52 345 869	80 982 787	-	469 218 623
Sales of Goods and Rendering of Services	-	2 999 384	377 094	12 822	180 239	-	-	87 659	4 393 666	-	-	108 383	-	-	-	8 159 247
Income from Agency Services	-	-	-	-	-	-	-	-	-	1 411 573	-	-	-	-	-	1 411 573
Rental from Fixed Assets	-	-	-	-	925 404	-	-	-	1 421 269	-	-	-	-	-	-	2 346 673
Interest, Dividends and Rent on Land Earned	-	4 258 556	-	-	-	-	-	-	-	-	980 770	2 579 261	1 514 488	3 140 215	-	12 473 289
Operational Revenue	58 651	993 007	-	-	-	-	-	-	-	-	-	-	-	-	-	1 051 658
Gains on Other Operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gains on Disposal of Property, Plant and Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	57 151	-	57 151
Total Revenue	926 058	315 579 354	2 427 412	1 529 477	5 799 732	-	2 862 608	747 106	7 589 459	6 951 511	310 686 519	74 049 414	96 238 287	108 539 834	-	933 926 772
EXPENDITURE																
Employee Related Costs	18 368 577	105 931 358	7 466 942	21 303 385	32 607 652	4 562 162	4 745 408	2 087 705	23 007 052	32 764 275	14 077 543	27 627 448	22 084 352	18 676 878	23 268	335 334 005
Remuneration of Councillors	12 780 365	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12 780 365
Depreciation and Amortisation	-	4 258 034	-	-	-	-	-	-	8 001 969	30 106 668	5 908 220	-	21 870 504	10 706 821	-	80 852 216
Impairment Losses	-	36 155 893	-	-	-	-	-	(474 143)	-	-	152 240	(17 117 722)	5 124 731	7 693 627	-	31 534 626
Interest, Dividends and Rent on Land	-	187 261	-	-	1 238 024	-	-	-	-	-	-	1 669 006	-	-	-	3 094 292
Contracted Services	1 931 381	24 212 992	532 657	686 681	6 342 472	55 830	587 000	639 729	1 553 052	37 015 323	6 824 595	9 440 323	2 616 326	2 468 002	879 111	95 785 476
Inventory Consumed	179 238	2 079 357	661 100	734 814	2 595 178	1 566 268	179 140	617 746	613 502	2 232 483	4 466 411	3 096 428	3 263 962	49 389 143	88	71 674 858
Transfers and Subsidies Paid	300 000	-	-	-	261 000	-	-	-	-	-	-	-	-	-	200 000	761 000
Operating Leases	896 272	5 350 059	31 278	2 280	(1 178)	5 548	(487)	-	267 431	-	(239)	-	-	-	-	6 550 963
Operational Costs	15 550 924	18 770 167	398 242	837 434	6 399 213	48 520	116 783	524 164	697 491	1 416 001	5 638 908	10 930 162	16 324 696	6 789 642	25 132	84 467 479
Loss on Disposal of Property, Plant and Equipment	-	2 046 618	-	-	-	-	-	-	-	-	-	-	-	-	-	2 046 618
Total Expenditure	50 006 757	198 991 739	9 090 219	23 564 594	49 442 361	6 238 328	5 627 845	3 395 202	34 140 498	103 534 750	291 125 514	35 645 644	71 284 570	95 724 113	1 127 598	978 939 732
Surplus/(Deficit) for the Year	(49 080 699)	116 587 615	(6 662 806)	(22 035 117)	(43 642 629)	(6 238 328)	(2 765 237)	(2 648 096)	(26 551 039)	(96 583 239)	19 561 005	38 403 769	24 953 717	12 815 721.30	(1 127 598)	(45 012 960)

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KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Year Ended 30 June 2020

Description	Executive and Council	Finance and Administration	Community and Social Services	Public Safety	Sport and Recreation	Housing	Health	Environmental Protection	Planning and Development	Road Transport	Energy Sources	Waste Management	Waste Water Management	Water Management	Total for Municipality
	R	R	R	R	R	R	R	R	R	R	R	R	R	R	
REVENUE															
Revenue from Non-exchange Transactions															
Property Rates	-	196 958 729	-	-	-	-	-	-	-	-	-	-	-	-	196 958 729
Fines, Penalties and Forfeits	-	1 847 650	1 609	-	-	-	-	-	216 812	59 000	-	-	-	-	2 125 071
Licences and Permits	-	-	-	-	3 535 166	-	5 740	999 983	-	1 517 377	-	-	-	-	6 058 267
Transfers and Subsidies	46 170	127 041 890	2 050 000	713 585	-	-	2 619 200	1 192 000	1 899 401	1 000 000	7 161 997	64 259	23 590 605	93 701 658	261 080 764
Interest, Dividends and Rent on Land Earned	-	1 649 323	-	-	-	-	-	-	-	-	-	-	-	-	1 649 323
Revenue from Exchange Transactions															
Licences and Permits	-	-	-	-	-	-	202 124	-	-	2 554 285	-	-	-	-	2 756 409
Service Charges	-	(10 764 083)	-	-	-	-	-	(420 591)	-	-	256 825 618	51 771 842	49 950 667	73 768 737	421 132 190
Sales of Goods and Rendering of Services	-	5 455 311	369 637	20 442	1 957 961	-	-	28 130	3 273 279	-	-	6 128	-	-	11 110 886
Income from Agency Services	-	-	-	-	-	-	-	-	-	2 251 824	-	-	-	-	2 251 824
Rental from Fixed Assets	-	-	-	-	1 488	-	-	-	695 949	-	-	-	-	-	697 437
Interest, Dividends and Rent on Land Earned	-	12 254 888	-	-	-	-	-	-	-	-	749 081	2 251 788	1 234 385	2 623 578	19 113 720
Operational Revenue	3 623	3 663 081	-	-	-	-	-	-	-	-	-	-	-	-	3 666 703
Gains on Other Operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue	49 793	338 106 788	2 421 246	734 027	5 494 615	-	2 827 063	1 799 522	6 085 440	7 382 486	264 736 696	54 094 016	74 775 657	170 093 973	928 601 321
EXPENDITURE															
Employee Related Costs	12 924 860	79 787 578	7 072 660	19 413 826	29 947 363	4 180 790	3 788 336	544 110	20 014 895	30 780 845	13 227 425	32 262 653	18 085 547	21 677 144	293 708 033
Remuneration of Councillors	12 876 077	-	-	-	-	-	-	-	-	-	-	-	-	-	12 876 077
Depreciation and Amortisation	-	8 190 508	-	-	-	-	-	-	552 770	30 203 237	5 627 570	-	22 823 944	9 535 533	76 933 561
Impairment Losses	-	55 293 511	-	-	-	-	-	-	-	-	-	-	-	-	55 293 511
Interest, Dividends and Rent on Land	-	301 856	-	-	2 201 127	-	-	-	-	-	-	3 211 375	-	-	5 714 358
Bulk Purchases	-	-	-	-	-	-	-	-	-	-	231 511 535	-	-	-	231 511 535
Contracted Services	838 557	20 703 174	1 120 735	1 329 904	5 895 842	154 244	845 295	553 236	1 386 002	22 051 634	3 206 757	6 035 061	3 140 257	1 771 715	70 860 223
Inventory Consumed	81 114	1 564 006	2 492 637	783 008	2 321 612	24 578	169 345	6 281 147	472 826	6 762 738	8 692 283	2 804 187	3 282 138	37 411 642	73 143 260
Transfers and Subsidies Paid	320 000	-	-	-	250 000	-	-	-	-	-	-	-	-	-	570 000
Operating Leases	4 009 963	2 314 694	41 565	10 744	1 796	4 816	1 141	-	313 110	-	1 909	-	-	-	6 699 738
Operational Costs	14 616 523	18 431 177	376 143	788 269	5 524 033	80 354	177 484	(869 801)	727 424	2 563 556	4 770 589	10 359 699	15 523 752	694 678	73 821 561
Loss on Disposal of Property, Plant and Equipment	-	1 717 571	-	-	-	-	-	-	-	-	-	-	-	-	1 717 571
Total Expenditure	45 667 093	188 304 076	11 103 740	22 325 751	46 141 773	4 444 782	4 981 601	6 508 692	23 467 026	92 362 009	267 038 069	54 672 975	62 855 638	71 090 712	902 849 428
Surplus/(Deficit) for the Year	(45 617 300)	149 802 712	(8 682 494)	(21 591 725)	(40 647 157)	(4 444 782)	(2 154 538)	(4 709 170)	(17 381 586)	(84 979 523)	(2 301 372)	(578 959)	11 920 019	99 003 260.85	25 751 893

55.5 Segmental Analysis of Capital Expenditure

KOUGA LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Description	Original Budget	Budget Adjustments	Adjustment Budget	Special Budget Adjustments	Special Adjustment Budget	Virement	Final Budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget
	R	R	R	R	R	R	R	R	R	R	R
CAPITAL EXPENDITURE PER FUNCTION											
Executive and Council	835 000	297 258	1 132 258	(937 758)	194 500	937 758	1 132 258	273 558	(858 700)	24.16	32.76
Finance and Administration	2 899 455	3 101 675	6 001 130	(3 907 941)	2 093 189	3 907 941	6 001 130	18 434 047	12 432 917	307.18	635.78
Internal Audit	-	-	-	-	-	-	-	-	-	0.00	0.00
Community and Social Services	-	-	-	10 500	10 500	(10 500)	-	-	-	0.00	0.00
Public Safety	3 668 600	2 213 161	5 881 761	(5 881 761)	-	5 881 761	5 881 761	5 625 289	(256 472)	95.64	153.34
Sport and Recreation	11 599 790	644 917	12 244 707	(12 244 707)	-	12 244 707	12 244 707	10 432 990	(1 811 717)	85.20	89.94
Housing	760 000	1	760 001	(760 001)	-	760 001	760 001	339 886	(420 115)	44.72	44.72
Health	-	-	-	-	-	-	-	(290 000)	(290 000)	0.00	0.00
Environmental Protection	-	-	-	5 000	5 000	(5 000)	-	-	-	0.00	0.00
Planning and Development	1 737 413	1 133 476	2 870 889	6 975 611	9 846 500	(6 975 611)	2 870 889	1 114 599	(1 756 290)	38.82	64.15
Road Transport	7 890 511	(3 881 381)	4 009 130	(4 009 130)	-	4 009 130	4 009 130	235 514	(3 773 616)	5.87	2.98
Energy Sources	8 171 739	10 812 573	18 984 312	(18 984 312)	-	18 984 312	18 984 312	12 588 159	(6 396 153)	66.31	154.05
Waste Management	1 236 522	(336 522)	900 000	(900 000)	-	900 000	900 000	(263 074)	(1 163 074)	0.00	0.00
Waste Water Management	14 633 460	9 819 419	24 452 879	(24 452 879)	-	24 452 879	24 452 879	19 881 015	(4 571 864)	81.30	135.86
Water Management	3 380 000	4 446 679	7 826 679	(7 826 679)	-	7 826 679	7 826 679	5 929 167	(1 897 512)	75.76	175.42
Other	100 000	-	100 000	(100 000)	-	100 000	100 000	-	(100 000)	0.00	0.00
Total Capital Expenditure	56 912 490	28 251 256	85 163 746	(73 014 057)	12 149 689	73 014 057	85 163 746	74 301 150	(10 862 596)	87.25	130.55

55.6 Segmental Analysis of Financial Position

The main components of the Financial Position that is currently considered, and managed, within the defined municipal segments have been determined as follows:

55.6.1 Receivables from Exchange and Non-Exchange Transactions

Description	Executive and Council	Finance and Administration	Community and Social Services	Public Safety	Sport and Recreation	Housing	Health	Environmental Protection	Planning and Development	Road Transport	Energy Sources	Waste Management	Waste Water Management	Water Management	Variance	Total for Municipality
Receivables from Exchange Transactions																
Electricity	-	-	-	-	-	-	-	-	-	-	32 169 543	-	-	-	-	-
Refuse Sewerage	-	-	-	-	-	-	-	-	-	-	-	8 089 521	-	-	-	-
Water	-	-	-	-	-	-	-	-	-	-	-	-	5 922 131	15 146 843	-	-
Statutory Receivables from Non-Exchange Transactions																
Property Rates	-	22 518 561	-	-	-	-	-	-	-	-	-	-	-	-	-	-

78.2.2 Property, Plant and Equipment

Description	Executive and Council	Finance and Administration	Community and Social Services	Public Safety	Sport and Recreation	Housing	Health	Environmental Protection	Planning and Development	Road Transport	Energy Sources	Waste Management	Waste Water Management	Water Management	Other	Total for Municipality
Property, Plant and Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

