



Draft Annual Report 2020/2021



**10 Connor Street
Port Shepstone
4240**



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Chapter 1 – Mayor’s Foreword and Executive Summary

The Ray Nkonyeni Municipality by the year 2036 aims to be a prime tourist-friendly, economically diversified and smart municipality with equitable access to opportunities and services in a safe and healthy environment. Our Vision 2036, as this is aptly called, is our blueprint as we aspire to deliver on services that we have committed to deliver to our community.

The financial year under review turned out to be a year of firsts for all of us in local government, and South Africa in general. Halfway through we were confronted with a then unknown virus called COVID-19, which was waging untold damage on humans the world over. As a country we were forced to shut down, putting every one of our plans in the balance. As a municipality we had to make difficult choices as we tried to balance the need for uninterrupted service delivery and the need to protect our stakeholders, both internal and external. We also had to be mindful that our residents were also affected by the lockdown, impacting on their ability to pay for services rendered.

Nonetheless during this turbulent time Ray Nkonyeni municipality made significant strides in cementing itself as a municipality that works with its people in the promotion of good governance. In as much as we could not hold our public participation platform izimbizo, as we are accustomed, the municipality ensured that our communities continue to influence our decisions by hosting targeted meetings with several stakeholders, most of which were virtual. We also received electronic inputs into the budget and the IDP. We are confident that our final budget document reflected as wide a selection of voices as was possible under the circumstances.

In this regard we had to innovate on the issue of debt control and revenue collection. In line with national and provincial government we offered several relief measures to ensure that we minimised the economic impact of the virus on both private citizens and institutions alike. In light of the devastation felt in our communities, we had to deepen our engagement with other spheres and organs of government. We have been, and remain part of inter-governmental initiatives to educate, inform and assist members of our community in dealing with the very real burden arising from the experience of COVID-19.

We are mindful that we have not been able to meet all of our objectives in the year under review, and an action plan has been developed to ensure that we deal effectively with outstanding issues so that we are able to progress to complete efficacy even under these trying conditions. Together we have done much to improve the material conditions of the majority of people living within our jurisdiction, but more than ever, much more is called upon us to do even better.

I would like to thank the political leadership for their continued support and commitment. We have also been guided by the efficient arm of our administrative management, for which we remain grateful. Together we will continue to work towards improving our performance towards the community that we serve.

Cllr NC Mqwebu

Mayor

Component B: Executive Summary

1.1 Municipal Manager's Overview

Ray Nkonyeni municipality, along with every other public and private institution, experienced an unprecedented global event during the year under review. The advent of COVID-19 brought a crisis of proportions not seen in the past and every institution had to adjust to the new normal of extended lockdowns and curfew.

Regardless, the municipality managed to remain stable and continued as far as possible to fulfil its obligation of service delivery to citizens within its jurisdiction. The constraints associated with the virus dictated that some of the projects planned and budgeted for had to be postponed or set aside, affecting the overall budget of the municipality. Additionally, some citizens who had been negatively affected by the economic lockdown were not in a position to pay for their rates and other utilities.

In its quest to render quality services the municipality concluded several partnerships to improve service delivery. These partnerships include funding to attend to ageing roads and storm water infrastructure; a matter which has been on Council agenda for some time. Progress was also made on the implementation of the Electricity Masterplan through the revenue enhancement funding from the Development Bank of Southern Africa (DBSA). This project will assist the municipality with revenue enhancement as the elements of the project are focused on optimisation of operating costs and decrease losses associated with the service.

Additionally, the municipality received funding from National Treasury for the development of a Precinct Plan for Port Shepstone urban renewal. The renewal will focus on the rehabilitation of the town's main street Nelson Mandela Drive, which will include sidewalks, aesthetic lighting and greening of the street.

Whilst *izimbizo* could not be held under lockdown conditions the municipality ensured that it continues to engage the public when developing its budget. Virtual meetings were held with stakeholder formations, ensuring that the community's voice was not lost during this process. We will continue to engage local organised formations in the quest for quality service delivery.

The road ahead will not be easy, but we take on the challenges ahead knowing that we have the support of our astute political leadership. We are grateful that they continue to lead us with a clear vision in the pursuit to meet the objectives contained in our blueprint, Vision 2036.

SM MBILI

Municipal Manager

1.2 Municipal Functions, Population and Environmental Overview

Ray Nkonyeni Municipality is a category B municipality and falls within Ugu District (DC21) found on the southern part of KwaZulu-Natal (KZN). Its administrative seat is in Port Shepstone. The municipality borders the Indian Ocean on its eastern part while the far southern part of the municipality runs Umtamvuna River which is the boundary between Kwa-Zulu Natal (KZN) and the Eastern Cape. The north-western part is bordered by Umuziwabantu Municipality while Umzumbe municipality borders the northern part and Umdoni Municipality is on its north-eastern boundary. Its boundary extends further to the hinterland which is basically rural and is administered under traditional authority. The coastal belt stretches from Hibberdene to Port Edward and covers approximately 72 km.

Vision

By 2036 Ray Nkonyeni will be a prime tourist-friendly: economically diversified and smart Municipality with equitable access to opportunities and services in a safe and healthy environment.

MISSION:

The Municipality is committed to create an enabling environment for the establishment of agricultural; maritime; leading tourism and industrial hubs to create business and employment opportunities for sustainable development and improved quality of lives through shared vision; smart service delivery solutions and collaboration with stakeholders.

The coastal belt is characterised by urban formal development and is more developed while the interior has sparsely populated housing typologies with less development. The hinterland is further characterized by steep topography which is one reason probably of less development and this has further affected the settlement patterns. The furthest northern part of the municipality is largely characterized by protected and conservation worthy areas. There are no economic nodes in the hinterland except for one small town, Izingolweni, with a few retail shops. Also in the hinterland is the breathtaking Oribi Gorge which serves as a tourist attraction as well as home to a number of rare species and indigenous forests. On the contrary, the coastal belt is completely dotted by economic nodes of different hierarchies. There are also conservation areas dotted along the coastal belt.

The municipal area covers approximately 1594km² in geographic area. Privately owned land constitutes approximately 26 500 hectares. The spatial location of the municipality is an advantage as the National Road (N2) runs through it providing accessibility and linkage with both Ethekeeni metropolitan area and beyond as well as the Eastern Cape. It must be noted that Durban is the main commercial center of KZN and one of the seven metropolitan cities of the Republic of South Africa. Our municipality's close proximity to this sole metropolitan city of the province is a locational advantage.

The main urban centres are found along the coast. The inland region of the municipality as indicated earlier on has more land under the leadership of tribal authorities. Following is a table indicating towns and traditional settlements of the municipality.

Town Centres and Traditional Settlements (Table 1)

Town Centres	Traditional Settlements
Hibberdene	KwaXolo
Port Shepstone	KwaNzimakwe
Shelly Beach	KwaNdwalane
Uvongo	KwaMadlala
Margate	KwaMavundla
Ramsgate	Oshabeni
SouthBroom	Kwa Nyuswa
Port Edward	KwaMthimude
Ezinqoleni	KwaVukuzithathe

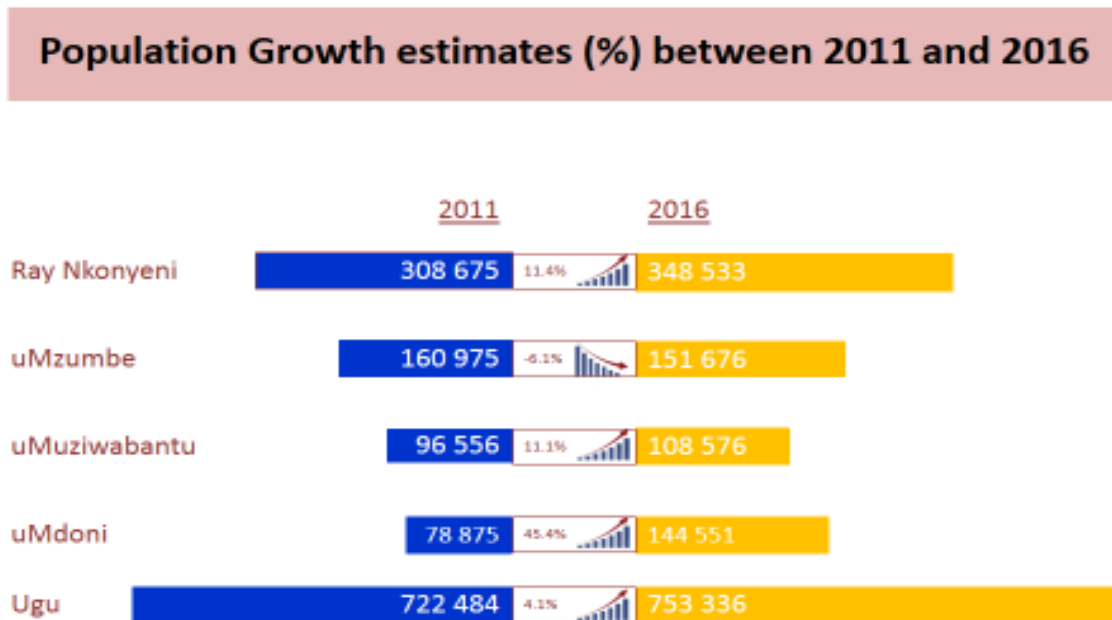
Ray Nkonyeni Municipality has a population of approximately 392 405 according to the latest StatsSA release, see below:

- Population under 15 : 34.4%
- Population 15 to 64 : 61.0%
- Population over 65 : 4.7%

The population within the municipality has been growing rapidly throughout the years due to a number of socio-economic factors. There has been a constant racial pattern as well, with Africans being dominant by a huge margin (82%) and followed by Whites (11%). The African population is distributed throughout the municipal 36 wards. Wards along the coastal belt are densely populated due to economic reasons. Compared to the other three sister local municipalities within the district, RNM has the highest population. Since 1996 to date, there has been a steady increase in the population mainly due to immigration given the better socio-economic opportunities in RNM compared to other place in the district and neighboring northern part of Eastern Cape Province. Although there was an overall increase across races, Indians fluctuated. The highest population category of the municipality is young people between the ages of 14 and 35. The entire district youth population is 434 080, with RNM alone accounting for just over 50% of this figure.

Consistent with the national trend, the municipality has less males than females. This is attributed to socio-economic factors. In as much as RNM has a thriving economy, due to the steady influx of people from other neighboring municipalities and other areas over the years, there has been a steady rise of unemployment. This has resulted in many people migrating to in search of greener pastures. Another contributing factor of why the number of males is lower is the social factor. According to the district's Department of Health, statistical information, many men succumb to diseases early in life compared to women.

Graph 1: Population Growth estimates %



Source Stats SA 2016

Dependency ratio

Ugu District Growth and Development Strategy (UDGDS) highlights that the dependency ratio within the district is quite high and there for clustering of social and economic services within rural nodes and corridors must take place to consolidate development and offer job opportunities to curb the high dependency ratio. Ray Nkonyeni Municipality is experiencing quite a lesser percentage of dependency ratio statistics in comparison to the other Ugu District local municipalities. This has been achieved partially by the initiatives the municipality has embarked on such as the development of nodes and corridors as well as the economic activities which have job opportunities. The municipality has also started developing its rural areas in terms of rural nodes.

This is in line with the PGDS initiative to develop rural nodes. For example, the Gamalakhe shopping complex is one semi- rural node that the municipality has developed. Eziqoleni is a small rural town in the hinterland of the municipality, and this also is one of the catalytic projects the municipality aims at developing to be in line with the PGDS rural development initiative. There are also Precinct Development Plans within the current SDF to develop other rural areas such as KwaMadlala and Gcilima.

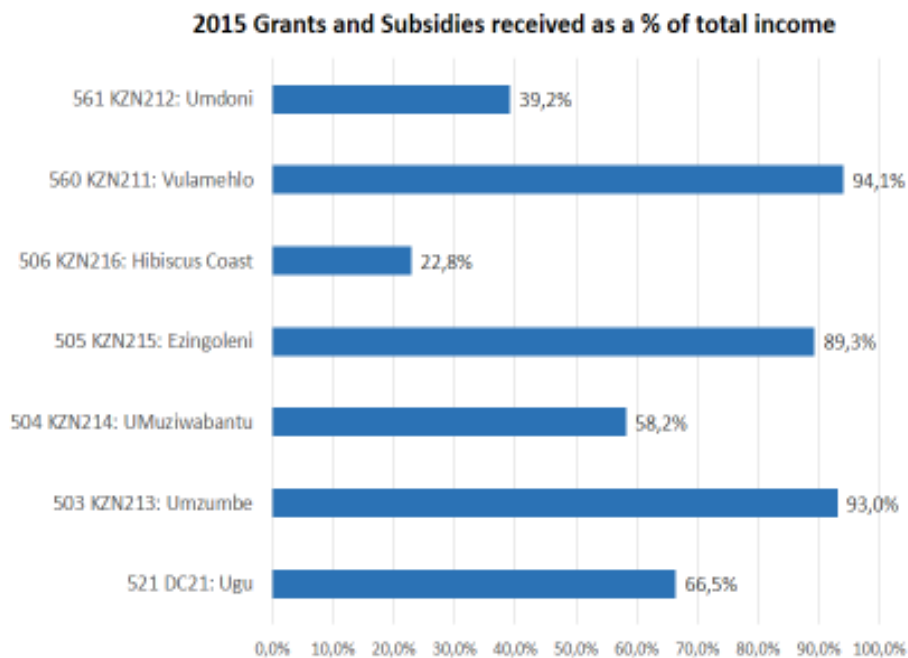
Studying the graph that follows, one notices that former Vulamehlo and Eziqoleni, Municipalities within the Ugu District experienced high dependency ratios, while current municipalities that is Umzumbe and

Umuziwabantu experience the same. On the other hand, former HCM and Umdoni experienced lower dependency ratios. This was attributed to the job opportunities found in both municipalities. Below is current information showing the dependency ratio in percentages within Ugu District Local Municipalities.

- Umuziwabantu Local Municipality : 58.2%
- Ray Nkonyeni Municipality : 54%
- Umdoni Local Municipality : 65.2%
- Umzumbe Local Municipality : 90%

A summary that can be drawn from the above information is that the dependency ratio amongst each Ugu Local Municipality is quite high. Many people depend on Government grants and subsidies while few hold formal jobs. It must be noted that the strategies formulated by Ray Nkonyeni Municipality will address issues of job opportunities and other means of sustainability, thereby curbing the high dependency ratio. The graph below shows a breakdown of subsidies received as a percentage of total income per each Ugu District Local Municipality before amalgamation.

Graph 2: Grants and subsidies



Source: Stats SA 2016

Education

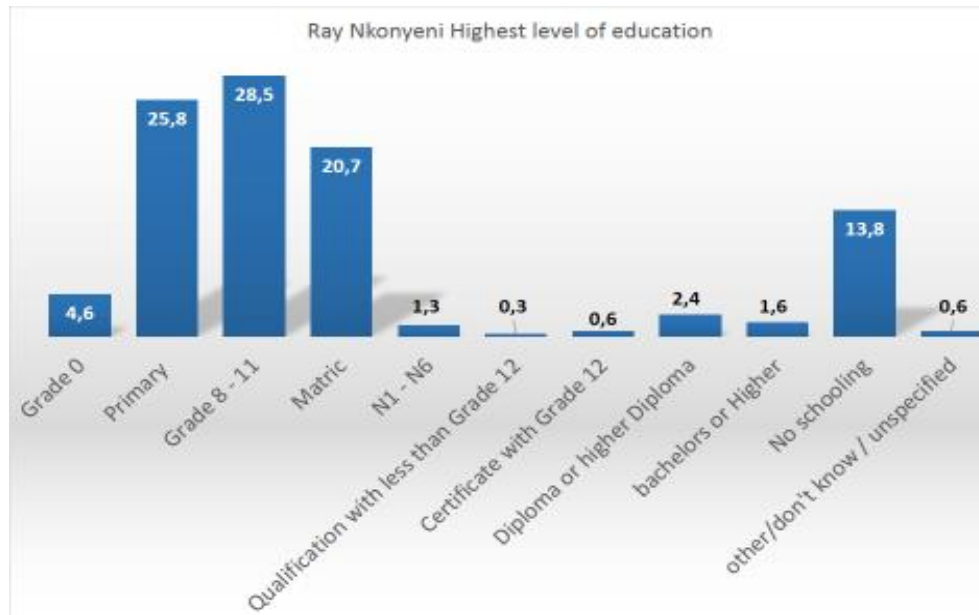
The education levels are improving as more learners are enrolled and reach secondary level (Stats SA 2016). In the past, secondary school was the dominant level of education, and it has remained as such, and now it is also showing great improvement as the number of people at secondary school level has tripled the 2001 figures. Primary schooling has also shown great improvements as more learners are enrolled. This is in line with the 2018 SOPA whereby the Premier stated that every child must have a basic education. There are some challenges however, that are experienced within the Education Sector. A number of urban schools experience a high influx as more learners abandon rural schools. This has resulted in many rural schools with very little enrolment which may result in some being closed down. The exodus is cited as lack of proper education infrastructure and long walking distances. Enrolment in Grade Rs has also seen a steady rise over the years. This is due to the fact that the National Department of Education has made it compulsory for all learners to be enrolled at preparatory school before starting Grade 1. It must be noted that the municipality boasts preschools in almost all its Primary schools. There are also creches that are privately run as well.

There is a high dropout rate at high school level due to a number of socio-economic ills. Teenage pregnancy, orphans and the abuse of substances are some contributing factors. Ray Nkonyeni Municipality experiences the highest number of teenage pregnancy as compared to the other sister municipalities. Ray Nkonyeni also has special schools that cater for children with special needs and are fully equipped with resources. The department of education provides special support to these schools to;

- Provide curriculum delivery support to LSEN schools for purposes of improving learner attainment in line with White Paper 6 (Inclusive Education)
- Improve the performance of learners in special schools especially at the level of National Senior Certificate through teacher capacity and learner supportation.

Ray Nkonyeni has four TVET colleges, at KwaNzimakwe, Oslo Beach Gamalakhe and Port Shepstone. Different courses are offered and the highest certificate obtained is the N6 which is equivalent to a college diploma. The municipality does not have a university, but has since signed an MOU with the University of South Africa to develop a university within its jurisdiction. Higher education level s(tertiary) holders within the municipality is low. This may be attributed to by a number of social factors. School drop out rate is high. Other learners are heads of their families since parents have passed on.

Graph 3: Levels of Education



Source: Stats SA 2016

There has been a decline of approximately 5 % in the matric pass rate at RNM. The table below details the pass rate.

2020 Pass	2021 pass	Target @ 5% increase/ 7%
86.80%	80.84	85.84%/ 87.84%

HIV prevalence

According to recent statistics, KZN is the worst affected in terms of HIV and AIDS and the Ugu District Municipal area with highest HIV prevalence especially amongst pregnant women visiting public health facilities. The Murchison and Port Shepstone hospitals are the two accredited Anti-Retroviral (ARV) treatment facilities within the Municipality. These two hospitals initiate ARV treatment and refer patients to the nearest clinic for follow up treatment. Integration of HIV and TB services has been strengthened by training of HIV counsellors on TB Screening.

The World AIDS Day is commemorated on an annual basis. Furthermore, the HIV and Aids jointly with the special programmes unit purchase and deliver school uniforms to vulnerable children in schools. The department of Health conducts annual HIV/AIDS surveys on women visiting antenatal clinics in the province. RNM's Council is committed in the HIV/AIDS infection reduction programme. The municipality has implemented viable programmes to fight the scourge of the disease. More educational programmes / awareness campaigns are necessary to alert the community members of the HIV/AIDS disease.

It will be important to factor into planning the impacts associated with this pandemic and provide adequate services to those living and affected by the virus. Furthermore, it is critical to involve the ward committees, Local AIDS Council and people living with HIV/AIDS in the IDP Forum to discuss issues that affect them and planning matters. The epidemic, for example, will affect infrastructure planning by reducing the projected number of people, impacts on households requiring services as well as their ability to pay for these services and increased demand for health care facilities and social services.

Murchison and Port Shepstone hospitals are the two accredited Anti-Retroviral (ARV) treatment facilities within the Ray Nkonyeni Municipality. These two hospitals initiate ARV treatment and refer patients to the nearest clinic for follow up treatment. The following clinics offer follow up treatment: Margate, Gamalakhe, Bhobhoyi, and Ntabeni. Other clinics refer clients to one of the two hospitals for ARV treatment. All clinics however provide screening, counseling and taking blood samples as part of the ARV roll-out programme.

Given the limited resources and strained health system, the demand for ARV's is outstripping the capacity to deliver. Of concern is the long-term sustainability and equitable distribution of the roll-out programme. Pressure to meet target numbers must be tempered by the need for rational drug use by dispensers, providers and consumers.

Natural Resources

Ray Nkonyeni boasts of a number of natural resources that have provided job opportunities. To mention some:

- the ocean for an example and its alignment to tourism
- The Red dessert
- The KwaXolo Caves and Nyandezulu trail which are rural cultural rich
- The Oribi Gorge which is the largest tourist attraction is also one of the assets the municipality lists under its natural resources

The Municipality has various natural resources ranging from the coastal belt, nature reserves, 3 critically endangered ecosystems (Interior South Coast grasslands, Margate Pondoland-Ugu Sourveld, and the Southern Coastal Grasslands). There is one endangered ecosystem (Oribi-Port Edward Pondoland-Ugu Sourveld) and 3 vulnerable ecosystems (KwaZulu Natal Coastal belt, Ngongoni Veld, and the Pondoland Scarp forest). The Municipality is currently embarking on establishing its Environmental Management Plan which should assist in identifying environmentally sensitive areas, this will assist in ensuring that the Municipality can inform communities and developers before any development occurs that certain areas are endangered ecosystems, and any developments should not affect these areas in a negative way. The areas which are currently listed as endangered and vulnerable are no longer affected by any form of development as this is prohibited.

A major challenge right now is ensuring that environmental management is understood by members of the rural community. With endangered ecosystems which are in the rural community the municipality is challenged by the red tape that exists as the land belongs to the Tribal Authority. The Municipality is

engaged in a partnership with Department of Agriculture & Environmental Affairs to provide education around environmental education and awareness at schools, and communities at large.

These awareness campaigns have assisted, and the Municipality has seen an increase in recycling by communities, also community members are now aware of the different biodiversity that exist e.g. wetlands. The awareness campaigns are an ongoing process and have been well received by the community and business.

Natural Resources	
Major Natural Resources	Relevance to the community
Indian Ocean Coastal Belt	Tourist attraction, enables community to be self-sustaining through fishing.
7 Nature Reserves (Mbumbazi, Mehlomyama, Mpenjati, Oribi Gorge, Skyline, Trafalgar Marine, and Umtamvuna)	Tourist attraction, assists in economic growth and employment of community members.
5 Rivers (Mbizana, Mtamvuna, Mzimkhulu, Mzumbe, Vungu)	Used by community for fishing, and other recreational activities.
27 Estuaries	Used by community for fishing, and other recreational activities.

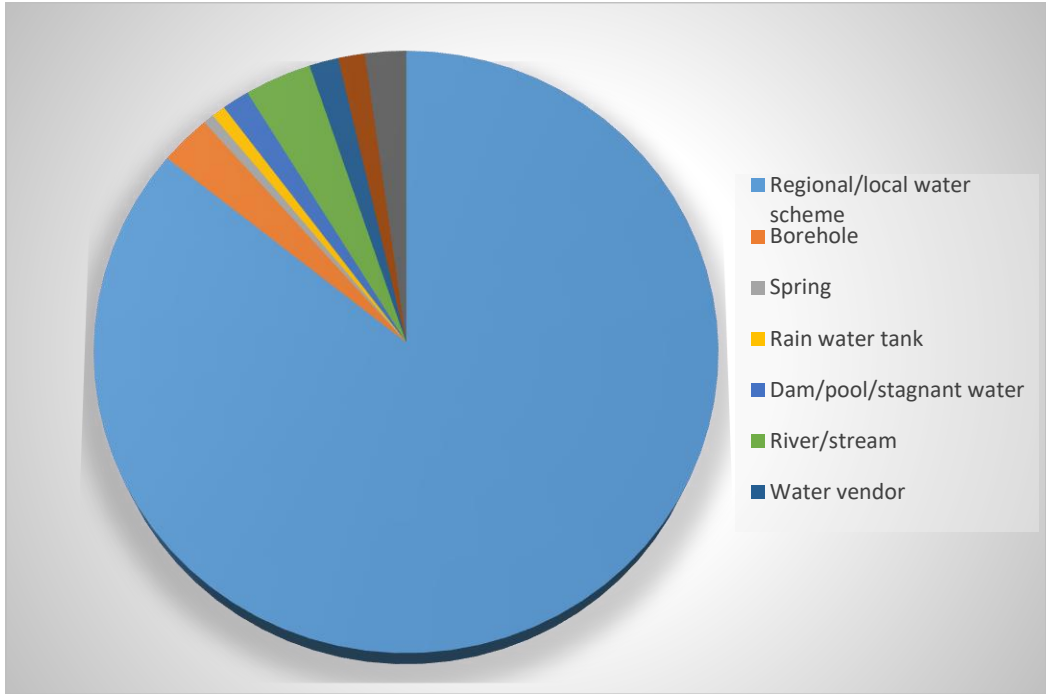
1.3 Service Delivery Overview

In terms of service delivery, the Ray Nkonyeni Municipality provides for Department of Technical Services and Community Services (Roads, PMU, Electricity and Solid Waste). The municipality does not provide water and sanitation services. Ugu District Municipality is the water authority and thus performs water and sanitation services on behalf of the Ray Nkonyeni Municipality. The municipal area is generally covered with well-developed bulk infrastructure and networks albeit with some backlog in the hinterland.

Access to water

Ugu District is the water entity to all its local municipalities. Within RNM, the number of households without access to water is estimated at 10 873 which makes up 13% of the population. The municipality noted that there are still backlogs in terms of clean water provision to some areas in rural areas. The wards with the biggest water backlog in ward 8, 15, 29, 30, 31, 32, 34 and 35. The other wards with hardship in terms of water access are ward 4, 27, 33 and 36. These households use spring, dam and rivers as sources of water and are prone to a number of water borne diseases. The Municipality has also made provision of water tankers to supply water to those communities with little or no access to water.

Graph 3: Percentage of households with different types of accessing water



Source: Stats SA 2016

Access to sanitation

Communities throughout the municipality have access to different types of sanitations. However, the flush toilet system is the most dominant in urban areas. Amongst the Ugu District Local Municipalities, Ray Nkonyeni Municipality has more households with flush toilet systems (32.9 %) followed by Umdoni Municipality with 28.1 %. It must be noted that both municipalities have large areas which are urban and the demand is extremely high. Umzumbe has only got just 2.7% households with the flush type of sanitation which may be attributed by the steep topography factor which is costly to construct water connections. The entire Ugu district has a very high number of pit toilets and these are mostly rural wards. The Ugu Water Master Plan does talk to this issue. The below graph shows this information in the entire Ugu District.

Graph 3: Main type of toilet facility used

Main type of toilet facility used	Flush	Chemical	Pit / Other	None
Local municipality 2016				
KZN212 : Umdoni	28.1	15.8	51	5
KZN213 : Umzumbe	2.7	15.3	79.4	2.4
KZN214 : uMuziwabantu	9.2	11	78.4	1.5
KZN216 : Ray Nkonyeni	32.9	2.6	59.1	5.3
Ugu	24.3	8.3	63.2	4.3

Source: Stats SA 2016

Access to electricity

Eskom supplies electricity to most areas within the municipality except for the Port Shepstone area which is supplied by the Ray Nkonyeni Municipality. Survey shows that 96% of the municipality's population has access to electricity. Some rural communities still require infrastructure connection and there is an infill backlog.

Access to refuse removal

The Free Basic Refuse Removal Policy give guidance on collection of refuse for households in the jurisdiction of the municipality. It should be noted that on-site disposal is an option where travelling distances and the resulting costs may render regular waste collection services impractical hence all households with no access to refuse collection services are serviced as level 1-2 of national domestic waste collection standards of 2011 this is well addressed through EPWP and CWP programmes.

Almost all rural wards within the municipality have a backlog in the collection of waste due to lack capacity and budgetary constraints. There are areas, however, with urgent need to have solid waste removal programme implemented. These areas are semi-rural and currently do not have the programme. These areas include;

- Bhobhoyi
- Murchison
- Qina bout and Kwa Xaba
- Gcilima
- Izingolweni (residential area)

Although the municipality is currently not uplifting waste in rural areas, however, there is a section dealing with Education and Waste programs as well as waste minimization initiatives. Some of the initiatives/study include ongoing waste education on illegal dumping/littering to communities and schools, advocating transformed attitudes in matters of waste management, school awareness programmes such

as recycling, waste reduction to landfill site, Cost efficiency to rendering of services, Route Optimization for waste trucks. These are ongoing initiatives and strategic plans for sustainable waste management which also include participating in exchange program with other municipalities to learn best practices with regards to waste collection in rural areas.

1.4 Financial Health Overview

Outstanding debt is a concern for the municipality just as it is for all municipalities, therefore one of our main priorities was to focus around debt collection. To enhance our debt collection process the municipality has created its own Credit Control Section and the function is no longer outsourced, and attorney has also been appointed into this unit. By the end of the financial year we were able to see the benefit of this by the actual collection rate of **93%** being achieved.

Electricity losses still present a major challenge to the municipality, the meter audit is currently done, we are now on phase 2 of the audit were physical verification and replacement of illegal connected meters and broken meters is done.

1.5 Auditor General Report

The municipality received an unqualified audit with other matters (refer to chapter 6 for full report) during the 2020–2021 audit. The aim is always to ensure that a clean audit is achieved but the audit opinion was accepted and the municipality has already developed a corrective action plan to address matters raised in the management letter of the Auditor General. The Municipal Manager has put in place various systems to enable the management team to work on improving systems of internal control and the development of processes to enhance reporting throughout the financial year through the Audit process steering committee which is chaired by the CFO with other managers critical to the audit process also sitting on this committee.

In achieving its unqualified audit opinion it can be attributed to the strong leadership the Municipality has employed within its ranks as well as the astute oversight role played by Council. The Municipality has a well-functioning internal audit unit supported by a well-rounded audit committee that is knowledgeable of all municipal regulations and GRAP compliance requirements. The Accounting Officer has also echoed the sentiments of working towards a clean administration and putting in place mitigating measures that respond to the risks faced by the Municipality

Chapter 2 – Governance

Component A: Political and Administrative Governance

2.1 Political Governance



Cllr NCP Mqwebu (Mayor)- ANC



Cllr Y Nair (Deputy Mayor) - ANC



Cllr DH Njoko (Speaker)- ANC



Cllr S Chetty (Chief Whip)- ANC



Cllr D Rawlins - DA



Cllr AM Mpsi- ANC



Cllr AS Dlamalala – ANC



Cllr H Boyland - ANC



Cllr JSA Ndovela - IFP



Cllr MT Lubanyana- ANC











Cllr L Ntanzi - ANC



Cllr SW Ndwane- DA

2.2 Administrative Governance

Municipal Manager	Key Functions
 <p>Municipal Manager: SM Mbili</p>	<p>The Municipal Manager is the Accounting Officer of the Municipality and is responsible for ensuring that the administration is run effectively from top down. And as such ensures good governance within the institution through the assistance of the internal audit and risk management units and compliance with all legal requirements through legal services section.</p>
Heads of Departments:	Key Functions:
 <p>Corporate Services: N Thabatha</p>	<p>Provides leadership and guidance on human resource management, skills development, labour relations, IT, estates management, employee wellness initiatives, meetings administration and legal advisory services.</p>
 <p>Community Services: BM Ndwalane</p>	<p>Provides leadership and guidance to the Department for the achievement of Organisational goals and IDP objectives which enhance service delivery achievements and better services delivered to community.</p>
 <p>Public Safety: SA Nzimande</p>	<p>Provides leadership and guidance to the Department for the achievement of Organisational goals and IDP objectives which enhance service delivery achievements and better services delivered to community.</p>
 <p>Technical Service: R Dlamini</p>	<p>Provide leadership and strategic direction in regard to housing, roads & storm water, electricity, public works, facilities management, institutional & social development and project management administration. Provide guidance to the council, executive committee and local community with regards to provision of basic infrastructural services. Ensure compliance with all legislative requirements.</p>

 <p>Development Planning Services: KJ Zulu</p>	<p>To provide leadership and guidance with regards to Economic Development and Development planning.</p> <p>Provide leadership and guidance on Spatial and environmental management through town planning, building control, environmental management and signage control.</p>
 <p>Strategic Planning & Governance: SC Zama</p>	<p>Provide leadership and guidance on mayoralty, communications, brand management, marketing, events, public participation, youth development, vulnerable groups' development and empowerment, occupational health and safety of the workplace environment, integrated development planning and organizational performance management.</p>
 <p>Treasury (Acting): NC Mavundla</p>	<p>Provides leadership and guidance in overseeing all Treasury activities, ensuring compliance with all acts and legal prescripts required for accurate reporting to all stakeholders.</p>

2.3 Audit/Performance audit Committee Chairperson's report

RAY NKONYENI MUNICIPALITY REPORT OF THE AUDIT COMMITTEE: FOR THE 2020/21 FINANCIAL YEAR

SHARED SERVICES AUDIT & PERFORMANCE AUDIT COMMITTEE

In terms of the Municipal Finance Management Act (MFMA) and the Ray Nkonyeni Municipality's Audit Committee Charter, the Audit Committee was in place and consisted of four external independent members. None of the members were Councillors.

Members of the Audit Committee:

Mr Ashley Gonzalves	–	Member appointed April 2021
Ms Bongeka Jojo	–	Chairperson
Mrs Chantel Elliott	–	Member retired 31 December 2020
Ms Leah Thabisile Khumalo	–	Member
Mr Zwile Zulu	–	Performance management specialist

Audit Committee Meetings:

The Audit Committee met regularly, as per its approved charter, which requires a minimum of four meetings per year

Meetings of the Audit Committee as well as the Performance Audit Committee for the Financial Year were held as follows:-

- 24 August 2020
- 23 October 2020 (special meeting)
- 04 December 2020
- 30 March 2021
- 24 June 2021

1. INTRODUCTION

In terms of section 62(1)(c) of the Municipal Finance Management Act No.56 of 2003 (MFMA), the Municipal Manager is the Accounting Officer and is responsible for managing the financial administration of the municipality. The Audit Committee is appointed in terms of Municipal Legislation, to assist and to advise the Mayor, the Speaker and Municipal Manager of the Municipality. It is afforded wide powers and Statutory obligations in terms of Section 166 of the Municipal Finance Management Act. This report documents the activities of the Audit Committee operating as a shared service for the Ray Nkonyeni Municipality for the 2020/21 financial year.

2. AGENDAS AND MEETINGS OF THE AUDIT COMMITTEE

Formal Audit and Performance Audit Committee meetings took place in which the Audit Committee discussed and constructively interrogated issues.

Discussions and meetings of a more informal nature with the Internal Auditor took place from time to time. The audit committee meetings included ongoing assessment of statutory compliance, risk and financial integrity in respect of the following areas:

- (a) Compliance with legislation;
- (b) Completeness and Accuracy of Financial and performance reports;
- (c) Performance evaluation of Managers and in terms of Performance Targets;
- (d) Based on the performance management regulations of 2001, considered the Municipality's compliance with its IDP and SDBIP
- (e) Considered management of risk and emerging risks;
- (f) Considered the usefulness and reliability of all financial and performance information placed before the Audit Committee.
- (g) Internal control based on focused internal audit interventions (h) Concerns over irregular expenditure.
- (i) Considered the performance of service providers and contracts in terms of Section 166 of the MFMA.

The Audit Committee also sat regularly as a Performance Audit Committee for performance audit in respect of Section 40, 41, 43 and 46 of the Municipal Systems Act (MSA) and considered the draft annual report.

The Audit Committee initiated discussions and there was adequate opportunity to question management and which is focused on compliance with the areas of concern tested by Internal Audit.

Engagements separately with the Internal Auditor and the Auditor-General took place. An atmosphere of mutual trust and profound respect exists between the Audit Committee and Municipal Management while maintaining a healthy independence and scepticism.

3. AUDIT COMMITTEE'S RESPONSIBILITIES AND DUTIES

The Audit Committee's responsibilities are outlined in Section 166(2) of the MFMA and further articulated in the Audit Committee Charter which is approved by Council. In discharging its responsibilities for the year ended June 2021 the Audit Committee considered and advised on the following:-

3.1 Audit Committee Meetings

- Reviewed the quality of the financial information, financial statements and other statutory and regulatory reporting required of the municipality which was tabled before the Audit Committee;
- Reviewed the draft annual financial statements and the draft Performance information prior to submission to Council and then submission to the Auditor-General and made recommendations on enhancing the quality and materiality of disclosure;

- Reviewed the draft annual financial statements and performance information to ensure they present a balanced credible and understandable assessment of the position, performance and prospects of the Municipality and implemented corrective action;
- Discussed problems and possible improvements in the municipalities' operational structures and management, arising from the audit, and any matters the A.G. wished to discuss;
- Identified key matters arising in the prior year's management letter and satisfied itself that areas for improvements on non-material findings was being properly followed up;
- Reviewed the Internal Audit Plan in conjunction with Key Performance Areas and Service Delivery, including refuse removal;
- Reviewed the process of contract management including performance of service providers
- Reviewed compliance with legislation
- Advised, as far as possible, on misstatements in the Draft Financial Statements.
- Received Reports concerning the Irregular expenditure and considered Irregular Expenditure in terms of Section 32 of the MFMA read with Treasury Circular 68

3.2 Performance Management

The Audit Committee, sitting as a Performance Audit Committee, considered matters relating to performance management in order to discharge the responsibilities prescribed in terms of Regulation 14(4) of the Local Government: Municipal Planning and Performance Management Regulations, 2001.

These responsibilities included:

- Four quarterly reviews of the quarterly performance reports submitted by internal audit.
- Considered the mid-year performance review in conjunction with the adjustment budget.
- Considered Planning and Performance Management Regulations.
- Reviewed the performance management system and testing the functionality thereof and compliance with the Municipal Systems Act and the MFMA.
- Focused on the economy, effectiveness, efficiency, reliability and impact of performance applicable to the Municipality's own key performance indicators.
- Considered the application of Sections 40, 41, 43 and 46 of the Municipal Systems Act, with reference to the I.D.P. and identified the alignment shortcomings of the Municipality in this regard and reviewed same prior to submission to the Council and the Auditor General.
- Established that there has been notable compliance and alignment by the Municipality concerning Sections 40, 41, 43 and 46 of the Local Government: Municipal Systems Act in that the reporting in respect of the Integrated Development Plan ("IDP") has been found to be consistent with the objectives, indicators and targets in the approved annual performance plan.
- Performance Management during the year provided credible information indicating or giving assurance that Performance Management is receiving attention, which is particularly well received by the Audit Committee
- Considered alignment the IDP, SDBIP in conjunction with the Budget and the Adjustment Budget and the Municipalities pre-determined performance targets and its performance measures set out in the 2001 Regulations.

3.3 Financial and Performance Management

- 3.3.1 In Financial Management the Municipality has systems in place that are generally effective. There are areas of difficulty such as electricity losses, low collection levels in respect of municipal services which require consistency of efforts to improve.
- 3.3.2 Performance Management against pre-determined objectives, and compliance levels concerning statutory compliance, is a challenging and evolving field which the Municipality has dealt with purposefully and pre-emptively
- 3.3.3 Performance Management against pre-determined objectives, and compliance levels concerning statutory compliance, is a challenging and evolving field which the Municipality has dealt with purposefully and pre-emptively.
- 3.3.4 The Auditor General has found that the municipality has provided credible measures taken to sustain its performance, its evaluation and reporting of its performance.

3.4 Internal Control and Internal Audit

The Audit Committee is responsible for monitoring and advising in respect of the effective functioning of the Internal Audit activity. Internal Audit reports functionally to the Audit Committee and administratively to the Accounting Officer. The Audit Committee:-

- Has direct access to Internal Audit through a reporting relationship disclosed in the MFMA, with Internal Audit thus maintaining its independence from operational management.
- Understands the scope of internal and external auditor's review of internal control over financial reporting, and obtained reports on significant findings and recommendations, together with management's responses.
- Evaluated controls over the overall operational and financial reporting environment and reviewed the effectiveness of the internal controls.
- Assessed the adequacy of performance of the internal audit function, and the adequacy of available internal audit resources, including the independence and effectiveness of internal audit and its charter.
- Reviewed the adequacy and frequency of corrective action in terms of Section 131 of the MFMA taken in response to any Auditor General's findings raised in the prior year.
- Reviewed and approved the Internal Audit Charter and evaluated compliance with the Municipality's Internal Audit Plan and Internal Audit's interrogations with regard to internal controls.
- Frequently discussed matters with respect to risk assessment, the risk register carefully considered emerging risk, and regular, ongoing asset management and the asset register.
- Discussed at length the challenges in performance management and performance indicators.
- Monitored compliance with Legislation and supply chain management.
- Attended planned Performance Evaluations for Senior Managers
- Considered Statutory Performance, pre-determined objectives and alignment with the SDBIP.
- Received detailed internal audit reports,

3.5 Compliance, Ethics and Fraud Risks

From a review of various reports and discussions held at Audit Committee meetings the Audit Committee noted that a Fraud Prevention Strategy was in place and a Code of Conduct for Municipal staff and its Councillors in terms of the Municipal Systems Act was applied by the Municipality.

The Audit Committee is satisfied that it has complied with its responsibilities. It has reviewed the effectiveness of mechanisms for the identification and reporting of compliance with laws as set out in the pre-determined Internal Audit Plan and Regulations; and the findings of regulatory bodies or audit observations. It must be stated, however, that fraud is very difficult to detect at any level.

3.6 In-year reports submitted in terms of the MFMA

The quarterly Performance Management reports (PMS), consideration of the budget and its alignment with the IDP and SDBIP, Internal Audit reports and the Annual Performance Reports have been interrogated by the Audit Committee.

The Audit Committee reviewed these reports and was generally satisfied with the content and quality of these reports prepared in respect of performance management and issued on behalf of the Accounting Officer and management during the year under review and the minutes of the External Audit Committee reflects this. The Audit Committee has made members available to report to Council at times and to table Audit Committee minutes when Council was in session.

3.7 Internal Audit Function

During the year under review, an audit plan was prepared based on the Annual Risk Assessment. The following is a list of areas of concerns which required Internal Audit and Management's high levels of attention:

- Treasury Circulars and compliance
- Asset Management
- Reviews of Performance Management and Regulations at every meeting
- Financial Discipline
- Revenue Management
- Supply Chain Management
- Corrective Action Plans: A-G Management Report & Audit Reports
- Section 36 and Section 32 and Section 17(1)(c) of Supply Chain Management Regulations
- Annual Financial Statements
- Fraud Prevention & Ethics
- Risk Management and the Risk Register
- Property Plant and Equipment and the Asset Register
- Performance Evaluation of Senior staff members
- Considered Emerging Risk and assessment of Service Providers

The Audit Committee is satisfied with the performance of the Internal Audit function and reports that all projects in terms of the approved risk based annual audit plan had been adequately provided to the Audit Committee as required by Legislation.

4. EVALUATION OF ANNUAL FINANCIAL STATEMENTS

The Audit Committee has reviewed the credibility of the draft annual financial statements and of the Municipality's draft Performance Management assessment for the year ended 30 June 2021 prior to the same being submitted to the Auditor General before 31 August 2021. The Committee reviewed the accounting policies and practices and evaluated the draft annual financial statements based on the information provided to the Committee and considered the integrity of the statements in complying in all material respects with the requirements of the MFMA and Treasury Regulations as well as the statements of Generally Recognised Accounting Practice (GRAP).

5. COMMENTS ON THE 2020/21 AUDIT REPORT FINDINGS OF THE AUDITOR GENERAL

Audit Committee Meetings are attended, for the most part, by Members of the Auditor General's staff. They are careful not to become operationally involved but are helpful when questions of interpretation are put to them.

The Auditor General has tabled its Final Management Report and Audit Finding in respect of the year under review. The Auditor General expressed an **Unqualified Opinion** with certain compliance matters on Annexure "A".

The audit committee considered the report and has recommended to the Council that the audited financial statements and the report of the Auditor General be adopted.


Miss Bongeka Jajo CA(SA)

Chairperson: Ugu District Municipality

Shared Services Audit Committee

Date: 28 February 2022

Component B: Intergovernmental Relations

2.4 Intergovernmental Relations

The municipality partakes in the following meetings to foster intergovernmental relations:

District	Provincial	National
IGR meeting	Provincial Council on Aids	CIGFARO
Ugu District Aids Council	Munimec	Salga National Members Assembly
Ugu District IDP	Salga Provincial members Assembly	
Ugu District Disaster Forum	Premier's Co-coordinating Forum	
Water and Sanitation	Extended Premier's Co-coordinating Forum	
Ugu Council	Provincial Tourism Committee	
Ugu Special Programmes	Annual Joint Municipal Pension Fund	
Speakers Forum	Provincial Tourism Committee	

Component C: Public Accountability and Participation

Ray Nkonyeni Municipality established ward committees as one of the participatory structures to ensure that there is an effective system whereby communities can raise matters of concern that will be taken up with the municipality. The ward committee system has been effective and communities have echoed these sentiments at the izimbizo (public meetings) that have been held during the consultation periods.

Other participatory structures include the IDP Forum where ward councilors and members of the community are invited to participate and give inputs regarding the formulation of the municipalities IDP. The municipality also uses these forums to name a few; Senior Citizens, Youth and Disability forums.

There have been War-rooms launched and this has further extended the platforms of participation at ward/cluster level for the municipality.

2.5 Public Meetings

The Municipality held Izimbizo (public meetings) in each of its 7 clusters. The Izimbizo are first held during the month of November, and these are the Integrated Development Plan (IDP) Izimbizo and the public participates in shaping the IDP for the following year and makes the Municipality's political and administrative governance structure aware of challenges faced at ward level and highlight

challenges regarding infrastructure and other projects taking place in their communities even those being facilitated by another organ of state.

Thereafter the Izimbizo are held in April when the Draft Budget has been submitted to the Council. The community has an opportunity to engage with the Municipality regarding which projects have been funded for the following financial year and the planned projects for the next 3 years based on the budget submitted. The comments received at these meetings are taken into account when the Final IDP and Budget are submitted to Council for adoption. Overall the Municipality held 07 Izimbizo in November 2020. Due to the outbreak of Covid-19, April 2021 Izimbizo were held using various media platforms inclusive of Local media Houses during the 2020-21 financial year which shaped the 2021-22 IDP, Budget and Service Delivery Budget Implementation Plan (SDBIP). It is estimated that +-1500 members of the community including business participated in the IDP development process.

The Municipality also uses the IDP representative forums to engage ward councillors and other stakeholders including community members when it formulates its IDP. About +- 100 people attend the meetings which are held once quarterly. These meetings also assist the ward councillors to engage Provincial Departments regarding projects currently taking place and where communities are facing challenges and Departments need to assist in ensuring that these are resolved. The meetings not only provide a platform for stakeholders to engage with the Municipality but also for the Municipality to engage with other key role-players in Service Delivery.

Ward Committees:

The key purpose of ward committee system is to enhance participatory democracy in local government.

Below is a list of some of the issues our ward committees assisted with during the year under review:

- Reported service delivery problems in various areas of the municipality;
- Participated as steering committee members in a number of development projects;
- Provided support to ward councillors during community gatherings;
- Assisted with community mobilization for municipal programs such as Mayoral Izimbizo;
- Engaged in campaigns such as identifying indigent citizens for municipal database purposes.
- Participated in Covid-19 related activities.

Public Meetings Held:						
Nature and purpose of meeting	Date of event	Number of Participating Municipal Cllrs	Number of participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Date and Manner of feedback given to community
Imbizo (cluster 1)	MONDAY,2 NOVEMBER 20	08	11	63	<p>NAME: Mthokozisi Gambushe</p> <ul style="list-style-type: none"> • Requested bridge in Nqalabutho Area. • Gravelling of road from Lonjane to Khumbuza. • Skills centre by Thembaesizwe Clinic needs Repairs. <p>NAME: Nduna of Bandlana VD</p> <ul style="list-style-type: none"> • Request a Bridge to be constructed at Lonjane and concrete steep hill; • Asked that an ablution facility be constructed for the Eziqoleni Tribal Authority Offices • Requested assistance for a resident who was living in an unpleasant environment in the area. <p>NAME: Mr Ronny Khomo from Dlovinga VD</p>	MONDAY,2 NOVEMBER 2020 Mayor of Ray Nkonyeni and the District Mayor addressed the public on how the municipality functions, noted relevant complains to be addressed.

Public Meetings Held:						
Nature and purpose of meeting	Date of event	Number of Participating Municipal Cllrs	Number of participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Date and Manner of feedback given to community
					<ul style="list-style-type: none"> Requested tables and chairs for the Ward 31 Hall (Mshweshwe Hall); and Requested roadside assistance (lolly pop) for St Peterscrossing, Mshweshwe and Bobweni areas. Requested street lights or high mast lights near Ezingoleni shopping centre due to high level of crime. Requested that speed humps be constructed on the road to Port Edward. Requested gravelling for Phongokwazi Road. Mshweshwe to Dwayiza Road require gravelling. <p>NAME: Mrs Ngaleka from Shobeni VD</p> <ul style="list-style-type: none"> Requested gravelling of access roads in the area. Requested High Mast lights to be installed near Eshobeni Bus stop; Asked for tables and chairs for the Eshobeni Hall. 	

Public Meetings Held:						
Nature and purpose of meeting	Date of event	Number of Participating Municipal Cllrs	Number of participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Date and Manner of feedback given to community
					<p>NAME: Ms Fisane Nzama from Nkulu VD</p> <p>Requested Bridge and Road for Godlogodlo to Makhanya area.</p> <ul style="list-style-type: none"> Requested gravelling for Qhashela Road. <p>Requested a Bridge on Jam Ntshebe.</p> <p>Requested water drain and lights for Munga Sport Field.</p> <p>Requested a Steep Hill for Makhanya Access Road.</p> <p>Name: Mr Max Nzama (Kwa-Nyuswa VD)</p> <p>Raised concern on the scarcity of water in the area mainly that there is a pipeline in Wosiyane but no water.</p> <ul style="list-style-type: none"> Requested clarity regarding the housing project in Ward 34 since it was said that this project will commence by the end of this year; 	

Public Meetings Held:						
Nature and purpose of meeting	Date of event	Number of Participating Municipal Cllrs	Number of participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Date and Manner of feedback given to community
					<ul style="list-style-type: none"> • Clarity was sought as to how will people residing in privately owned land be assisted in regard to development; It was said that the skills centre at KwaNyuswa area was not functioning or being used. • Requested electrification of Banginyama Hall. • Requested that water tankers deliver water at specific dates for each area so that community members are aware; <p>Name: Ms Sthulile (Thuvukezi)</p> <ul style="list-style-type: none"> • Requested VIP Sanitation facilities for the area of Thuvukezi; • Requested Electrification (infields) for the area of Thuvukezi; • Extension pipes from Thuvukezi to Bhobeni area; • Requested a Sport field; 	

Public Meetings Held:						
Nature and purpose of meeting	Date of event	Number of Participating Municipal Cllrs	Number of participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Date and Manner of feedback given to community
					<ul style="list-style-type: none"> • Requested furniture for the AP Gigaba Hall; • Requested a concert steep hill for Blose road; • Requested gravelling of road at Kwa Shazi. <p>NAME: Mr Mzuvela Cebisa (Thuvukezi)</p> <ul style="list-style-type: none"> • Requested a sportfield at Mvolozi area; • Requested a bridge in Nsebeshe next to Mpisi Voting station; • Asked that Ward Committee stipend be increased. <p>NAME: Mr Thulani Mloza</p> <ul style="list-style-type: none"> • Requested furniture for Bhosiki Community Hall; • Requested that Mahlubuni Hall be repaired; • Requested that Mlozane Hall be repaired; • Required a pedestrian Bridge at Mfundwenhle; 	

Public Meetings Held:						
Nature and purpose of meeting	Date of event	Number of Participating Municipal Cllrs	Number of participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Date and Manner of feedback given to community
					<ul style="list-style-type: none"> Requested a bridge in Mvolozi; 	
Imbizo (cluster 2)	WEDNESDAY, 04 NOVEMBER 2020	07	22	15	<p>Ward 08: Name: Ms Ms S Gavu</p> <ul style="list-style-type: none"> Commended the Ray Nkonyeni Municipality for the outstanding work; Electricity challenges occurred after demarcation as most work was transposed to Ward 10, please assist; and There was aN issue of High Mast that was deemed to be installed at Ward 10; Bridges (Mgodlwa and Mbekelwa) – cars unable to cross (Emagulubeni) after heavy rains; and Concrete road/slat at MPCDD eManzamlhlophe (eMalangeni) – pedestrians were unable to cross after heavy rain. <p>WARD 09: Name: Ms S Nzama</p> <ul style="list-style-type: none"> Commended the Ray Nkonyeni Municipality for the outstanding work; Explanatory was source since ward 9 was not part of the Electricity projects; Commended the ongoing projects of bridges; 	WEDNESDAY, 04 NOVEMBER 2020 Mayor of Ray Nkonyeni and the District Mayor addressed the public on how the municipality functions, noted relevant complains to be addressed.

Public Meetings Held:						
Nature and purpose of meeting	Date of event	Number of Participating Municipal Cllrs	Number of participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Date and Manner of feedback given to community
					<ul style="list-style-type: none"> • Clarity was source regarding the road maintenance (erect steep hill) at Smakadeni road and Ezikotsini road; and • Clarity was source regarding water challenges at Koloni; • Request was made to install water to elderly resident's homes. <p>Name: Mr Andile</p> <ul style="list-style-type: none"> • Commended the Ray Nkonyeni Municipality for the outstanding work; • Request road maintenance (Nkoneni road); and • Erect concrete road next to Nduna's resident. 	
Imbizo (Cluster 3)	THURSDAY, 05 NOVEMBER 2020	10	22	39	<p>Ward 1: Name: Ms Mtshali</p> <ul style="list-style-type: none"> ▪ Repairs to the Thongasi Hall; ▪ Progress on the handing over of KwaLatshoda title deeds; ▪ Repairs of changing rooms at the Thongasi Sport Field; ▪ Port Edward Hawkers to be accommodate at the taxi rank stalls; 	THURSDAY, 05 NOVEMBER 2020 Mayor of Ray Nkonyeni and the District Mayor addressed the public on how the municipality functions, noted relevant complains to be addressed.

Public Meetings Held:						
Nature and purpose of meeting	Date of event	Number of Participating Municipal Cllrs	Number of participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Date and Manner of feedback given to community
					<ul style="list-style-type: none"> ▪ Opening of the Ablution Facilities for community at the Port Edward Taxi Rank ▪ Shortage of water KwaLatshoda (12 and 13); ▪ Streetlight not working at KwaLatshoda; ▪ Progress on the vip toilets for KwaLatshoda; and ▪ Steep concrete for Ncukeni road. <p>Ward 2: Name: Mr Lwazi</p> <ul style="list-style-type: none"> • Turnaround time to be implemented to strengthen the war on water leaks; • Storm water drainage; and Verge cutting at Captain Road <p>Ward 6: Name; Ms J Roberts</p> <ul style="list-style-type: none"> • Repairs on the Margate Pool • Margate Clinic to be extended; • Curbing of illegal dumping program to be strengthen; and • Taxi operators not wearing mask 	

Public Meetings Held:						
Nature and purpose of meeting	Date of event	Number of Participating Municipal Cllrs	Number of participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Date and Manner of feedback given to community
					<p>Ward 10: Name: Mr S Mzelemu</p> <ul style="list-style-type: none"> • Construction of the Water drainage system at the Mpenjati Sport Field; • Operation Mbo timeframe to be extended; • Construction of Xhonya Hill; • Construction of steep hill for Mkanti road Phase 2; • Construction of pedestrian bridge between Mkanti and 2 Stick; • Invitation of the Department of Transport to Izimbizo meetings for thorough deliberations on road issues; • Extension of water pipes; • Maintenance of the UGu building or to be demolished; and • Integration of programmes and reporting to be done locally taking into consideration of the challenges experienced on the EPWP and there was no accountability. 	

Public Meetings Held:						
Nature and purpose of meeting	Date of event	Number of Participating Municipal Cllrs	Number of participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Date and Manner of feedback given to community
					<p>WARD 11 Name: Mr R Gumede</p> <ul style="list-style-type: none"> • Repair and concreting of the Joe Road; • Storm water drainage system for California Road; • Erection of speed humps and road signage on P69 Breamer; • Lights not working at the Breamer Hall; • Shortage of water at California area; • Widespread of illegal water connection at Breamer area; • VIP toilets and • Furniture for Mgangathi Hall <p>WARD19: Name: Mr H Coetzee</p> <ul style="list-style-type: none"> • Job losses through the Covid-19 pandemic were acknowledged; • Enhance revenue collection and engage rate payers regularly to avoid withholding of payments; • Hiring of qualified personnel for relevant position; • Focus on tourism; • Potholes repairs to be expedited; 	

Public Meetings Held:						
Nature and purpose of meeting	Date of event	Number of Participating Municipal Cllrs	Number of participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Date and Manner of feedback given to community
					<ul style="list-style-type: none"> Publishing of information regarding the allegations of maladministration at Ugu District. 	
Imbizo (cluster 4)	FRIDAY, 06 NOVEMBER 2020	12	13	58	<p>WARD 03: NAME: Mr Mbashi</p> <ul style="list-style-type: none"> Incomplete project at Kwamasinenge; and Request Masinenge sport field maintenance. <p>NAME: Ms Tshezi</p> <ul style="list-style-type: none"> Request skip refuse collection at Masinenge; Incomplete housing project at Masinenge and the department was not liaising with the community; Request sewer collection at Masinenge; and Request Community Hall at Masinenge. <p>NAME: Ms N Mthendele</p> <ul style="list-style-type: none"> Request House project to proceed; and Water tapes 	FRIDAY, 06 NOVEMBER 2020 Mayor of Ray Nkonyeni and the District Mayor addressed the public on how the municipality functions, noted relevant complains to be addressed.

Public Meetings Held:						
Nature and purpose of meeting	Date of event	Number of Participating Municipal Cllrs	Number of participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Date and Manner of feedback given to community
					<p>WARD 05: NAME: Ms Z Zondo</p> <ul style="list-style-type: none"> • Commended the Ray Nkonyeni Municipality for their outstanding work; and • Commended the cohesion and working together between Ward Councillors (esp. Cllr Gumbi) and the Community <p>NAME: Mr A Mbatha</p> <ul style="list-style-type: none"> • We have challenges regarding rates, however, it was suggested that Rates Payer's Association be established at Gamalakhe; • Erect Tar road at Qinabout instead of concrete road; • Renewal of Gamalakhe street names 'they are faded/not clear' and road marking; • Request Grass cutting; • Request office space for local businesses and Gamalakhe; • Request clear plan for Izinduna; • Request a clear plan regarding water challenges and was there a solution regarding dirty water; • We have a poor drainage system at Gamalakhe need assistance; 	

Public Meetings Held:						
Nature and purpose of meeting	Date of event	Number of Participating Municipal Cllrs	Number of participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Date and Manner of feedback given to community
					<ul style="list-style-type: none"> Request a follow-up in relation to the issue of toilet; We need solution pertaining to the issue of infrastructure at Ugu District Municipality and stop budgeting with the unfunded budget; The community was not satisfied with the working process of the Ugu District Municipality; Request a work plan of the Ugu District Municipality in relation to the water tankers/trucks; and Put Ugu District Municipality under administration <p>WARD 25: NAME: : Mr Mbili</p> <ul style="list-style-type: none"> Request tar road, however, at the moment we request road maintenance (Nkwali); Request assistance for the Youth Cooperation selling chickens Request assistance as our youth are under the influence of drugs (Ntshambini); Commended the Ray Nkonyeni Municipality for the outstanding work. 	

Public Meetings Held:						
Nature and purpose of meeting	Date of event	Number of Participating Municipal Cllrs	Number of participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Date and Manner of feedback given to community
					<p>NAME: Mr W Gumende</p> <ul style="list-style-type: none"> • Request Hall since it was vandalised, nonetheless, residents have currently built homes in the area; • Request concrete road/steep (Hlakadleka, Mhlakwani and ezansiKwaNdlovu) to the Hall; • Request water (Water is not suitable for drinking); and • Hall at NKulu. <p>WARD 26: NAME: Ms T Khawula</p> <ul style="list-style-type: none"> • Road maintenance; • Phase two houses at Qinabout; • Water; • Ugu plumbers must assist the community when requested (regarding busted pipes), not to tell residents to call Ugu Offices; and • Commended the Ray Nkonyeni Municipality for the outstanding work. <p>NAME: Mr M Nyawose</p> <ul style="list-style-type: none"> • Electricity; • High mast maintenance; 	

Public Meetings Held:						
Nature and purpose of meeting	Date of event	Number of Participating Municipal Cllrs	Number of participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Date and Manner of feedback given to community
					<ul style="list-style-type: none"> • Kindly assist the our youth with Drivers Licences, Internship, Inservice training, Employment and Wifi • Verge cutting at Crèches; and • Commended the Ray Nkonyeni Municipality for the outstanding work. <p>WARD 27: NAME: Mr P Mbili</p> <ul style="list-style-type: none"> • Commended the Ray Nkonyeni Municipality for road at kwaNositha and Bhambayi; • Tar road at Ring/Wing road (osuka ngase Conner House); • Multipurpose centre (ngakaXaba); • Follow-up regarding the Toilets; • Water at Mqolombeni; • KwaXaba Hall be extended; • Water at Mbhoshongweni and increase water capacity; • What is the solution for illegal connection at Mbhoshongweni; • High Mast. 	

Public Meetings Held:						
Nature and purpose of meeting	Date of event	Number of Participating Municipal Cllrs	Number of participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Date and Manner of feedback given to community
					<p>NAME: Ms T Lubanyana</p> <ul style="list-style-type: none"> • Commended the project for Ward 27 (Bhambayi road, Tar road at Nositha, Pedestrian bridge, etc; • Hall be refurbished and extended; • Erect bridge at Uvongo river; • Issue of SASSA regarding disability grant please intervene (Ray Nkonyeni Municipality); and • Toilets (please speed up the process). <p>WARD 28: NAME: Mr D Memela</p> <ul style="list-style-type: none"> • Commended the Ray Nkonyeni Municipality for the outstanding work esp. Youth section (School prayer) and Special Programmes (distribution of School uniform and attending to Senior Citizen); • Appreciate the assistant conveyed to Senior Citizen regarding to the rates payment and • Vacant sites must be maintained; • Department of Health must assist Senior Citizen. 	

Public Meetings Held:						
Nature and purpose of meeting	Date of event	Number of Participating Municipal Cllrs	Number of participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Date and Manner of feedback given to community
					<p>NAME: Ms N Shabane</p> <ul style="list-style-type: none"> • Road maintenance (erect Nkwali to assist the exposed water pipes); • Erecting water to residents, wholes were dug and still waiting for Ugu District Municipality; • Are there any future project regarding water purification; and • Commended the Ray Nkonyeni Municipality for the outstanding service delivery; • Please assist by providing water to homes having funerals; • Assist with attending to sewerage; • Illegal dumping signage; • We have challenges with Sgedleni Hall please assist; • Assist by attending to electric cables they are laying on the road and it's deemed to be danger to residents; • Commended the Ward Councillor for the outstanding work; • Commended Ugu District Municipality for water. 	

Public Meetings Held:						
Nature and purpose of meeting	Date of event	Number of Participating Municipal Cllrs	Number of participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Date and Manner of feedback given to community
					<p>REQUEST BY TRIBAL AUTHORITY MR MAVUNDLA</p> <ul style="list-style-type: none"> • Fencing and maintenance at Nositha Cemetery; • The water project at Mqolobeni must proceed; • Refurbishment of Nhlangwini Community Hall; and • Road at Msikaba NAME: SYABUSA MADWE • Commending municipality for the storm drainage and concrete roads; • Commending municipality for the good work done on Feziwe road; • Requested the municipality to fix potholes on roads; and • Requested that the Municipality repairs the storm drains that were damaged by the storms (disaster) as now when it rains water goes into people's houses instead of the drains. 	

Public Meetings Held:						
Nature and purpose of meeting	Date of event	Number of Participating Municipal Cllrs	Number of participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Date and Manner of feedback given to community
Imbizo (cluster 05)	MONDAY, 09 NOVEMBER 2020	04	11	13	<p>WARD 21: NAME: Nozi Xolo</p> <ul style="list-style-type: none"> The issue of toilets that were promised to be built in the year 2018 by the former mayor of Ugu District Municipality but were never built; Advised that the Ugu Municipality negotiates with those owing bigger amounts and negotiate on how to pay in monthly instalments; Suggested that those with legal connections, be supplied with meters and then they can start paying for water services. <p>NAME: Zinhle Dumele</p> <ul style="list-style-type: none"> Suggested that there should be a presentation from the Community and Municipalities to monitor and evaluate projects and the projects should have time frames. <p>WARD 22: NAME: Ndumiso Hadebe</p> <ul style="list-style-type: none"> Thanked that the construction of roads in the Community were going accordingly; 	MONDAY, 09 NOVEMBER 2020 Mayor of Ray Nkonyeni and the District Mayor addressed the public on how the municipality functions, noted relevant complains to be addressed

Public Meetings Held:						
Nature and purpose of meeting	Date of event	Number of Participating Municipal Cllrs	Number of participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Date and Manner of feedback given to community
					<ul style="list-style-type: none"> Requested that the Ugu District Municipality to build toilet for the community; Requested that kwaMaveshe sport field be renovated and requested high mast at KwamaVeshe. <p>NAME: Zama Shange</p> <ul style="list-style-type: none"> People living with HIV be assisted with the nutrition supplement programmes as many people were unemployed and they were defaulting; OSS be asked to identify kids who need uniforms during the back-to-school programme; Requested that both municipalities work together and deal with the issue of (Amaphara) who are robbing people in the Port Shepstone CBD <p>WARD 23: NAME: Zanele Zulu</p> <ul style="list-style-type: none"> Thanked the construction of Jesus Road as it was presented that it was 50% complete; Thanked the outdoor gym; and 	

Public Meetings Held:						
Nature and purpose of meeting	Date of event	Number of Participating Municipal Cllrs	Number of participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Date and Manner of feedback given to community
					<p>Water issues were still a concern and the legal connections were a major problem, it was then suggested that the matter be addressed with the Traditional Authorities and come up with the solution that will benefit both the community and the municipality</p> <p>NAME: Thobile Madlala</p> <ul style="list-style-type: none"> Community be supplied with Jojo tankers in order to assist when there are water shortages <p>WARD 24: NAME: QAPHELA</p> <ul style="list-style-type: none"> Requested stipend for ward committees equal; Thutshini and Cele Road but nothing has been done so far; Programme of Education and waste management in order to avoid water pollution;; Employment of people living with disability be taken seriously 	

Public Meetings Held:						
Nature and purpose of meeting	Date of event	Number of Participating Municipal Cllrs	Number of participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Date and Manner of feedback given to community
					<p>and that in future the Department of Labour be invited to the Mayoral Izimbizo; and</p> <ul style="list-style-type: none"> At Betania area they have not received (amageja) <p>NAME: Tom Mthethwa</p> <ul style="list-style-type: none"> Some ward committee members but their positions were not replaced. 	
Imbizo (cluster 6)	TUESDAY, 10 NOVEMBER 2020	07	10	22	<p>Ward 4: Name: Mr Bheko Chiliza, at Oshabeni area</p> <ul style="list-style-type: none"> Rehabilitation of the high mast next to the Tribal Authority; Requested that roads be upgraded throughout the area; Proposed that a water Summit be conducted to discuss Infrastructure repair, water supply and revenue for Ugu District Municipality; Utilisation of the pension shelter as a shopping centre2. 	TUESDAY, 10 NOVEMBER 2020 Mayor of Ray Nkonyeni and the District Mayor addressed the public on how the municipality functions, noted relevant complains to be addressed

Public Meetings Held:						
Nature and purpose of meeting	Date of event	Number of Participating Municipal Cllrs	Number of participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Date and Manner of feedback given to community
					<p>Name: Ms Silindile Madlala, at Oshabeni area</p> <ul style="list-style-type: none"> Water Vula Vala programme must be fully rotational since water shutdown took so long at some areas <p>WARD 17: Name: Mr Dumsani Madlala</p> <ul style="list-style-type: none"> Mentioned that there was no major boundary between Ward 17 and 20; hence there was no working collaboration between the Ward Councillor and the Ward Committee; No consultation was done since there was a fiber project whereby the community confronted him as the Ward Committee for clarity. He requested that municipal intervention on the matter in question; Request v-drain along N2, Harding Road; Requested steep hills at kaMalatyana next to Mkholumbe since the quarry poured was not a good quality; Request a TLB to remove illegal dumping in Mkholumbe area; 	

Public Meetings Held:						
Nature and purpose of meeting	Date of event	Number of Participating Municipal Cllrs	Number of participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Date and Manner of feedback given to community
					<ul style="list-style-type: none"> Water shortage at Hlanganani VD, and the Community reported that no Councillor and Ward Committees in the area; and Requested that paving be done at the Mkholombe temporal Taxi Rank. <p>Ward 18: Name: Mr Mkhize</p> <ul style="list-style-type: none"> High crime rate in Port Shepstone; Verge maintenance, pavements along Port Shepstone beach in particular; Potholes along way bridge towards the Marburg tollgate; Parking issues be addressed especially at the Port Shepstone High School and Port Shepstone Regional hospital; Voiced concern on the high electricity bills recommended prepaid electricity; Road markings to be revived in order to avoid accidents; Rehabilitation of Valley Road bridge; and 	

Public Meetings Held:						
Nature and purpose of meeting	Date of event	Number of Participating Municipal Cllrs	Number of participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Date and Manner of feedback given to community
					<ul style="list-style-type: none"> Requested that a pedestrian crossing next to Ziphakamise be upgraded. <p>Name: Vally</p> <ul style="list-style-type: none"> Meter reading be performed; Maintenance of Stormwater pipes in order to avoid flooding; and Voiced concern on the aging Infrastructure since it was reported 15 years ago. <p>Ward 20: Name: Mr Simphiwe Sima</p> <ul style="list-style-type: none"> Voiced concern on the fact that appointed Contractors must provide jobs to unemployed residents; Requested extension of Ngwabe and Mazubane vehicular bridge; Requested extension of Mbotsha Hall; Requested Outdoor gymn in the area; Rehabilitation of Mkholumbe high mast; Requested standpipes and urgent response on water leakage reports. 	

Public Meetings Held:						
Nature and purpose of meeting	Date of event	Number of Participating Municipal Cllrs	Number of participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Date and Manner of feedback given to community
					<ul style="list-style-type: none"> • Raised a concern on the high rate of crime at Port Shepstone Taxi Rank; • Installation of v-drains and stormwater pipes at Margate; and • Requested contract extension of EPWP. <p>Name: Reverend Mlambo</p> <ul style="list-style-type: none"> • Requested intervention of Ugu District Municipality since new residents illegally connect water from the main line and they ended up not receiving water; and • Voiced concern on the delay of fixing water leakage in the area. <p>Name: Mr Good-one Shibe</p> <ul style="list-style-type: none"> • Requested that D616 be upgraded since taxis were unable to access nearby roads; and • Reported illegal water connections at Marburg, Borough Grounds and Albersville 	

Public Meetings Held:						
Nature and purpose of meeting	Date of event	Number of Participating Municipal Cllrs	Number of participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Date and Manner of feedback given to community
					<p>Name: Xolani.</p> <ul style="list-style-type: none"> • Appreciated construction of vehicular bridges in Ward 20; • Requested slum clearance at Mkholombe; • Requested that Hlophe bridge be rehabilitated; • Attention of water leakage next to the local clinic; • Voiced concern on the illegal water connection due to the delay from Ugu District Municipality; • Another concern was voiced on the aging standpipes in the area; • Water leakage at Madakane pumpstation be attended to by the Ugu District Municipality; • Requested clarity on provision of VIP toilets at GG since 2016. <p>Name: Mr Sboniso Ndwalane</p> <ul style="list-style-type: none"> • Concern voiced on the vandalism of KwaNgwabe Hall and the fact that there was no electricity; 	

Public Meetings Held:						
Nature and purpose of meeting	Date of event	Number of Participating Municipal Cllrs	Number of participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Date and Manner of feedback given to community
					<ul style="list-style-type: none"> • No electricity at ABC Youth Centre and a fixation of burst pipes; • Maintenance of the new Ward 20 Hall (grass cutting and weeds); • No adequate water supply due to aging infrastructure/pumps at Enyenyezi Reservoir; • Request that roads be upgraded at the Boboyi and Enyenyezi access roads and the high rate of crime was reported; and • Full attention must be paid to Mazubane and KwaNgwabe pedestrian bridge due to flooding during heavy rains. 	
Imbizo (cluter 7)	THURSDAY, 12 NOVEMBER 2020	07	08	33	<p>Ward 12: None</p> <p>Ward 13: Name: <u>lindani Duma</u></p> <ul style="list-style-type: none"> • Request for clinic at Fairview 	THURSDAY, 12 NOVEMBER 2020 Mayor of Ray Nkonyeni and the District Mayor addressed the public on how the municipality

Public Meetings Held:						
Nature and purpose of meeting	Date of event	Number of Participating Municipal Cllrs	Number of participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Date and Manner of feedback given to community
					<ul style="list-style-type: none"> • Bridge at Hibberdene needs maintenance • Private land; <p>Ward 14: Name: <u>Emmanuel Mbhele</u></p> <ul style="list-style-type: none"> • Request for water, water tankers, storm water drainage and water schedule before the water gets shut in the area of Maristella and Greenside • Request for road and bridge maintenance from ZCE to Bakery • Request for high must at Slwane area • Request for toilets that will cater for people with disabilities • Request for cell phone towers as community doesn't have cell phone service/coverage • Request for another sports ground in order to maintain the current one • Request for concrete steep hill Kwa E Ndlwana • Phase 2 of RDP houses 	functions, noted relevant complains to be addressed

Public Meetings Held:						
Nature and purpose of meeting	Date of event	Number of Participating Municipal Cllrs	Number of participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Date and Manner of feedback given to community
					<ul style="list-style-type: none"> • Electrical Infills type 1, 2, 3 and 4 • Gwababeni Bridge no.4 • Storms for the following areas: Greenside, Sdakwa and Mariastella <p>Ward 15: Name: <u>CS Ngubo</u></p> <ul style="list-style-type: none"> • Sozabe hall needs maintenance • Sozabe Change rooms need to be converted to a creche or a police room • Request for employment for the youth • Request for water tankers and water in Magog • High crime rate in Magog <p>Name: <u>Nosipho Ngcobo</u></p> <ul style="list-style-type: none"> • Oak farm Hall doesn't have caretaker, residence do all the cleaning • Taps are dry at Oak Farm • Bridge needs attention 	

Public Meetings Held:						
Nature and purpose of meeting	Date of event	Number of Participating Municipal Cllrs	Number of participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Date and Manner of feedback given to community
					<ul style="list-style-type: none"> • CPF in Louisiana are selling land <p>Ward 16: Name: <u>John Irvin</u></p> <ul style="list-style-type: none"> • RNM sources and resources are limited • Roads in the ward need attention • Sea Park community hall needs maintenance • Request for water 	

2.6 IDP Participation and Alignment

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

Component D: Corporate Governance

2.7 Risk Management

The need for risk management is to identify, evaluate and address risks on a continuous basis before such risks can impact negatively on the municipality's service delivery capacity. It is an appropriate proactive way of managing risks and to successfully achieve the municipality's goals and strategic objectives.

Responsibility for the risk management resides mostly with line management in all departments however every employee is responsible for risk management. The Internal Audit and Risk Management Unit has played its role by conducting risk assessment workshops with management with an aim of ensuring that management understands the importance of managing risks for the benefit of the Municipality. The Municipality has put in place mechanisms to identify and assess risks and developed specific mitigating strategies, plans or actions. The risks are recorded in the risk register and are continuously monitored and reviewed by the Internal Audit and Risk Management Unit. The Council has adopted a Risk Management Policy and Framework that enables management to proactively identify and respond appropriately to all significant risks that could impact badly on the achievement of municipal goals and strategic objectives.

The Municipality has a MANCO Risk Management Committee which is made of the CFO (Chairperson), HOD: Strategic Planning and Governance, HOD: Corporate Services, Manager: Municipal Manager's Office and Manager: Administration. The standing invitees are Manager: Internal Audit & Risk Management and the Risk Management Co-ordinator. The committee's role is to guide the development and implementation of Risk Management and to review and monitor Risk Management processes and outputs quarterly.

The top 5 residual risks facing the municipality are as follows:

1. Illegal electricity connections within Ray Nkonyeni distribution area.
2. Failure to collect projected % of revenue.
3. Tender finalisations turn-around time not met.
4. Inadequate due diligence conducted on businesses being supported.
5. Servers not functional when there is power disruption.

2.8 Anti-Corruption and Fraud

Fraud and corruption strategy

The Council has approved an Anti-Fraud and Anti-Corruption Strategy/Policy. The strategy includes the Anti-Fraud and Anti-Corruption Prevention Initiatives as well as Anti-Fraud and Anti-Corruption Response Strategies. The strategy/policy has been developed because of the expressed commitment of the Municipality to fight fraud and corruption. This policy applies to all employees, councillors, stakeholders, contractors, vendors/suppliers, and any other party doing business with the Municipality. The strategy/policy provides guidelines as to how to respond should instances of fraud and corruption be identified.

The municipality has an Anti-Fraud and corruption Committee which is made of the CFO (Chairperson), HOD: Strategic Planning and Governance, HOD: Corporate Services, Manager: Municipal Manager's Office and Manager: Administration. The standing invitees to the meetings are Manager: Internal Audit & Risk Management and the Risk Management Co-ordinator. The role of the Anti-Fraud and Corruption Committee is to oversee the Municipality's approach to fraud prevention, fraud detection strategies and response to fraud and corruption incidents reported by employees, councillors, and other external parties.

The municipality's fraud hotline number is **0801 111 660** and one also has an option of using the COGTA fraud hotline **0800 701701** to report fraud and corruption activities. Internal Audit also plays a vital role when one needs to report fraud and corruption activities. This unit can be contacted on **039 688 2192** on weekdays, during working hours only.

Anti-Fraud and Anti-Corruption Prevention Initiatives

The primary objective of these initiatives is to protect the municipality, its assets, stakeholders, and its employees. The Ray Nkonyeni Municipality realises that, to achieve the objective of ensuring the provision of services to the community in a sustainable way, as required by the Constitution of the Republic of South Africa, it is important to take necessary steps to prevent fraudulent or irregular use of Municipal assets.

The Anti-Fraud and Anti-Corruption strategy clearly indicates that to prevent fraud and corruption the municipality should ensure that:

- Councillors and employees sign their code of conduct
- It has an ethics policy
- A fraud risk assessment is conducted annually
- It has a whistle blowers hotline (its own or outsourced)

Anti-Fraud and Anti-Corruption Response Strategies

The Anti-Fraud and Anti-Corruption Response Strategies set out clear, prompt, and appropriate action that must be taken when fraud is suspected. The preparation of these response strategies increases the likelihood that the crises will be managed effectively, ensuring minimum loss and appropriate outcomes. These response strategies are applicable across all sectors of the Ray Nkonyeni Municipality (RNM) and adherence thereto is vital to ensure effective management of fraud incidents.

The priority of the Council, Anti-Fraud and Corruption Committee and Top Management is to ensure that there is effective response to all reports of fraud or irregularity and those employees and third parties who are guilty of fraud are dealt with appropriately. A zero-tolerance approach and effective response to all incidents of fraud will send the appropriate message to perpetrators and ultimately lead to a reduction of fraud within RNM.

Employees: Strategic Planning and Governance (incl. MM' Office)					
TASK GRADE	2019 - 20	2020 - 21			
	Employees No.	Posts No.	Employees No.	Vacancies (Fulltime equivalents) No.	Vacancies (as a % of total posts) %
TG. 14 - 16	10	9	9	0	0%
TG. 9 - 13	20	20	14	6	30%
TG. 4 - 8	18	17	14	3	18%
TG. 3	4	5	4	1	
Total	52	51	41	10	20%

2.9 Supply Chain Management

Overview Supply Chain Management:

In terms of Section 6(2)(a)(i) of the Supply Chain Management Regulations it is stipulated that for the purpose of such oversight, the Accounting Officer must submit a report on the implementation of the Supply Chain Management to the Mayor within 30 days of the end of each financial year.

General Reporting

Sections 74(1) and 104(1) (b) of the Municipal Finance Management Act (MFMA) prescribe the following regarding general reporting obligations:

“The accounting officer of a municipality [and municipal entity] must submit to the National Treasury, the Provincial Treasury, the Department for Local Government in the province or the Auditor-General such information, returns, documents, explanations and motivations as may be prescribed or as may be required.”

In accordance with MFMA Circular No. 34 all awards above R100 000 were reported on their website and was done on a monthly basis. The National Website was updated monthly live online.

Supply Chain Management Processes

The implementation of the day-to-day procurement for goods and services below R30 000 was done on the MUNSOFT system. Ray Nkonyeni Municipality as a newly established municipality is using the mentioned financial management system. Reports listing all transactions and information for all procurement under R30 000 are compiled monthly by the SCM officials.

The municipality is now transacting on MSCOA with no SCM related problems, the system providers are contacted on a continuous basis for resolving challenges that we generally encounter. Between R30 000 and R200 000 a mini tender process is followed, and a full Tender Register reflecting all relevant information is kept at the SCM Unit in Margate. Due to the lack of suitable venue and facilities, as well as the volume of this process, it is not possible to open all mini tenders in public. The introduction of the Monthly Report to the Finance Portfolio of all awards within the "Mini tender" category is being done in accordance with Section 17 of the Supply Chain Management Regulations.

A full SCM Policy and Procedure Manual have been drafted. The whole Procedure Manual was reviewed in 2020/2021 and made more "user friendly" and less cumbersome. It is a living document and will be adjusted as and if any changes are promulgated or new circulars are put out by National Treasury.

Open tenders with the value of R200 000 and above follow the 3 Bid Committee System; Bid Specification Committee, Bid Evaluation Committee and Bid Adjudication Committee. The Committee members are appointed in writing by the Municipal Manager. All bids above this threshold and more than a period of one (01) year are referred to the Office of the Municipal Manager for final approval before implementation. Tenders remain the responsibility of the user Department from the inception right to the handover or closeout report.

The bidding documents are based upon the Standard Terms of Contract and bidding documents as supplied by National Treasury. Special conditions are approved if and when applicable. The PPPF Act thresholds and points allocation are applied where and how applicable. The 80/20 and 90/10 split applied to all contract values as stipulated in the PPPFA regulations.

Supply Chain Management Policy

The SCM Policy was reviewed to facilitate the creation of employment and business opportunities for the people of Ray Nkonyeni Municipality with particular reference to Historical Disadvantaged Individual's (HDIs) as cited in section 217 (2) of the Constitution of the Republic of South Africa Act 106 of 1996. The SCM policy was reviewed to align with the PPPF regulations that came into effect on 01 April 2017.

Contract Management

A consolidated Contract Management Register tie into all Supply Chain Management processes and the approved Procurement Plan. All Departments are responsible individually for their own Contract Register and is controlled by a master Register. The Procurement Plan for was also compiled and in place. This process of closely monitoring the procurement plan has ensured better utilization of capital funding, which has been a contentious issue over the past few years. The KZN Treasury has recently provided training to SCM officials.

Code of Ethics

All Supply Chain Management practitioners, as well as members of the three Bid Committees, are required to sign a Code of Ethics as approved by Council. The approved code is based upon the Code of Ethics of National Treasury. At all Bid Committee Meetings, the members have to declare their interests as part of the standing rules and approved terms of reference of the Bid Committees. New Bid Committee members were appointed by the Municipal Manager as a result of resignations or withdrawals during the year. Declaration of interest RNM employees are made the file is kept by SCM. Training was called for and Provincial Treasury assisted in basic training for the Committee Members, and it will be on-going to ensure that the Committee members are fully up to standard at all times.

Training and Competency

In accordance with the requirements of Section 8 of the SCM Regulations, as well as Section 83 of the MFMA, all SCM Practitioners must have a minimum level of competency, and the training of staff to meet the requirements is on-going in One (01) Procurement Officer is currently attending MFMP (Municipal Finance Management Programme) training, the rest of the Supply Chain Management Practitioners will be phase in as the budget permits.

Database

An advert has been placed on our website, to advise the service providers to renew their details as per the Database and was also advertised in the local newspaper. Furthermore National Treasury has implemented the central database and the officials had attended the workshop. The National Treasury introduced CSD (Central Supplier Database System), as off 01 July 2016. Ray Nkonyeni Municipality.

2.10 Websites

Municipal Website: Content and Currency of Material	
Documents published on the Municipality's / Entity's website	Yes/No/N/A
Current Annual and Adjustments budgets and all budget-related documents	Yes
All current budget-related policies	Yes
The previous annual report	Yes
The annual report published/to be published	Yes
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act and resulting scorecards	Yes
All service delivery agreements 2020-21	Yes
All long-term borrowing contracts 2020-21	Yes
All supply chain management contracts above a prescribed value for 2020-21	Yes
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of MFMA section 14(2) or (4) during the year	N/A*
Contracts agreed in the year to which subsection (1) of section 33 apply, subject to subsection (3) of that section	Yes
Public-private partnership agreements referred to in section 120 made in 2020-21	N/A*
All quarterly reports tabled in the council in terms of section 52 (d) during 2020-21	Yes
* N/A: The municipality did not engage in activities that would result in such documentation being necessary	

Comments on Municipal Website Content and Access:

The website was fully functional during the 2020-2021 financial year, previously the full functionality of the website was hampered by several factors and this affected compliance with MFMA section 75, but with the assistance of a dedicated service provider the Municipality has managed to ensure full functionality of the website and there is continuous improvement on the website to make sure it serves ratepayers and other stakeholders efficiently. There is timeous upload of statutory documentation which has improved compliance with MFMA section 75.

All municipal libraries have wireless access to ensure that community has access to municipal information when visiting their local library. Libraries that have internet access for communities are as follows Gamalakhe, Margate, kwaNdwalane, Hibberdene, Port Edward, Ezingoleni (Cyber cadets are available to assist community), the rest of libraries have internet public access but currently no cyber cadets available to assist the community.

Workshops are being held at various schools to encourage learners with careers in computers whilst 20 schools were visited to promote the use of internet facilities.

Chapter 3 – Service Delivery Performance (Performance Report Part 1)

Component A: Basic Services

3.1 Electricity

Introduction to Electricity:

Ray Nkonyeni Municipality Department of Technical Services (DTS) provides electricity services and is responsible for the entire municipal electrical infrastructure. The responsibilities are as follows:

Electrical Maintenance

- Repairs and maintenance of all street lighting and highmasts lighting infrastructure in all wards within Municipal Areas from Hibberdene to Port Edward and in former Ezingoleni wards;
- Repairs and maintenance of all traffic Lights within the Municipal Areas from Hibberdene to Port Edward; and
- Maintenance of all municipal buildings, facilities and properties in all Wards within Municipal Areas;
- Retrofitting with energy efficient LED streetlights and LED highmasts lights.

Energy Efficiency Demand Side Management

The existing municipal electrical infrastructure was targeted for the Energy Efficiency Demand Side Management Programme included, High-Mast floodlights, streetlights, capacity building and training and energy efficiency awareness. The floodlights and streetlights luminaires in the municipality were found to be Mercury Vapour (MV) and High Pressure Sodium (HPS). The streetlights and high-mast floodlights in the RNM Municipality consume the bulk of electricity produced from non-renewable fossil fuel resources. Streetlights and high-mast floodlights, of which are used mainly for public lighting along roads and in the wards within the municipal areas. There is a need to install additional smart meters and to make use of the energy management systems to achieve the desired state of energy management within the municipality.

An energy baseline was developed which aided to assess the municipality's current energy use and provides a level for comparison with future improvements. A baseline and benchmark for energy usage by facilities and equipment was then established. Key activities and operations that consume the most energy or are inefficient were identified. Information from the energy audit was used to identify the most energy-intensive or inefficient activities and operations in the facilities.

Energy priorities for improvement were finally established. Based on results of energy assessments and audits, potential energy improvement projects and activities were identified, evaluated and prioritized. The proposed energy efficiency interventions therefore was to continue with retrofitting MV and HPS to LED Lights. The public lighting infrastructure which consists of highmast floodlights and streetlights are situated in various wards within Ray Nkonyeni municipality's area of jurisdiction and plays a crucial role for illumination and help to reduce the rate of criminal activities during the night.

Summary of energy efficiency projects

Project No.	Description	Adequacy of the installed controls and control settings (Satisfactory/ Unsatisfactory)	Energy consumption baseline (kWh/year)	kWh savings per year
1	Retrofit 16 x 1000Watt HPS High-Mast Floodlights with 500W LED	Satisfactory	70 080kWh	35 040kWh
2	Retrofit 720 x 400Watt HPS High-Mast Floodlights with 200W LED	Satisfactory	1 261 440kWh	630 720kWh
3	Retrofit 320 x 250Watt HPS Streetlights with 100W LED	Satisfactory	262 800kWh	157 680kWh
Sum			1 594 320 kWh	823,440 kWh

Electricity Distribution Network

Ray Nkonyeni Municipality has a NERSA distribution licence to distribute and supply electricity to customers. The electricity distribution area covers: Port Shepstone CBD and Beachfront, Newtown, Mbango and Mbango Valley, Oslo Beach, Albersville and Marburg Industrial. Ray Nkonyeni purchases Electricity from Eskom at a supply Voltage of 11 kV. There are two Eskom points of bulk supply to Ray Nkonyeni local municipality namely the Port Shepstone substation and the Marburg switching station.

- Operations of the electricity distribution network and electricity supply to areas as listed above;
- Preventative and corrective maintenance of the distribution network within electricity supply areas;
- Provide 24 hours, 365 days network standby in case of power outages and network breakdowns or emergencies;
- Installation of new electricity network infrastructure within the Distribution Areas;
- Infrastructure equipment upgrades and refurbishments of electricity distribution network;
- Installation of new electricity supply connections for consumers within area of electricity supply;
- Process power supply upgrades and /or downgrades upon request from consumers;
- New electricity meter installations, replacement, testing and meter auditing; and to
- Ensure compliance to National Energy Regulator of South Africa (NERSA) licence conditions :

- Annual electricity tariff applications
- Compilation and submission of technical distribution forms (D-Forms) on annual basis
- Quality of service as per NRS 047
- Quality of supply as per NRS 048
- Code of practice for electricity metering as per NRS 057
- Management of electricity losses
- Manual and automated meter readings and Billing of residential, commercial and industrial electricity customers.

Electricity Administration

The municipal consumer profile is made up of the various consumer types, including Free Basic Electricity (FBE) customers in the Eskom areas of supply. Within the Municipality's area of supply there are Domestic (conventional), Manufacturing/industrial, Commercial (conventional) and Other municipal departments.

The Electrical Section's functions include :

- Electricity billing and billing queries/enquiries;
- Develop and apply annual schedule of electricity tariffs of charges;
- New consumer applications and connections for electricity supply;
- Process consumer applications for service terminations, testing of meters
- Electricity network faults reporting;
- Electricity consumer complaints and queries;
- Provide comments for new building applications or sites rezoning within distribution area – comments on availability of electricity supply;
- Wayleaves applications.

Electricity Network Planning

- Development of an electricity infrastructure network master plan
- To include, a network development plan (NDP), network upgrade and refurbishment plans
- Implementation of the electricity infrastructure master plan
- Network load growth forecasting
- Network load flow studies

Small-Scale Embedded Generation (SSEG)

Technical Services Department developed a policy and framework for the approval and registration of Small-Scale Embedded Generators, as well as the regulation thereof relative to the requirements of the Municipality, other Policies and By-laws. The policy is applicable to all customers wishing to install systems within Ray Nkonyeni distribution area.

The policy covers:

- The conditions under which SSEG will be accepted onto the Ray Nkonyeni Municipality's electricity distribution network
- The Application and Commissioning Process for SSEG
- Contractual arrangements between the SSEG customer and Ray Nkonyeni Municipality
- Metering and tariffs for SSEG
- All existing and prospective SSEG customers in the municipal distribution area connected to the municipal distribution network, and
- Applicable technical standards and specifications.

Key amendments to the Electricity Supply By-Laws relate to following:

- a) Defines SSEG as small-scale embedded generation/generator refers to power generation installations (e.g. solar photo-voltaic, PV) of less than or equal to 1MVA (or 1000kVA) that are located at residential or commercial or industrial customer site. System is grid-tied, i.e. connected to the municipality's electrical network either directly or through a customer's internal wiring.
- b) By-law sets out procedure for approving the connection of SSEG systems – Clause 1, 11, 12
- c) By-law talks to SSEG tariffs and metering – Clause 13, 23
- d) By-law regulates wheeling of electricity – Clause 27
- e) By-law regulates resale of electricity – Clause 28
- f) Municipality's right to disconnect unauthorized or illegal connections or embedded generators that do not comply with these by-laws and the SSEG Policy – Clause 35
- g) Compliance of embedded generation systems to technical standards and to distribution network operational requirements – Clause 39.

Electricity revenue enhancement programme

Revenue Enhancement Programme focus was on electricity meters and land use/zoning audit, meter management and tariffs review and recommendations on restructuring. The project was supported by Development Bank of Southern Africa (DBSA) which provides financial support to Municipalities across Southern Africa. The aim was to develop and implement a Revenue Enhancement Programme for Ray Nkonyeni Municipality with the aim to strengthen the municipality revenue streams.

The programme identified some key interventions and focus areas for implementation by the municipality:

- Tariffs re-design by conducting detailed cost of supply study and ensure customers are charged in accordance with cost of supply study and NERSA benchmark tariffs.
- Billing and revenue improvement plans
- Data cleansing prioritize data audits and clean-up of master and meter data
- Prioritize correction of billing inconsistencies
- Installation of check meters to verify Eskom bulk purchases and to conduct energy balancing
- Replacement of analogue and obsolete meters
- Resolve environmental issues, vegetation control required to improve meter accessibility
- Re-instatement of interconnector between Marburg and Port Shepstone main intake points
- Electrification of households who are currently on free basic alternative energy programme
- Audit of free basic electricity (FBE) programme
- Field audits of land parcels to determine land use
- Electricity technical and billing process improvements
- Introduction of bulk contribution calculations policy to be approved by Council
- Curb outages due to theft and vandalism and address illegal connections
- Detailed network infrastructure studies to be prioritized for infrastructure upgrades
- Implement data and revenue management dashboard tool

- Electricity infrastructure refurbishments and replacements – electrical cables, mini-substations and inter-switches replacements
- Memorial and Reynolds switchgear refurbishment and replacement
- Establish PMO for integration between meter installation and meter management system
- Physical land use and electricity meter audits
- Linking of land use with land use scheme (zoning) and linking of land audit data to metering data
- Prioritizing key capital revenue enhancement projects requiring refurbishment/ replacement to improve revenue recovery
- Legal and governance by alignment of agreement as per municipal by-laws
- Improve data analytics, control and upgrade operating processes to automated workflow tools
- Implement integrated marketing and communication plan for simplicity and consistency in communications.

Free Basic Electricity (FBE) and Free Basic Alternative Energy (FBAE) Programme

The Free Basic Electricity (FBE) and Free Basic Alternative Energy (FBAE) programme interventions have assisted the Municipality to address a whole suite of socio-economic issues that arise from inadequate provision of energy to households and has assisted with job creation and also providing free basic services to the community of Ray Nkonyeni Municipality.

Funding is critical aspect to a successful implementation of any poverty alleviation initiative including FBAE. In line with national government support to its programme, funds are already allocated to Ray Nkonyeni Municipality for these programmes through the Equitable Share grant.

Municipal Systems Act 32 of 2003 states that a municipality must ensure that all communities have access to at least minimal basic services, i.e. receive free basic electricity subsidised to a maximum of 50 kWh per month. The municipality provides free basic electricity to on average 34 post-paid free basic electricity (FBE) beneficiaries within the municipality's supply areas. As per MOU agreement, Eskom co-ordinates and administers the prepaid free basic electricity (FBE) benefit packages to average of 3546 indigent households within Eskom supply areas. Ray Nkonyeni Municipality has 6453 registered FBE beneficiaries, of which only an average of 2592 beneficiaries purchased prepaid electricity tokens during 2020/2021 as per beneficiaries list.

The sole intention of FBAE policy is to assist in the provision of energy. The Free Basic Alternative Electricity objective is to provide indigent households in non-electrified areas by providing them with free basic alternative energy in the form of bio-ethanol gel and oils to help them meet some of their basic needs such as cooking and lighting. The intervention is aimed at alleviating some of the difficulties associated with access to energy in these households whilst the Municipality works hand in hand with Eskom towards ensuring that all communities have access to electricity through the INEP electrification

Employees: Electricity Services (including Mechanical Engineering)					
TASK GRADE	2019-2020	2020-2021			
	Employees No.	Posts No.	Employees No.	Vacancies (Fulltime equivalents) No.	Vacancies (as a % of total posts) %
TG. 14 - 16	1	2	1	1	50%
TG. 9 - 13	12	13	13	0	0%
TG. 4 - 8	25	26	24	2	8%
TG. 3	2	2	2	0	0%
Total	40	43	40	3	7%

Financial Performance 2020-21: Electricity Services					R'000
Details	2020-21				
	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	11100	106	25415	56%	
Expenditure:					
Employees	40000	40000	39855	0%	
Repairs and Maintenance	2544	2000	1889	-35%	
Other	750	640	600	-25%	
Total Operational Expenditure	43294	42640	42344	-2%	
Net Operational Expenditure	32194	-63100	16929	-90%	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					
T 3.3.7					

Capital Expenditure 2020-21: Electricity Services						R' 000
Capital Projects	2020-21				Total Project Value	
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget		
Electricity infills	3200	4000	3409	6%		
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>						
T 3.3.8						

Employees: ISD					
TASK GRADE	2019 - 20	2020-21			
	Employees No.	Posts No.	Employees No.	Vacancies (Fulltime equivalents) No.	Vacancies (as a % of total posts) %
TG. 14 - 16	1	1	1	0	0%
TG. 9 - 13	1	1	1	0	0%
TG. 4 - 8	0	0	0	0	
TG. 3	0	0	0	0	
Total	2	2	2	0	0%

3.2 Waste Management & Cleansing

This section is responsible for ensuring that efficient waste removal in all neighbourhoods occurs and that our towns, streets and verges are maintained at a desirable level for our communities.

It has also been involved in efforts to ensure that refuse removal services are extended to those communities who were previously not receiving the service, researching on a pilot project which will see rural communities also benefiting from refuse removal services by the municipality.

In the past there were challenges with ensuring that the service is rendered efficiently due to ageing fleet but the Municipality has since resolved and implemented to purchasing two compactors in every financial year. There have been service providers engaged on a contract basis to ensure that the downtime of fleet is reduced significantly. In terms of the service delivery charter and the customer services complaints systems, there has been a recorded significant decrease which is monitored through customer care and through monthly rate payers meetings. The removal of refuse from the urban area has been adhered to with minimum standards of once per week collection for residential households and Commercial properties based on service level agreements.

It should also be noted that further clarity has been given by the National Domestic Waste Standards whereby onsite disposal is also considered a minimum service level. The strategy of the Municipality has been that of rigorous education of all communities; business sector; schools and all other key stakeholders on good waste management practices as contained in the National Environmental Management: Waste Act.

The Department is also involved in education and waste minimisation campaigns which are held to educate the communities on benefits of recycling and protecting the environment. Rigorous advocacy campaigns have been conducted throughout the different sectors of the Municipality. A two-bag project (waste diversion from landfill) was introduced as is being maintained to the households and the knowledge of recycling has increased based on the statistical information received monthly highlighting tonnage of waste recycled. There has been a noticeable decline in recycling as Ravine Lane operations were affected since the last contracted operator. The facility was vandalized and a new appointment of the operator was done.

The municipality is engaging Provincial Departments regarding funding so as to enable its project of extending services to previously unserved areas. There is continuous engagement regarding this project and the municipality is working towards its success. The municipality has applied for funding for specialized vehicles. The section is also in process of identifying privately operated recycling facilities with the hope of establishing the PPP approach on waste minimization through extension of recycling in areas that do not participate in the two-bag project.

Status of waste collection services

During **2020-21** waste collection covered mostly the primary urban nodes with limited coverage in rural wards being serviced. The municipality removes waste from Hiberdene freeway off ramp to Port Edward and Ezingoleni CBD. Waste services coverage was 34.6% of households receiving weekly waste collection. The majority (60.1%) utilised their own refuse dump and 5% of household waste were removed less frequently than once a week. The combined level of service comprises both awareness campaigns, supervision and provision of refuse bags with recyclable waste collected. Upliftment frequencies ranges from weekly to quarterly. Whereas, businesses were serviced at a minimum of 3 times a week. Waste awareness campaigns with clean-up initiatives both in urban and rural communities made a tremendous contribution in the waste management in general.

Street Cleaning and Servicing of Street Bins

These facilities were available from Umtentweni to Hiberdene freeway off ramp, main roads and CBD areas (Hiberdene, Umtentweni Spar, Commercial Rd, Rethman Dr, Port Shepstone, Shelly Beach, Shelly beach CBD, Margate, Murburg –Waterson street, Gamalakhe, St Michaels to Port Edward and Ezingolweni CBD). In-house staff is allocated to clean all these main roads. During weekend and public holidays an assistance from external service provider acquired. It must be noted that there is a need to conscientise public about bad habit of littering even when there are bins provided.

Garden Waste

The accumulated plant matter from gardening activities which involve cutting or removing vegetation, i.e. cutting the lawn, weed removal, hedge trimming or pruning consisting of lawn clippings, leaf matter, wood and soil are collected through different transfer stations. Those stations include newly established, Hiberdene, New Bolton, Ugu fresh Produce Market, South Broom and Leisure Bay. Operation times are seven days a week from 7:30-1600. The Ugu fresh produce has been affected and vandalized during the recent riots and is not operational at the moment. Hibberdene transfer station has not been officially opened. Moreover, the municipality provides verge maintenance services to the entire municipal areas including tribal authorities. It also maintains public facilities such as crèches, sports field, halls including those in rural areas. The garden waste is ultimately disposed of at Oatlands. The waste characterisation study found that there is an increase from 257 tons/month of garden waste to as much as 2 800 tons/month that arrives at the landfill site; and as such, the municipality has since encouraged users to alternatively drop off their waste at a local privately owned garden waste recycling facility through PPP approach established relations.

Waste disposal

All waste is disposed of at the Oatlands landfill site. This is a licensed Class B (G.M.B+) sanitary landfill. Landfill air space is estimated at a further 14 years. The site receives ~158.736t/day. The site is in need for expansion with the development of Cell 4C with further cells due for commencement. The remaining air space as of September, 2021 is 19 550.66 m³ and from January, 2021 the monthly incoming waste tonnages range at 5381 tonnes with peaks occurring in the first quarter of the year. This means the site will be completely full by end December 2021.

Waste Recycling

Higher order waste management principles include avoidance, minimisation, re-use and recycling. The recycling efforts in the municipal area are established and the goals for this area are to bring about effective waste avoidance and minimisation through awareness campaigns. The ambition is to expand the recycling programme to additional areas which requires additional waste characterisation and establishment of partners in more rural areas. Recycling programmes have been developed using a separation at source program and voluntary drop-off centres which are placed at strategic points (garden transfer stations and uplifted twice a week) for communities to have easy access to them. The process begins with a two-bag system for kerbside collection. Recyclables are placed in clear bags and collected separately from black non-recyclable bags. Clear bags are sent to Ravine Lane Recycling/Buy-Back Centre where further separation / baling, sorting, and weighing is carried out by a private enterprise. Additionally, six drop off centres are available for the public to engage in waste management/ minimization. No volumes were available for each drop off centre however, these volumes are all incorporated into the data reported by the recycling centre (Ravine Lane) and other private recycling companies who have partnered with the municipality. Separated recyclables are collected by the municipality and sent to Ravine Lane Recycling/Buy-Back centre. Volumes of waste recycled are outlined in the table below.

It is estimated that the municipality is diverting ~25% of waste handled by the Cleansing Department through the implementation of waste minimization programs and projects and this includes waste recycled by private facilities. Based on figures from the waste characterisation study there is ~75% of the recyclable fraction still being disposed of. Furthermore, the study indicates that greens and builder's rubble can be diverted from the waste stream realising further diversion from landfill – a cumulative 7% of total landfill. Discounting the builder's rubble and assuming a 30% recovery of recyclable fraction and 50% recovery of organic fraction from the waste going to landfill, a further 3.2% can be diverted on an annual basis. There has been a noticeable decrease in recycling due to incapacity as Ravine Lane has not been fully operational due to vandalism of the facility resulting to no bailing of waste as machinery was stolen. The contracted service provider is currently sourcing machinery to start operations as this was not part of the specifications of the tender and Ravine Lane facility is currently awaiting maintenance.

Recoverable recyclable volumes are known in the mainstream areas but not in those un-serviced areas. The recovery rate is not known and thus a goal of this is to firm up on the recyclable fraction. Recycling programme was as well extended to Schools through School Environmental Waste Education Programme (SEWEP) which is an ongoing advocacy programme with Schools, recyclable waste material by the Municipality. Over 65% of schools were participating in the program. There are 3 community based groups benefiting from waste minimisation through collection and selling of recyclable material. Those groups are assisted by the Municipality, those groups are from KwaNzimakwe, Izingolweni and Murchison. This is a realisation and achievement of one of the goals in the National Waste Management Strategy 2011 which is the development of SMMEs through waste minimisation.

Landfill diversion achieved by role players in the Ray Nkonyeni Municipality

Aspect	Mass tons	Ref	Source
Tonnage over weigh bridge	45220 (from July 2020-June 2021)	A	Weighbridge data
Tonnage reclaimed	2,505.89 tons (June, 2020-July,2021)	B	Oatlands Landfill site (including scrap metal), Ravine Lane Recycling Facility, Trend recyclers, PI recyclers and Coastal Waste Services.
Total waste	45220	a	
Total recycled	2 505.89	b	
% diverted	5.5 %	e/d %	

**No waste treatment is undertaken in the municipality except for informal composting.*

Waste Information System

The Ray Nkonyeni Municipality does report onto the Waste Information System (WIS). Adjusting the volumes indicated are reflective of the Oatlands weighbridge data and recyclable waste from Ravine Lane, and privately operated recycling facilities which include Trend recyclers, PI recyclers and Coastal Waste Services. The waste types are listed only as general municipal waste that includes business waste and also recyclables tonnages.

Education and awareness

The municipality adopts a system wide perspective on waste education and awareness, recognizing that education and awareness take place in a range of formal, non-formal, informal social learning and technology enhanced learning environments. It also recognizes that many new forms of knowledge and learning can be made available through technology enhanced learning and outreach community awareness, and the concept of integrated waste management practices. The goal is to expand this to see effective involvement and buy in from the community resulting in reduced littering and more efficient waste collection and to establish a culture of compliance with regards to waste management. Currently there are public awareness campaigns promoting good waste management practices through- Media, Private sector (business), Community Based Organisations, Faith Based Organisations, Non-Governmental Organisations, schools and others. Internal training; 2. IWMP Road Shows; 3. Waste Management Awareness Campaigns; 4. Clean up programmes (litter and beach clean-ups); 5. School Environmental Waste Education Programme and Competitions; 6. Greenest Municipality Competition; 7. Adopt-a-spot programmes (currently with Informal Traders to expand to Businesses located in CBDs); 8; Two-Bag Recycling Project; and 9. Drop-off facilities. Due to Covid 19 restrictions; it has proven challenging to be physically in contact with people, hence shift to digital awareness and information circulation has been opted on. Partnership with radio stations have been established. The Municipality took the 2nd place on the Greenest Municipality Competition for the 2020/21 financial year.

The Municipality conducted profiling exercise whereby all illegal dumping hotspots were profiled. In terms of locality and waste management indicators/attributes. Education and awareness after investigations will be strongly implemented across all profiled illegal dumping spots.

Compliance and enforcement

The municipal by-laws on waste management were reviewed, adopted and gazetted to enable law enforcement agencies and Waste Management Officer (WMO) to enforce by-laws. The immediate initiatives are to integrate the enforcement of all bi-laws including nuisance bylaws so that they can be enforced by Public Safety Department. In the meantime, there is a system where residents report waste transgressions and processes of investigating that particular case is followed and finally provide feedback to community.

3.3 Cemeteries and Crematoriums

The Department have a mandate to provide additional burial space which was achieved through expansion of Oslo Beach Cemetery. It should further be noted that Izotsha memorial park which is leased out carried the bulk of the burials within the Municipality. An unaccounted percentage is covered under home burials for all the rural areas. There only two cemeteries (Izotsha memorial and Oslo Beach Cemeteries) that are fully functional and with limited burial spaces which may be depleted in a short-term period. Port Shepstone is full and closed, Albersville, Margate, Nositha and Uvongo are full and only conducting reburials. There are two crematoria which are both leased to private contractors and both of them are currently not operational. The Izotsha memorial crematoria is expected to commence operation before the end of the year, 2021 once operating licence has been issued and Oslo Beach crematoria is nearly completion with renovations and it shall resume operation either before the of this year or earlier in the year 2022.

Finance

Financial Performance 2020-21: Waste Management & Cleansing Services				
				R'000
Details	2020-21			
	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	50000	58647	53300	6%
Expenditure:				
Employees	15452	16500	14300	-8%
Repairs and Maintenance	5000	4225	4400	-14%
Other				
Total Operational Expenditure	20452	20725	18700	-9%
Net Operational Expenditure	-29548	-37922	-34600	15%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>				T 3.4.7

Employees: Waste Management & Cleansing services (inc. EPWP and Office of HOD Community)					
TASK GRADE	2019-2020	2020-2021			
	Employees No.	Posts No.	Employees No.	Vacancies (Fulltime equivalents) No.	Vacancies (as a % of total posts) %
TG. 14 – 16	3	3	3	0	0%
TG. 9 – 13	3	7	7	0	0%
TG. 4 – 8	91	165	113	52	32%
TG. 3	207	311	239	72	23%
Total	304	486	362	124	26%

Capital Expenditure 2020-21: Waste Management & Cleansing Services					
R' 000					
Capital Projects	2020-21				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	3444	4000	4322	20%	
Project A	5000	4330	4000	-25%	
Project B	400	320	200	-100%	
Project C	280	165	130	-115%	
Project D	100	89	50	-100%	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					
T 3.4.9					

Financial Performance 2019-20: Cost to Municipality of Free Basic Services Delivered				
Services Delivered	2019-20			
	Budget	Adjustment Budget	Actual	Variance to Budget
Waste Management (Solid Waste)				#DIV/0!
Free Basic Electricity and Free Basic Alternative Energy	6000	5433	4550	-32%
Indigent Burial Support	0	0	0	
Indigent Rates Support	0	0	0	
Total	6000	5433	4550	-32%
T 3.6.4				

Employees: Cemeteries & Crematoriums (inc. Education & Waste Minimisation)					
TASK GRADE	2019 - 20	2020-21			
	Employees No.	Posts No.	Employees No.	Vacancies (Fulltime equivalents) No.	Vacancies (as a % of total posts) %
TG. 14 - 16	1	1	0	1	100%
TG. 9 - 13	3	3	3	0	0%
TG. 4 - 8	6	8	6	2	25%
TG. 3	42	23	14	9	39%
Total	52	35	23	12	34%

3.4 Cemeteries and Crematoriums

The Department have a mandate to provide additional burial space which was achieved through expansion of Albersville ;Oslo Beach and KwaNositha cemeteries. It should further be noted that Izotsha memorial park which is leased out carried the bulk of the burials within the Municipality. An unaccounted percentage is covered under home burials for all the rural areas. There are five operating cemeteries although the municipality is only conducting reburials and only one is closed which gives a total of seven(7) cemeteries (Port Shepstone,Oslo Beach,albersville, Uvongo, Masinenge, Nositha, and Izotsha). In **2020-21** there were 11 recorded reburials.

Financial Performance 2020-21: Cemeteries and Crematoriums					R'000
Details	2020-21				
	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	50	44	40	-25%	
Expenditure:					
Employees	500	450	400	-25%	
Repairs and Maintenance	544	400	430	-27%	
Other	300	254	205	-46%	
Total Operational Expenditure					
Net Operational Expenditure					
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					

T 3.13.5

Capital Expenditure 2020-21: Cemeteries and Crematoriums						R' 000
Capital Projects	2020-21					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Total All	2213	1835	1425	-55%		
Project A	200	155	140	-43%	280	
Project B	1005	1000	865	-16%	150	
Project C	608	350	200	-204%	320	
Project D	400	330	250	-60%	90	

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.

T 3.13.6

3.5 Human Settlements

Human Settlement could be defined as _: the totality of the human community - whether city, town or village - with all the social, material, organizational, spiritual and cultural elements that sustain it. The fabric of human settlements consists of physical elements and services to which these elements provide the material support.

Over the years, this concept has developed further into a strategic framework for overall socio-economic development. The physical components of human settlements comprise of shelter (a house); basic services such as water and sanitation, electricity and refuse removal; security of land tenure rights; access to social facilities and services; economic development opportunities and improved amenity. Human settlements are the spatial dimension as well as the physical expression of economic and social activity. The creation of sustainable human settlements is inevitably an objective for social development. It defines and conditions the relationship between where people live, play and work on the one hand, and how this occurs within the confines of the natural environment. It is one of the most visible and quantifiable indicators of the society's ability to meet one of its basic needs – shelter, and a pre-requisite for sustainable human development and economic growth. Future human settlement projects within the Municipality is aimed to achieve all of these development goals within the broader national housing delivery policy, and planning and service delivery program.

The Municipal Vision (2036) has reflected three strategic objectives in the implementation of sustainable human settlements which are as follows:

- Strategic Objective 1:
 - New Housing Funding Model
 - Funding for Gap housing, social housing;
 - Transformation of informal settlements,
 - Density and green human settlement patterns.
- Strategic Objective 2: Mixed Housing Typologies
- Strategic Objective 3: Regional Bulk Infrastructure

Ray Nkonyeni Municipality has both a duty and an obligation to undertake a developmentally oriented spatial plan which subscribes to the principles of spatial justice, sustainability, efficiency, resilience and

good land use management and administration. In recognizing its duties and functions as stipulated in Section 9 of the Housing Act, Chapter 5 of the Municipal Systems Act (Act 32 of 2000) and Sections 5(1) and 21 of the Spatial Planning and Land Use Management Act, the Ray Nkonyeni Municipality has adopted a Human Settlements Sector Plan which epitomizes its 2036 vision.

The Municipality has a Human Settlement Sector Plan which is a 13 year plan (2017-2030). The Human settlement Plan is reviewed / updated annually, which is aligned to the Provincial Human Settlement Spatial Master Plan. It reflects on the policy framework, the democratic profile, and the spatial and environmental context, institutional assessments, housing needs and supply, human settlement development strategy and implementation.

Priority Housing Development Areas

In its response to the Government Gazette, Ray Nkonyeni Municipality identified and approved areas which are aligned with its IDP, Human Settlements Sector Plan and its Spatial Development Framework as its Priority Housing Development Areas (PHDA).

The areas are as follows:

a) Greater Port Shepstone N2/R102 Corridor PHDA

This area is described in the North by the water course separating Southport and Sea Park (Ward 16) till National Road (N2), coming South along N2 (towards Louisiana) till Umtentweni river and move along inland (North East direction) on the centre of the Umtentweni river (Ward 15 Louisiana) excluding Cabhane in KwaMadlala Traditional Area but including privately owned properties and the Maristella Church properties on the south of Umtentweni river joining St Faith Road. St Faith Road towards Louisiana township coming across the Umzimkhulu river covering part of Wards 12, 18, 17, 23, 21, 22 and portions of 32, 20 and 3.



b) Cluster 4: Gamalakhe Nositha

This area which starts at P200/Ray Nkonyeni road intersection towards Gamalakhe township. In Ward 26 to include Thembalihle, Mpovuzha area towards Masimula area. In Ward 25 to include Masimula area. Wards 5, 27 and 28 areas included up till intersection of Oatlands and Nositha Road coming east towards P200. Oatlands Road and P200 intersection back to Ray Nkonyeni/P200 intersection.

c) Uvongo-Margate PHDA

This area is bounded on the East by the Provincial Road Marine Drive, Uvongo river on the North and using Masinenge west boundary as its North West and Western boundary and Westgate and Sea Slope Roads as its South West and South boundary. It includes Ward 19 and 3.



d) Shelly Beach PHDA

This area is bounded on the North by the Bhoiboyi river until it abut P200 on the North West, then moves South West through P200 until the intersection with Izotsha Road. Then it moves on Izotsha Road towards South Coast Mall as its Western and South West boundary until it intersect with Marine Drive. On the Eastern side, it then moves North on Marine Drive until Somers Road and moves East towards the Beach and joins the Bhoiboyi river mouth on the North. It is part of Ward 3.

Climate Change – Consequences for Human Settlements

The Municipal area is diverse not just in terms of population and biodiversity, but also in terms of its human settlements. Urban rural and costal human settlements face particular environmental and social challenges. The projected impacts of climate change on settlements are complex and diverse.

Some key impacts on human settlements

Climate Change Phenomenon	Consequences for Human Settlements
Heat waves and drought	Increase water demand, water quality problems, increase risk of heat related mortality especially for the elderly , chronic sick for young and poor, reduction in quality of life for people without appropriate housing
Intense precipitation events and severe storms	Adverse effects on quality of surface and ground water, contamination of water supply, Increase risk of death, injury, loss of property, and diseases. Displacement of families and migration to urban areas. Pressure on urban and rural infrastructure, disruption of water supplies including transportation.
Sea level rise and storm surges	Decrease in freshwater availability due to salt –water intrusion. Loss of property and livelihood, and challenges with risk cover to property.

Impact on Urban Settlements

Increased costs of water, liquid fuels and electricity as industry inputs. Increase cost of labour linked to food, energy, water and transport costs. Direct impacts of weather on construction, electricity generation and other industries, resulting in loss of productivity. Increased risk of lack of water delivery as a result of increased demand because of higher temperatures and drying conditions. Increased population size in urban and peri-urban areas, leading to increased pressure on service delivery and competition for resources, as a result of migration from rural areas affected by climate change. Increased disruptions to transport infrastructure (roads, rails, bridges, airports,) as a result of extreme weather events. Increased risk of extreme weather events to already vulnerable informal settlements, that are often unplanned, and without extensive service or infrastructure.

Impact on Rural Settlements

Reduced productivity of subsistence farmlands as a result of rising temperatures, unreliable rainfall, and water scarcity. Increased vulnerability to water shortages because of increased evaporation, changes in rainfall, damage to infrastructure from floods and storm surges, and reduction in groundwater recharge. Reduced availability of natural resources on which many rural communities depend, because of diminished biodiversity in already degraded ecosystems. Physical isolation of rural communities as a result poor rural roads and increased flooding and erosion. Reduced food security, particularly of subsistence farmers, and resultant increase in malnutrition. Increased migration from rural settlements to urban and peri-urban settlements.

Impact on Coastal Settlements

Increased loss of property and damage to infrastructure. Increased disruptions to basic services as increasing groundwater salinity accelerates leeching of toxins from landfills threatening drinking water, and rising seas and storm surges result in backwash” though sewage and wastewater systems causing damage and hazardous pollution. Increased groundwater salinity threatening smallholder and families who depend on vulnerable aquifers for irrigation of coastal farmlands. Reduced income from tourism as a result of reduced marine recreational opportunities and increased impact on tourism supporting infrastructure, such as beach access roads.

Impact on Human Migration and Conflict

Large flows of people both from rural areas to urban, and between urban (or peri-urban) areas. Climate-related food insecurity, service incapacity, extreme weather events and water security could lead to increased migration. Migration is likely to be experienced from both other Municipal areas and Provinces. Climate change will accentuate the existing trend towards urbanization due to the negative impacts of climate change on rural livelihoods. Therefore spatial planning, design and funding for Human Settlement Programmes & Projects should be guided by environmental constraints created by climate change.

Estimated Housing Need and Housing Allocation Policy

CATEGORY (According to STATS SA -2011)	ESTIMATED HOUSING NEED
Household residing in traditional dwellings	7086
Household residing in back yard shack dwellers within informal settlements	1285
Household residing in Informal settlements	2691
Household residing in crowded conditions in formal housing	1567
Subtotal (low-income housing opportunities)	12629
Household in terms of social housing / flips (municipal workers/ Govt / banks/ industry)	16904
Estimated total Household	29 533

The Municipality has an approved Housing Allocation Policy. Its objective is to facilitate a fair, equitable, transparent and inclusive selection of applicants leading to approval for all housing development projects aimed at creating sustainable human settlements. This is achieved through determining housing needs with accurate data for planning /budgetary purposes and meeting such needs (*housing needs register*), prioritize beneficiaries with special needs (*quota allocation*), *housing for Military Veterans* and a uniform and consistent approach when allocation housing opportunities that promotes good governance (*housing allocation committee*).

However the actual need for housing opportunities within the Municipal area falling within the income bands R0 - R15 000 can only be determined accurately once the National Housing Need Register becomes fully operational within the Municipality and applicants registering their actual need. RNM Municipality is one of the Municipalities together with other Municipalities being piloted to roll out the

Housing Needs Register. The implementation of this programme is subject to capacity support being provided by the Provincial Department of Human Settlements.

Municipal Housing Accreditation

The Municipality is accredited in terms of level 1 housing function (subsidy budget planning and allocation) with a three-year Implementation Protocol Agreement which was concluded in October 2020. The aim of the Municipality is to have a project pipeline (five-year plan) to roll out housing projects to meet its housing need and ensure the creation of integrated, sustainable human settlement development. In terms of the Implementation Protocol agreement (level 1) concluded between the Provincial Department of Human Settlements and Ray Nkonyeni Municipality, the Municipality is implementing the following housing programmes:

- Rural housing programme,
- Greenfield / Informal settlement upgrading programme
- Finance linked individual subsidy programme,
- Housing rectification programme.
- Social Housing Programme

The Municipality is also required to get involved on the following housing programmes:

- Assistance of Military Veterans
- Emergency Assistance (Sukumasakhe / Disaster related housing)
- Community Residential Units
- Catalytic Projects
- Prevention of Land Invasions & emergence of new informal settlements

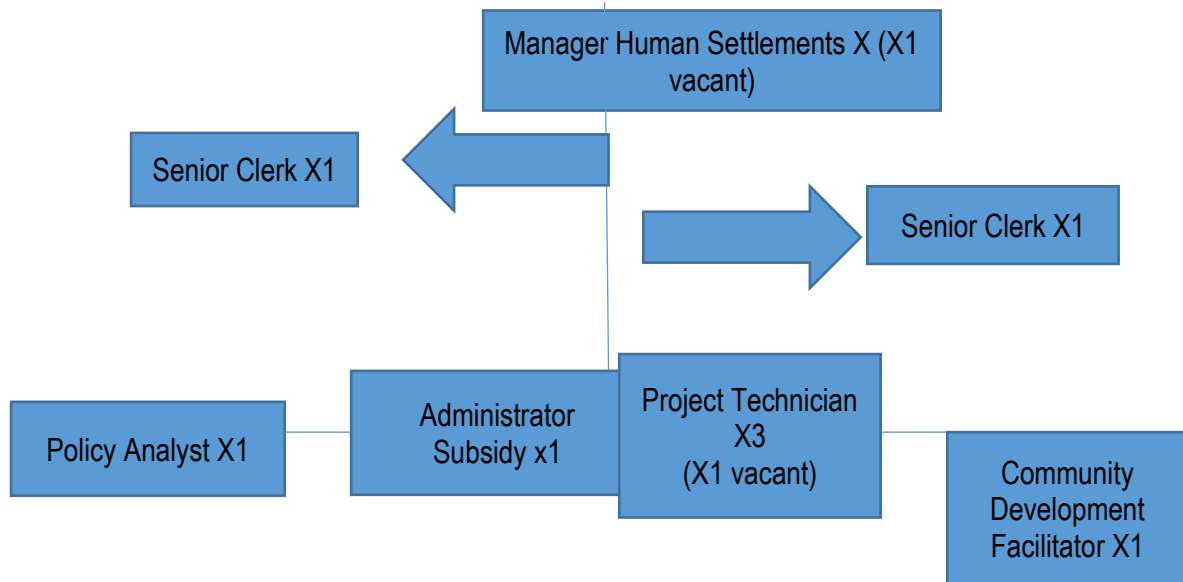
The roll out of housing programmes/ project is largely, dependent on the provision of Human Settlement Grant funding from the Provincial Department of Human Settlement, performance of Implementing Agents, Contractors, developable land & bulk Infrastructure availability. Whilst developable raw land becomes available within the Urban Environment for Social Housing, Integrated Residential Development, and Finance Linked Institutional Housing Programme to enable integrated sustainable human settlement development, however one of the key challenges faced by the Ugu District Municipality is bulk water and sanitation constraints, sewerage treatment plants requiring upgrading with major funding.

Arising from recent policy directives from the Provincial Department due to fiscal challenges all housing projects approved for implementation will be phased at 500 units at a time (per project). The Implementation of this policy directive will result in increased number of projects and thus benefiting more contractors i.e. set targets from both National and Provincial Spheres with regard to Youth, Women and Military Veterans, emerging entrepreneurs would be relatively achieved. Its terms of monitoring and evaluation of human settlement projects the following meetings takes place:

- Monthly service delivery meetings with Implementing Agents/ PDoHS. /NDoHS officials.
- Quarterly Housing Accreditation meetings with Provincial and National Human Settlement Officials.
- Participate quarterly Social Housing Programme meetings with Provincial and National Human Settlement Officials.

Human Settlement Organogram

The Human Settlement Unit falls under the Technical Services Department. The Unit is headed by a manager and has a staff of seven (7) with one vacancy. The unit basically ensures that all human settlement projects within the municipality are undertaken to meet the legislation requirement which stipulates that all people have a right to shelter. Below is the adopted organogram of the Unit.



HOUSING PROVISION

Current - Rural Housing Programme



Current - Informal Settlement Upgrading Programme conversion from Informal dwellings to formal housing.



Low Income Housing Provision (High Density Option)



Number of projects in terms of the different housing programmes

PROGRAMMES	TOTAL NUMBER OF PROJECTS	STAGES
Rural Housing Programme	14 projects	6 at planning stage 8 at implementation stage
Informal Settlement Upgrading	2 projects	1 at planning stage 1 at implementation
Greenfield Housing Programme	2 projects	1 at planning stage 1 at implementation
Social Housing Programme	2 projects	2 at planning stage
Financed linked individual Subsidy Programme (FLIPS/Gap market)	2 projects	2 at concept/ feasibility stage
Rectification Programme	1 project	1 at implementation stage
Title Deed Restoraton Programme	5 project	Implementation stage
Integrated Residential Development Programme /other	3 land parcel	Identified land parcels for further development
Institutional Subsidy Programme (Old age home upgrading)	1 project	Under planning / Implimentation stage

Housing Opportunities within the Municipality

PROGRAMMES	SITES SERVICED	UNITS ALREADY CONSTRUCTED	UNITS UNDER CONSTRUCTION	UNITS UNDER PLANNING
Rural Housing Programme	Nil	10705	905	6000
Informal Settlement Upgrading	626	696	753	1098
Greenfield Housing	2661	1436	91	1138
Rectification Programme	Nil	242	27	0
Social Housing Programme	Nil	0	Nil	3307
Financed linked individual Subsidy Programme (FLIPS/Gap market), IRDP	Nil	0	Nil	612
Institutional Subsidy Programme	Nil	0	0	120 beds (Construction of old age home)
Total	3287	13 079	1776	12275

HUMAN SETTLEMENTS PROGRAMMES AND PROJECTS

COMPLETED PROJECTS								
PROGRAMME	PROJECT	WARD	CLUSTER	PROJECT SIZE				STATUS
					SITES SERVICED	TOP STRUCTURES BUILT	TITLE DEED ACHIEVED	
Rural Housing Programme	Vukuzithathe Phase 1 (Nkulu & Mbeni)	33& 36	1	1116	0	1116	n/a	Completed with 1116 top structures built
Rural Housing Programme	Vukuzithathe Phase 2 (Dlovinga)	3,33 & 36	1	1000	0	1000	n/a	Completed with 1000 top structures built
Rural Housing Programme	KwaNyuswa Phase 1- (Mahlabathini & Thonjeni)	34	1	1000	0	1000	n/a	Completed with 1000 top structures built
Rural Housing Programme	KwanNzimakwe (Phase 1)	1.10 and 11	2 & 3	500	0	499	n/a	Completed with 499 top structures built
Rural Housing Programme	Oshabeni (Phase (1)	4 and 12	2	502	0	502	n/a	502 top structures completed.
Rural Housing Programme	Mthimude Phase 1	36	1	1000	0	1000	n/a	989 top structures completed, 11 sites could not be built on due to various development challenges. The project is taken as complete
Rural Housing Programme	KwaXolo Ward 5; 7, 29 & 32	7;8; 29 & 32	6	1100	0	1087	n/a	1087 top structures completed, 13 could not be built due to various issues such as missing beneficiaries; double subsidy and relocated beneficiary
Informal Settlement Upgrade (urban)	Louisiana	15	1	697	0	564	564	697 - sites serviced 564- top structures built. To initiate title deed process. Waiting finalisation of all land parcel transfer to the Municipality to enable land consolidation, and opening of township register. Also to undertake TIA within the 2021/2022 financial year (budget allocated R80 000.00)

Greenfield Housing Programme (Urban)	Bhobhoyi Phase 1	20	3	711	0	699	699	<u>711- sites serviced</u> <u>699- top structures built.</u> To initiate title deed process for 711sites. Addressing funding shortfall with PDoHS. Business plan to PDoHS submitted in Nov 2020.
Greenfield Housing Programme	KwaNzimakwe (PHP) KwaLatshoda	1	7	1 813	0	1813	600	<u>1813 sites serviced.</u> <u>600- top structures built.</u> Remaining units cannot be built due to bulk sanitation challenges /road expansion (R61). To initiate title deed process (600 sites) PDoHS allocated R720 000 to this project to undertake planning and survey in the 2021/2021 financial year and the appointment of the Service Provider

PROJECTS IN CONSTRUCTION PHASE								
PROGRAMME	PROJECT	WARD	CLUSTER	PROJECT SIZE				STATUS
					SERVICE SITES	TOP STRUCTURE	TITLE DEED	
Informal settlement upgrading (urban)	Masinenge (urban)	3	4	882	882	882	882	<u>Provision of internal services ongoing. 129 top structures completed to date.</u> Previous contractor services terminated. PDoHS took over the project and appointed an Implementing Agent. Contractor is on site. Anticipated completion of the project between 2023-2024
Rural Housing Programme	KwaMadlala	14	2	1000	0	1000	N/A	889 top structures completed. Balance of 111 still to be built. The project is currently being resuscitated following the liquidation of the Implementing Agent in November 2019.
Rural Housing Programme	KwaNdwalane (deep rural)	24 and portions of wards 3, 20, 21, 22, and 23	4 and 5	1 000	0	1000	N/A	995 top structures completed. Balance of 05 top structures still to be completed. Project duration 2014-2021 Anticipated project completion is 2021.
Rural Housing Programme	KwaNdwalane (Phase 2)	Portions of wards 20, 21, 22, and 23	5	500	0	500	N/A	403 top structures completed. Balance of 97 is at various stages of construction. Anticipated project completion being financial year ending 2022.

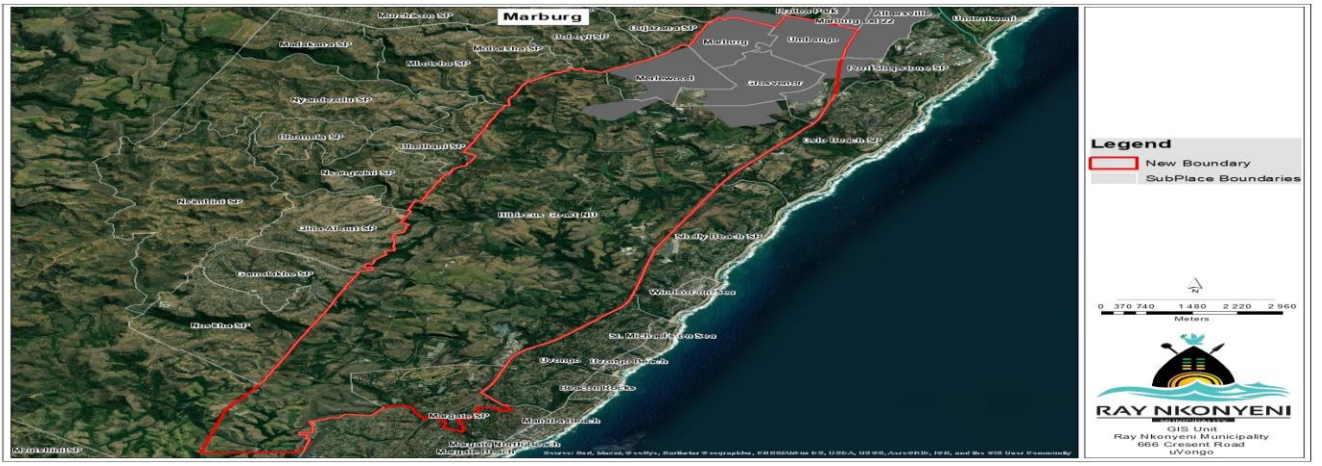
Informal settlement upgrading	Gamalakhe (insitu-upgrade)	Portions of wards 25, 26, 27, and 28	4	0	0	2000	N/A	Construction of the first phase of approved 500 units out of 2000 units is currently underway. 316 units have been built. Balance of 184 still to be undertaken. Anticipated project completion (phase 1) being financial year ending 2022
Rural Housing Programme	KwaMavundla	17, 20, 25, 26 & 27	6 & 4	1104	0	1104	N/A	1102- top structures built. Balance of 2 top structures still to be undertaken. Anticipated project completion is 2021.
Rural Housing Programme	KwaXolo (Phase 1)	7 and 9	2	1000	0	1000	N/A	977 top structures completed. 23 sites with challenges which is being addressed. Project duration March 2016-December 2021.
Rural Housing Programme	Oshabeni (Phase 2)	4 & 14	6 & 7	500	0	500	N/A	PDoHS has approved Tranche 2 (construction) for only 300 units. Project duration December 2020-January 2023). Construction has commenced on site.
Rectification - Pre- 1994	Gamalakhe Rectification	5, 26 and 28	4	273	0	273	0	258 top structures have been rectified to date. 15 units still to be refurbished. Project duration Sept 2016-October 2021.
Mixed income housing	Merlewood	17	6	228	228	228	228	137 top structures have been completed. 37 sites unbuildable. Bulk infrastructure challenges to some sites. Funding challenges (bulk water and internal services inclusive of retaining walls) being addressed between PDOHS, Ugu District Municipality and RNM. Anticipated completion being end of 2022/23 financial year.

PROJECTS IN THE PLANNING PHASE						
PROGRAMME	PROJECT NAME	WARD	CLUSTER	PROJECT SIZE	PHASED APPROACH	STATUS
Informal settlement upgrading (urban)	Mkholombe	20	6	1000	Phase 1 (500 units) Phase 2 (500 units)	In terms of the National- USDP programme detailed studies are being carried out Have challenges with bulk infrastructure and also to review the appointment of the Implementing Agent.
Rural Housing Programme	KwaNyuswa Phase 2 - WoSiyane /Nkulu	34	1	1000	Phase 1 (500 units) Phase 2 (500 units)	Project approved for Planning, detailed studies are currently underway.
Rural Housing Programme	KwaNyuswa Phase 2 - Bloese	31 & 35	1	1000	Phase 1 (500 units) Phase 2 (500 units)	Tranche 1 planning activities have been concluded and outstanding is the Development Rights agreement to be concluded with Ingonyama Trust Board.
Rural Housing Programme	Mthimude Phase 2- Hlomendlini /Bhosiki	35	1	1000	Phase 1 (500 units) Phase 2 (500 units)	Tranche 1 planning activities have been concluded and outstanding is the Development Rights agreement to be concluded with Ingonyama Trust Board.
Rural Housing Programme	Mthimude Phase 2- Shibe	35	1	1000	Phase 1 (500 units) Phase 2 (500 units)	Tranche 1 planning activities have been concluded and outstanding is the Development Rights agreement to be concluded with Ingonyama Trust Board.
Rural Housing Programme	Vukuzithathe Phase 3- Ngcawusheni / Bdlazi	30	1	1000	Phase 1 (500 units) Phase 2 (500 units)	Tranche 1 planning activities have been concluded and outstanding is the Development Rights agreement to be concluded with Ingonyama Trust Board.

Rural Housing Programme	Vukuzithathe Phase 3- Bandlana /Shobashobane	30,31 and 33	1	1000	Phase 1 (500 units) Phase 2 (500 units)	Tranche 1 planning activities have been concluded and outstanding is the Development Rights agreement to be concluded with Ingonyama Trust Board.
Informal Settlement Upgrading	Paddock (Transnet Ltd Owned)	31	1	60	60	In terms of the National- USDP programme detailed studies are being carried out
Greenfield housing programme	Merlewood middle income housing	17	2	187	187	Provision of mixed income housing opportunities with different housing typologies and densities. Still under planning.
Greenfield housing programme	Bhobhoyi Phase 2	20	6	1098	1098	Project implementation stalled. Awaiting bulk infrastructure provision by Ugu District Municipality.
Greenfield housing Programme	Lot 7 Albersville	12	7	40	40	Challenges with local community and land ownership. Project is on hold due to disputes over land ownership amongst the beneficiary community.
IRDP- Mixed Income Housing	Marburg settlement (5344)- Mr Frik Pieterse)	20	6	144	144	Provision of mixed income housing with 20 sites reserved for Military Veteran. Consultants busy will planning and project programme
FLIP/ Social Housing /individual subsidy programme	Disposal of Council owned Serviced Sites in various areas (Marburg/ White City)	12,17 and 18	6 & 7	753	753	Provision of mixed income housing opportunities with different housing typologies and densities. Municipal Council has appointed an Implementing to do detailed planning with project implementation. IA has submitted Activity Plan.
IRDP Mixed income Housing	Portion 15 (of 17) Portion 16 (of 7) and the remainder of 7 of the farm Success no 7108	22	5	281	281	Provision of mixed income housing opportunities with different housing typologies and densities. Land was acquired by the PDoHS for the Municipality. Land is in ownership of the Municipality. Still to undertake detailed planning with project implementation.
IRDP Mixed income Housing	Portion 8 (of 4), Portion 46 (of 7) of the farm Louisiana Sanderstead no 15566 – Mr Chetty)	22	5	Still to be determined	Still to be determined	Provision of mixed income housing opportunities with different housing typologies and densities. Land was acquired by the PDoHS for the Municipality. Land is in ownership of the Municipality. Still to undertake detailed planning with project implementation.
Social and Rental Housing	Marburg (erven 4939 & 4941). Uvongo (erf 1675)	12,17,18 & 19	2	2273	2293	Identified Area has been gazetted as restructuring zones. Provision of Social Housing (rental option). Pre-feasibility study was carried. With bulk water provision challenges. Treatment plant needs upgrading. Ugu District Municipality is addressing the challenges, also RNM is calling for development proposals from Service Providers.
Institutional Subsidy Programme	Gamalakhe-Zibambeleni Old Age Home (upgrade)	26	4	220	n/a	Planning/ Implementation engagements taking place between the Old Home Board, PDoHS and the Municipality

SOCIAL HOUSING APPROVED RESTRUCTURING ZONES : MARBURG, PROTEA PARK AND UVONGO

MARBURG



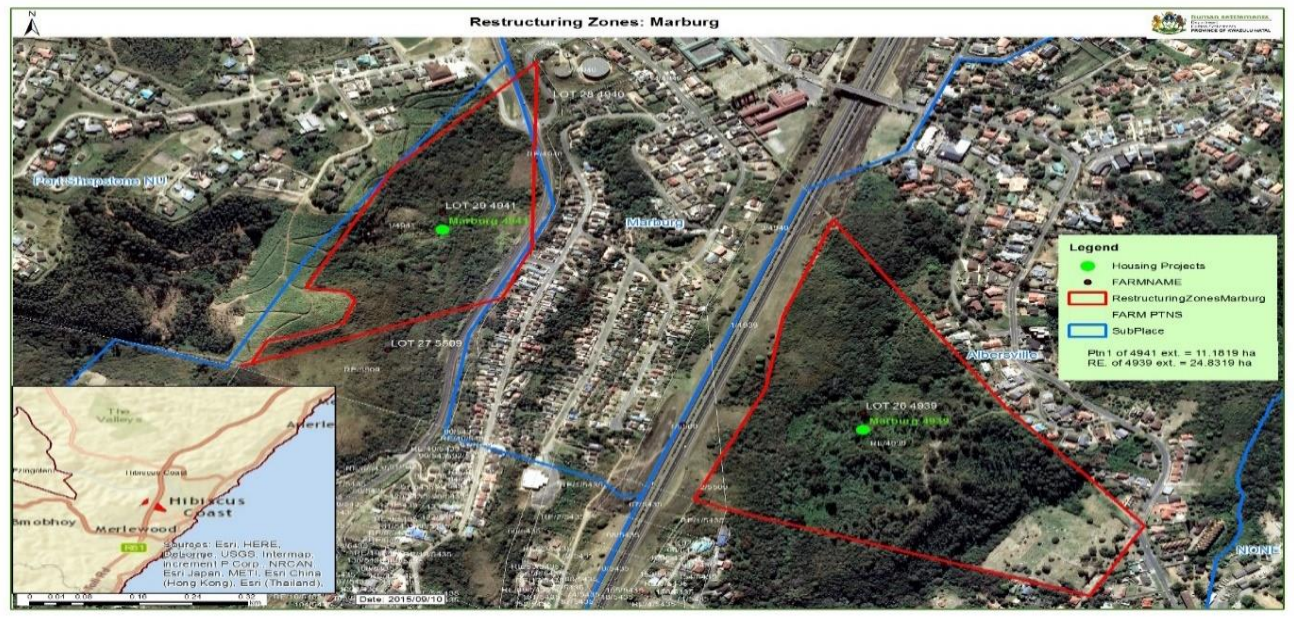
PROTEA PARK



UVONGO



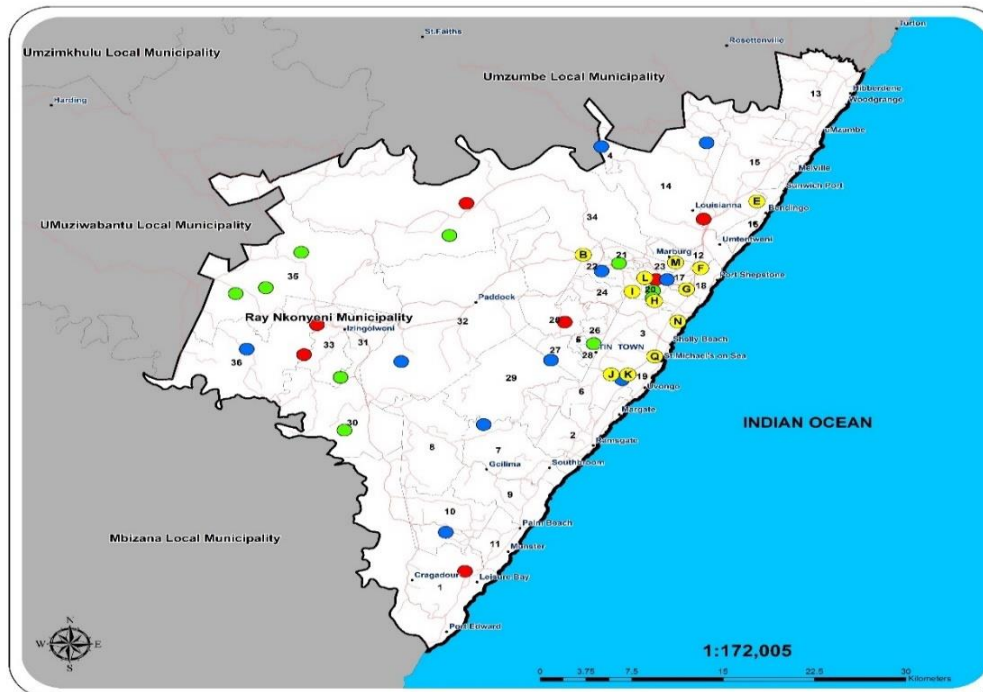
SOCIAL HOUSING SITES FOR RENTAL HOUSING DEVELOPMENT PROGRAMME



MARBURG / PROTEA PARK – VARIOUS MUNICIPAL OWNED LAND PARCELS FOR MIDDLE INCOME AND SOCIAL RENTAL HOUSING.



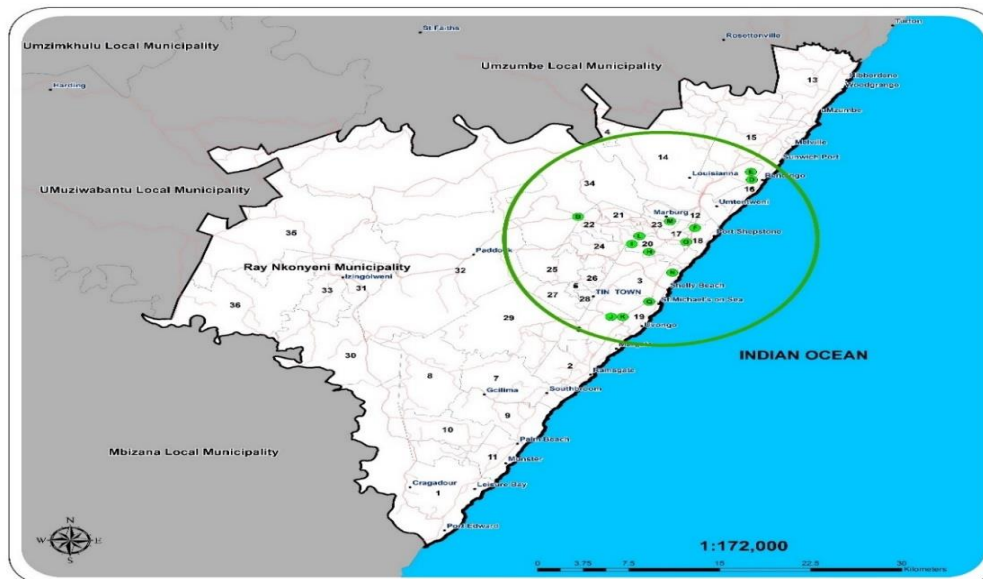
VARIOUS HOUSING PROGRAMMES- PROJECT LOCATION AND LAND PARCELS FOR URBAN DEVELOPMENT



HUMAN SETTLEMENT SECTOR PLAN:
CURRENT AND PLANNED
HOUSING PROJECTS



Prepared By:
Development Planning Services
Spatial Planning Unit
666, Crescent Avenue
uVongo, 4275



HUMAN SETTLEMENT SECTOR PLAN:
LAND PARCELS FOR FUTURE
HOUSING PROGRAMMES



Prepared By:
Development Planning Services
Spatial Planning Unit
666, Crescent Avenue
uVongo, 4275

KEY CHALLENGES

- Implementation on projects with regard to Informal Settlement Upgrading, Social Housing, and Mixed Income Housing is affected by the availability of bulk infrastructure services (water & sanitation). Ugu District Municipality acknowledges that it has a constitutional responsibility to provide bulk water and sanitation infrastructure to support RNM's Human Settlements Service Delivery targets. The District Municipality has commissioned a study and has drafted its Water Services Master Plan (2021-2050). The Municipality has indicated that the master plan places extreme financial challenges to meet its demand and supply and thus require external funding, partnerships with external organizations.

Employees: Human Settlements (Including office of HOD Technical Services)					
Job Level	2019-2020	2020-2021			
	Employees No.	Posts No.	Employees No.	Vacancies (Fulltime equivalents) No.	Vacancies (as a % of total posts) %
TG. 14 - 16	1	2	1	1	50%
TG. 9 - 13	5	5	5	0	0%
TG. 4 - 8	3	3	3	0	0%
TG. 3	0	0	0	0	
Total	9	10	9	1	10%

Financial Performance 2020-21: Human Settlements					R'000
Details	2020-21				
	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	110000	110000	105000	-5%	
Expenditure:					
Employees	2000	1566	998		
Repairs and Maintenance	0	0			
Other	10873	3000	23548	54%	
Total Operational Expenditure	12873	4566	265415	95%	
Net Operational Expenditure	-97127	-105434	160415	161%	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					
T 3.5.5					

Component B: Roads

3.6 Roads, and waste water (Storm-water drainage)

Introduction to Roads & Storm water

Roads and Storm water remains a critical area within the infrastructure component in ensuring accessibility and mobility of residents and general road users. Programmes are in place to deal with construction, rehabilitation and maintenance of the Municipal Road and Storm water infrastructure systems. Such programmes include the Road Rehabilitation and Storm water rehabilitation programmes thereby the council approves the annual budget that deals with such rehabilitation programmes, contracts that deal with these programmes are in place on annual basis.

In addition, there are the general operations aimed at providing routine maintenance of roads and storm water systems, these include pothole/repairs, storm drainage cleaning, road marking and signage, grading and gravelling of roads.

These programmes have had a significant impact in improving accessibility especially in rural areas during rainy seasons. Challenges are still prevalent around the maintenance of black top road due to ageing blacktop surfaces and furthermore, most of our roads have reached their design life. A significant funding model is envisaged that will be directed towards major upgrading of our road and storm water systems.

Tarred Road Infrastructure					
Kilometres					
	Total tarred Roads	New tarred roads constructed	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tarred roads maintained
2020-21	751	0	0	0	170

Cost of Construction/Maintenance						
R/kilometer						
Year	Gravel			Tar		
	New	Gravel-tar	Maintained	New	Re-worked	Maintained
2020-21	0	4,300.00	268,980	0	5,980,000	590,000

Storm-water Infrastructure				
Kilometres				
Year	Total storm-water measures	New storm-water measures	Storm-water measures upgraded	Storm-water measures maintained
2020-21	46041	0	1.8	498900

Cost of construction/Maintenance			
R/meter			
Year	Storm-water Measures		
	New	Upgraded	Maintained
2020-21	R105,780	R310.00	R1360

Employees: Road & Waste Water (Storm-Water Drainage) Services					
TASK GRADE	2019-2020	2020-2021			
	Employees No.	Posts No.	Employees No.	Vacancies (Fulltime equivalents) No.	Vacancies (as a % of total posts) %
TG. 14 - 16	1	1	1	0	0%
TG. 9 - 13	11	12	12	0	0%
TG. 4 - 8	40	42	41	1	2%
TG. 3	48	119	45	74	62%
Total	100	174	99	75	43%

Component C: Planning and Development

3.7 Planning

Introduction to Planning & Development

The Town Planning Section situated in the Department of Development Planning Services is tasked with facilitating the development of forward looking and progressive plans with the objective of planning for the future and providing guidance to the development community, both internal and external on the intentions of the Ray Nkonyeni Local Municipality in relation to land development.

The Town Planning section, in its role as part of a strategic team in the Department, plays the following key functions:

- Land Use Management and Development Control
- Spatial Planning
- Geographic Information Systems
- Enforcement, in relation to development planning transgressions

In the recent years, the section has been involved and assisted in the following projects:

- The formulation of spatial planning plans which include but not limited to the following:-
 - Spatial Development Framework for the Municipality
 - The Margate Urban Renewal
 - The Urban Development Framework for Hibberdene and Port Edward

- The Development Planning Framework for Shelly Beach, Uvongo and Margate
- Alamein Precinct Plan
- Port Shepstone Urban Renewal
- Container Policy
- Gamalakhe and Gcilima Local Area Plans
- Eziqoleni Precinct Plan

The Town Planning section is mandated to fulfil its role in ensuring the integration of land use development within the municipality is achieved. The section continues to play a significant role in the development of land use policies for sustainable development, which includes;

- The Review of the RNM Spatial Development Framework
- The Ray Nkonyeni Wall-to-Wall Scheme adopted 26 November 2019;
- Ray Nkonyeni Municipal Planning and Land Use Management Bylaw and the reviews; and
- Telecommunications Policy;

In addition, the section`s day to day work also includes but not limited to the following:-

- Office walk-in Public Consultations
- Pre-scrutiny of applications (to ensure that applications are complete and information submitted is in order before an application is submitted with an intention of improving turnaround time for development applications)
- Comments on lease of municipal Land
- Comments on lease applications to the Ingonyama Trust Board (PTO)
- Comments on applications for business licenses
- Comments on building plans received from the Building Control section
- Approving of development applications through the Spatial Planning Land Use Management Act, 2016 (Act No.16 of 2013) Joint-Municipal Planning Tribunal and Authorised Officer
- Meetings with attorneys where legal action has been instituted
- Issuing of Zoning Certificates

Detail	Applications for Land Use Development									
	Planning application received		Determination made in year of receipt		Determination made in following year		Applications withdrawn		Applications outstanding at year end	
	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21
Subdivisions	09	08	04	03	03	02	00	00	02	03
Consolidations	12	07	08	03	02	01	00	00	02	03
Rezoning	15	09	06	02	02	01	00	01	07	05
Applications relating to restrictions of land	08	04	05	02	02	01	00	00	01	01
Special Consents	22	32	12	08	06	04	01	02	03	18
Written Consents	23	20	16	14	04	03	00	00	03	03
Relaxations	37	35	20	18	13	11	01	02	03	04
Applications for development outside Scheme Area	00	01	00		00	00	00	00	00	00
Encroachments	00	00	00	00	00	00	00	00	00	00
Appeals	03	03	02	04	01	03	00	01	00	01

Employees: Development Planning (BuildingControl, office of HOD Development Planning, Town Planning)					
TASK GRADE	2019-2020	2020-2021			
	Employees No.	Posts No.	Employees No.	Vacancies (Fulltime equivalents) No.	Vacancies (as a % of total posts) %
TG. 14 - 16	4	7	6	1	14%
TG. 9 - 13	11	20	14	6	30%
TG. 4 - 8	5	7	5	2	29%
TG. 3	2	3	2	1	33%
Total	22	37	27	10	27%

Financial Performance 2020-21: Town Planning & Building control					R'000
Details	2020-21				
	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	6500	5400	5120	-27%	
Expenditure:					
Employees	1323	1300	1290	-3%	
Repairs and Maintenance	0	0	0	0%	
Other	0	0	0	0%	
Total Operational Expenditure	1323	1300	1290	-3%	
Net Operational Expenditure	-5177	-4100	-3830	-35%	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					
T 3.10.5					

Capital Expenditure 2020-21: Town Planning and Building control						R' 000
Capital Projects	2020-21					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Total All	664	644	476	-39%		
Project A	220	185	185	-19%		
Project B	104	100	98	-6%		
Project C	90	59	89	-1%		
Project D	250	300	104	-140%		
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>						
T 3.10.6						

3.8 Local Economic Development and Tourism

INTRODUCTION

The Constitution of the Republic of South Africa bestows to Ray Nkonyeni Municipality the responsibility to promote social and economic development within its area of jurisdiction. It thus requires the municipality to structure and manage its administration, budgeting and planning processes in a manner that gives priority to the basic needs of the community and promotes the social and economic development of its area. The Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) mandates local government to promote social and economic development in areas of their jurisdiction. This mandate is outlined further in the White Paper on Local Government (March 1998) which introduces a notion of 'developmental local government and identifies local economic development as one of the critical outcomes and key performance areas for this sphere government.

To implement the afore-mentioned mandate, the Ray Nkonyeni Municipality established the Department of Development Planning Services, and within this broader department, there are six (6) operational units that focusses on implementation. Such units are made up of Local Economic Development, Building Control, Town Planning, Environmental Management & Signage Control, Technology Hub and the Margate Airport. However, local economic development as a programme rests within the Local Economic Development Unit, with the afore-mentioned sister units providing support and guidance on areas of their expertise. Local Economic Development is further broken down into four (4) sub-units or portfolios, namely Poverty Alleviation Initiatives, SMME & Cooperatives Development, Tourism & Events and finally Business Regulations, Intelligence & Research. Further, although not placed within the Local Economic Development Unit, there is also an EPWP programme, which is placed in the Office of the Head of Department – Community Services. The EPWP sub-unit oversees the implementation of both incentive-grant funded projects and projects funded internally, which contributes to job creation within the municipality. Over and above projects and programmes that are being implemented by such sub-units, the department is also tasked with facilitating key and catalytic projects.

Key programmes and projects implemented within the specified portfolios

Poverty Alleviation Initiatives

- Agricultural development and facilitation
- Rural-based emerging farmer support - assistance with tools & equipment, focussing mainly on emerging small-holder farmers
- Facilitation of One Home One Garden programme in line with KZN Poverty Master Plan;
- Facilitation of Community Garden Programme, targeting community gardens across the municipality;
- Small scale fishermen & women support in line with national policy for Small Scale Fishing;
- Facilitation of the Thusong Centre programme – in Ray Nkonyeni Municipality

SMME & Cooperatives Development Portfolio

- Facilitation of Training of SMME's – both business management and technical trainings
- Facilitation of SMME awareness sessions in partnerships with key stakeholders
- Facilitation of SMME exposure programmes such as the annual SMME & Cooperatives Mayoral Fair
- Facilitation of SMME registration with statutory bodies such as CIPC, SARS etc., and
- SMME & Cooperatives Entrepreneurship Support programme.

Some of the notable achievements within the SMME & Co-operatives development portfolio, which were achieved during the **2020-21** financial year include the following:

- Twenty (20) SMMEs & Cooperatives benefitted in the implementation of the entrepreneurship support programme;
- Twenty five (35) SMMEs & Cooperatives benefitted through participation in the 2020 Edition of the SMME & Co-operatives Mayoral Business Fair;
- Fifty (50) emerging contractors continue to benefit in the partnership between Ray Nkonyeni Municipality and Master Builders Association, which is due to end in February 2022;
- Seventeen (17) emerging motor mechanics were successfully formed into a co-operative, which will then be the beneficiaries of the Marburg Motor Mechanics Workshop;
- Facilitated opportunities for (17) beneficiaries in a Biznis-in-a box partnership programme, funded by Coca-Cola Beverage South Africa (CCBSA).

Tourism & Events

Tourism Development as a sub-programme within Local Economic Development mainly focusses on developing tourism, particularly in rural areas, and thus ensuring that tourism also benefits rural communities. Projects such as KwaNzimakwe Experience, Nyandezulu Experience, which includes Nyandezulu Waterfall and KwaXolo Caves are some of the projects that have been highlighted as catalysts for rural community-based tourism. Further, the department also facilitates the implementation of the KZN hospitality youth programme, which focusses on skilling young people, who in turn contribute to the development of tourism as a sector.

Furthermore, the municipality also continues to support various other events, which are mainly private-sector led, which contributes immensely to tourism. Some of the initiatives implemented within the Tourism & Events portfolio include the following:

- Crafter development programme – trainings & material support;
- Facilitation of Events Management Committee that approves events within RNM;
- Facilitation of filming activities through the recently approved RNM Film By-Law.

Business regulations, research & business intelligence

Business regulations, research & business intelligence as a sub-programme within Local Economic Development mainly focusses on the following:

- Informal Economy management and support, which focusses mainly on processing of permits for various informal trading activities. Linked to that, is also the facilitation of support for the sector, which includes, but not limited to, facilitation of trading and storage infrastructure and facilitation of information and general capacity building for informal traders. To achieve this, the department works closely with twelve (12) Informal Trading Area Committees as well as the Ray Nkonyeni Informal Traders Chamber, which is made up of all Chairpersons of various informal trading area committees.
- Formal business licensing programme in line with Businesses Act & its regulations as well as the Ray Nkonyeni Municipality Business Licensing Policy. To execute this delegated mandate, the department works very closely with other sister departments, who provide valuable comments in the value chain of processing business licensing applications.

Margate Airport:

The municipality has recognized its strategic importance and the municipality is committed to its development. The Airport has undergone some welcome improvements, not only focused on the facilities but also the services offered to the general public.

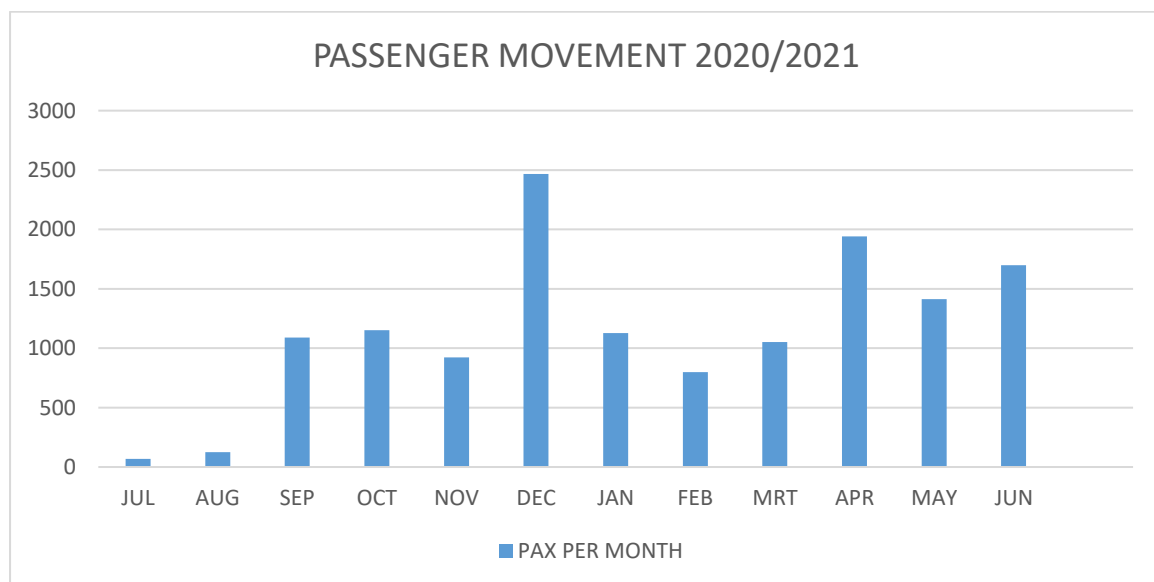
The Municipality has received grant funding from KZN Economic Development Tourism and Environmental Affairs to commence with Infrastructure Upgrades to Margate Airport. The first phase of the project is aimed to construct a new commercial office building where car rental companies will be accommodated. The ablution facilities in the Terminal Building will be upgraded and renovated together with the upgrade of the entrance and reception area to accommodate more passengers.



There is a significant potential for Margate Airport to run efficiently and grow as it serves a significant portion of the Northern and Eastern Cape and a high percentage of the users are businesspeople living in KZN with their families but working in Gauteng.

The sustainability of commercial flights provided by CemAir to and from Margate Airport is a major turning point for the tourism industry of the KZN South Coast. The area has so much to offer and Margate Airport is a key piece of infrastructure that is contributing to the region's ability to bring people to the area and stimulate economic growth.

We are very pleased that the airline, CemAir commenced with scheduled flights service between Margate Airport and OR Tambo International Airport during August 2020. During the declared national state of disaster and associated COVID-19 lockdown restrictions on inter provincial leisure travel, the airport received approval to commence with commercial flights. Initially the airline resumed scheduled flights three (3) times per week but included additional daily flights during the seasonal period to accommodate for the increase of passengers' numbers.



The aviation industry has been extremely hard hit with devastating impact of the COVID-19 pandemic. Margate Airport maintained compliance throughout the associated declared levels of the announced lockdown restrictions and related applications thereto. The impact on both aviation, travel and tourism, with only domestic business travel that was allowed impacted on the decrease of passenger movements during the declared state of emergency.

Margate Airport strives for constant improvement in the services offered , not only to the passengers but also to the general aviation public.

Component D: Community and Social Services

3.1 Arts & Culture (Libraries, Museums, Community facilities)

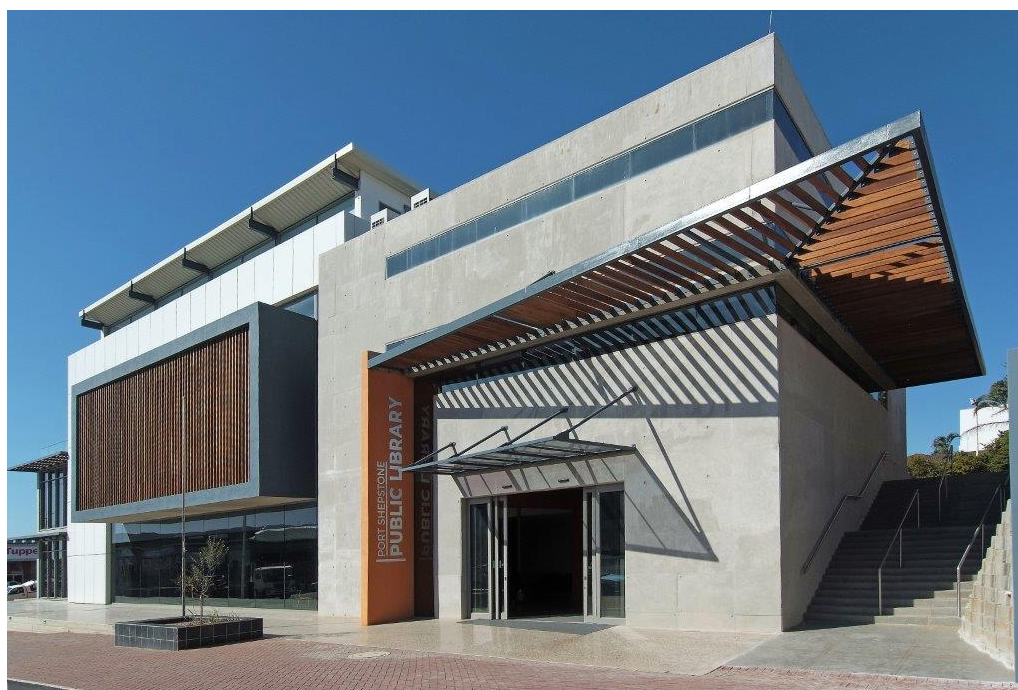
The Mandate of the Art & Culture is to collect, record, preserve, develop, protect, promote arts, culture and heritage and provide access to information. There are thirteen (13) libraries, five (5) mobile library units and two (2) museums. Mobile libraries established to extend library facilities where there are no functional libraries.

Libraries

Libraries circulated 185 266 issues for the period under review. The section has conducted twelve (12) outreach programmes to ensure accessibility of information to our communities. Five (5) Mobile libraries have been established to extend library facilities inland where there are no functional libraries.

Free public internet access has been provided at libraries:

Cybercadets have been appointed to train patrons on computer literacy skills at Gamalakhe, Margate, Hibberdene, Port Edward, Sazi Nelson, Port Shepstone and Ezingoleni. All our libraries have free Wi-fi internet public access. Conducted six (6) cybercadet workshop and visited 15 schools to promote the usage of internet facilities in libraries and empower our communities. Trained 181 candidates on computer literacy. Conducted (2) two book clubs workshops to promote reading and writing especially on marginalised languages.



Museums/galleries

Port Shepstone Cultural history / maritime museum conducted oral history to promote time travel on ocean economy and heritage awareness programmes . Document untold local history in partnership with Provincial museum services and twinning association. Hosted travelling exhibition on Mandela Luthuli exhibition in partnership with Nelson Mandela Museum .Hosted science week on climate change sixteen (16) schools participated.

The Margate Art gallery museum has created a platform for the local artist to showcase and exhibit their art works .Held three (3) visual art exhibitions. Created interest amongst our youth and other categories that visual art and performing arts can be taken as a serious career path. On-going Saturday art classes and residential art at Margate Museum to empower vulnerable children with artistic skills. Hosted indigenous festival to promote social cohesion.

Conducted behavioural change workshop for maidens to address social ills and moral regeneration. Mobilize maidens to participate in the annual Royal reed dance ceremony.

Community facilities (Amount of revenue generated from hall hiring)

There are currently 8 urban halls and 45 rural halls. Halls have been made accessible for Council purposes and for hiring by the public. In the year under review the amount of revenue generated from hall bookings was R274 361.00

Employees: Arts & Culture (Libraries, museums, galleries, community facilities)

TASK GRADE	2019-2020	2020-2021			
	Employees No.	Posts No.	Employees No.	Vacancies (Fulltime equivalents) No.	Vacancies (as a % of total posts) %
TG. 14 - 16	1	1	1	0	0%
TG. 9 - 13	26	35	28	7	20%
TG. 4 - 8	31	36	34	2	6%
TG. 3	17	27	16	11	41%
Total	75	99	79	20	20%

Capital Expenditure 2020-21: Libraries; Arts and Culture					
R' 000					
Capital Projects	2020-21				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	1060	710	757	-40%	
Project A	540	300	430	-26%	
Project B	300	210	150	-100%	
Project C	120	120	100	-20%	
Project D	100	80	77	-30%	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					
T 3.12.6					

3.2 Aquatic Safety (Beach Management)

INTRODUCTION

The Aquatic Safety section has the following areas of responsibility under its mandate; Provision of lifeguards on 20 bathing beaches, maintaining 5 registered/ licensed Boat Launch sites, 19 Tidal pools, 9 fresh water swimming pools and the management of the prestigious International Blue Flag campaign on five (5) full status Blue Flag beaches and two (2) pilot Blue Flag beaches within the Municipality. The top 3 rated service delivery priorities for the Aquatic safety section are as follows:

Employees: Aquatic Safety					
TASK GRADE	2019 - 20	2020-21			
	Employees No.	Posts No.	Employees No.	Vacancies (Fulltime equivalents) No.	Vacancies (as a % of total posts) %
TG. 14 - 16	1	1	1	0	0%
TG. 9 - 13	3	3	3	0	0%
TG. 4 - 8	13	13	11	2	15%
TG. 3				0	
Total	17	17	15	2	12%

1.) Water Safety

Approximately 11 years ago the former Hibiscus Coast Municipality now called the Ray Nkonyeni Municipality outsourced its Lifesaving functions to private companies who provide/ train and manage Lifeguards. The service was recently advertised as the three (3) contract with Tower 13 Lifeguard Services had come to an end. The new Tender specified that the RNM was going to set up a panel of Lifeguard Service providers to create more opportunities for emerging companies to compete. The Tender was split into three (3) sections. Main and Blue Flag beaches, Seasonal beaches and swimming pools. Three service providers were eventually appointed and they are Emthonjaneni PTY LTD, Mzantsi Facilitators and Magmar Consultants. There are 10 main beaches and 10 seasonal beaches which

stretch over an area of 72 kilometres from Hibberdene in the north to Port Edward in the south. The three (3) service providers employ the services of locally based youth and continually train and empower them to work either fulltime or seasonally on the various beaches.

In the Tenders awarded to the three (3) service providers a value added clause was written into their tenders which states that they have to plough back into the community during their 3 year contracts. This service to the community need not be monetary by nature but must be made up of educational programs aimed at the upliftment of the community. They are also required to visit rural schools on a monthly basis and offer water safety talks using Lifeguards in their employ to host these programs. The service providers allow Lifeguards in their employ to register for various extra mural courses which they may want to pursue in the future and financially assist them to partake in the courses. In this way they empower their own staff to improve their qualifications whilst being employed. The decision to further ones studies is left entirely up to the individuals to partake in.

The three (3) service providers employ 25 permanent Lifeguards on a 3 year basis which is the extent of the contract and during school holidays this number increases to approximately 90 additional temporary lifeguards to assist the permanent staff. The temporary Lifeguards are all local and are members of either of the 2 Lifesaving Clubs operating in the RNM. Most of the temporary staff are still scholars and this opportunity allows them to earn money during their vacation.

2.) Blue Flag Campaign

The Internationally renowned Blue Flag campaign was introduced into SA approximately 20 years ago by the Department Agriculture and Environmental Affairs. SA was the first country outside of Europe to be granted permission to partake and fly Blue Flags on specific beaches which comply with all the required international Blue Flag criteria of which there are approximately 32. The Ray Nkonyeni Municipality joined the campaign a year after it was introduced by DAEA and the following year had Margate Beach declared a Blue Flag beach. The RNM is the second longest local authority in SA participating in the campaign and is second only to Nelson Mandela Bay Metro Council.

After the establishment of the BF campaign in SA, DAEA relinquished control of it to an NGO known as the Wildlife and Environmental Society of South Africa WESSA. The RNM has had such a good working relationship with the BF coordinator from WESSA that some of the SA criteria adopted with regards to Lifeguard requirements was based on communications between WESSA and the RNM Aquatic Safety section.

During the **2020-21** Blue Flag season the RNM has a total of 5 Blue Flag beaches. A further point worth mentioning is that KZN is the only province within SA that has Blue Flag beaches for the entire 365 days of the year. Most other local authorities to the south only offer public BF beaches 2 to 4 months a year.

Blue Flag beaches offer public the peace of mind that they comply with 32 criteria points of which the 4 main ones are:

- * Sound environmental management
- * Environmental education initiatives
- * Safety and Security for users

* Excellent bathing water quality

It's safe to say that the RNM is the leader of blue Flag in KZN notwithstanding the fact that it has to contend with 2 metro councils to the north.

3.) Environmental Education Programs Blue Flag Requirements

One of the spinoffs of the Blue Flag campaign is the fact that each BF beach has to host at least 5 Environmental Education projects to local and rural schools. These programs are carefully crafted together with the Waste Minimization unit, Fire Department and Safety and Security sections that visit schools as a group and host various programs to empower children on a wide range of subjects. The Aquatic Safety section has a program that includes the importance of marine protected areas, pollution in natural streams and its effect on estuaries, the protection of all marine animals to ensure sustainability for future generations and lastly water safety. The three (3) service providers play a huge role in the programs as they assist by sending staff to host the water safety sections as well as environmental education programs. This is a very gratifying part of Aquatic Safety as empowering children on environmental issues is a huge sense of achievement as it is becoming ever more prevalent that the future of our world depends on how we choose our future.

Employees: Arts & Culture (Libraries, museums, galleries, community facilities)					
TASK GRADE	2019 - 20	2020-21			
	Employees No.	Posts No.	Employees No.	Vacancies (Fulltime equivalents) No.	Vacancies (as a % of total posts) %
TG. 14 - 16	1	1	1	0	0%
TG. 9 - 13	33	33	26	7	21%
TG. 4 - 8	37	36	31	5	14%
TG. 3	27	26	17	9	35%
Total	98	96	75	21	22%

Financial Performance 2020-21: Arts & Culture				
R'000				
Details	2020-21			
	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	7500	7450	7300	-3%
Expenditure:				
Employees	12000	11055	1200	-900%
Repairs and Maintenance	150	100	112	-34%
Other				
Total Operational Expenditure	12150	11155	1312	-826%
Net Operational Expenditure	4650	3705	-5988	178%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>				T 3.12.5

3.3 Special Programmes (Child care, Aged care and Social Programmes)

Introduction
<p>There is a need to ensure that our communities are cared for and that support is given to those who are vulnerable in our communities. This unit within the municipality seeks to ensure that senior citizens, people living with disabilities, vulnerable children, farmworkers, and those people affected by HIV/Aids receive the necessary support to be able to cope in their communities.</p> <p>Their programmes also focus on women and men empowerment which assists in providing life skills training that ensure that these men and women can sustain themselves through their own labour.</p> <p>There are also programmes targeting awareness around women and child abuse which ensures that communities are well informed and empowered regarding their rights and how to act in such instances of abuse.</p>

Projects:
<p>Child care:</p> <ul style="list-style-type: none"> • Back to school campaign, 15 schools benefited. • Dress a school child campaign; 195 school children benefited from the programme. 15 people per school • 15 schools benefited Sanitary dignity campaign programme
<p>Aged care:</p> <ul style="list-style-type: none"> • Provision of Walking device in a form of walking sticks to 36 wards, 15 per ward. • Provision of Nutritional supplement in a form of Future life(80 Beneficiaries)
<p>Disabled care:</p> <ul style="list-style-type: none"> • Disability Forum meeting held for 75 people
<p>HIV/Aids Programmes:</p> <ul style="list-style-type: none"> • Consultative workshop on HIV/AIDS for 30 People
<p>Gender Programmes :</p> <ul style="list-style-type: none"> • Women funding 8 Companies benefited from these programmes
<p>Farm Workers Programmes:</p> <ul style="list-style-type: none"> • Conducted a need analysis in farms (with the aim to obtain information of people need to do identity documents, birth certificates and social grants)

Financial Performance 2020-21: Special Programmes				
				R'000
Details	2020-21			
	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	330	280	220	-50%
Expenditure:				
Employees	500	400	430	-16%
Repairs and Maintenance	133	110	100	-33%
Other	329	208	220	-50%
Total Operational Expenditure	962	718	750	-28%
Net Operational Expenditure	632	438	530	-19%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>				
				T 3.14.5

Capital Projects					
					R' 000
Capital Projects	2020-21				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	1722	1311	1356	-27%	
Project A	1400	1091	1105	-27%	280
Project B	112	90	76	-47%	150
Project C	100	40	80	-25%	320
Project D	110	90	95	-16%	90
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					
					T 3.14.6

Component E: Environmental Management & Signage Control

3.4 Environmental Management (pollution control, biodiversity, landscape and coastal protection)

Introduction:

The Ray Nkonyeni Municipality contains several ecosystems, both aquatic (fresh water and marine) and terrestrial (grasslands, forests). Fresh water aquatic ecosystems include several rivers and associated with these rivers is a significant number of wetland habitats. The municipality has a priority to conserve these ecosystems, not leaving aside dune and seashore environments as well as several estuaries where the rivers enter the Indian Ocean.

Environmental Compliance and Monitoring

The Ray Nkonyeni Municipality has a responsibility of ensuring compliance with Environmental Legislation. Environmental audits are conducted continuously, and good partnerships formed with

other stakeholders such as Department of Economic Development, Tourism and Environmental Affairs (EDTEA); Department of Transport (DOT), Department of Water Affairs (DWA) and other relevant Departments.

Over the past year, there has also been constant monitoring at Margate beach, Nkongweni Lagoon as well as Ramsgate Beach, IBilanhlo Estuary. Monitoring has been done because of the ongoing issues which are being experienced at Margate and Ramsgate Beach (which are some of RNM's main socio- economic hubs). Audit reports and monthly reports submitted monthly contain detailed information.

The section also conducts site inspections based on the Town Planning applications and Building plans received for scrutiny.

Environmental education and awareness

The Municipality has always hosted annual arbour day initiatives which entails the planting of trees, giving away seedlings and awareness initiatives to schools and communities. This initiative could not be held as per the normal practice due to Covid 19 Regulations. The Municipality working with the Department of Forestry as well as EDTEA managed to give away trees to schools and drive greening initiatives within the RNM.

Sector Plans

The Municipality has a legal obligation to have certain plans in place in order to ensure compliance with some pieces of Legislation.

Nkongweni Estuarine Management Plan:

As previously stated, that the Ray Nkonyeni has faced challenges regarding the damage caused at Margate Beach due to water cutting through or along the bank of the beach affecting municipal infrastructure. This has necessitated the municipality to seek remedial measures must be in line with EIA regulations, 2010. The National Department of Environmental Affairs has since funded and undertook the Development of the Nkongweni Estuarine Management Plan. This plan is meant to be a long-term intervention measure which will address the historic issues at Margate Beach and Nkongweni Estuary. At this time of report, the Nkongweni Estuarine Management Plan is nearing completion.

Ray Nkonyeni Municipality Alien Invasive Control Plan:

The development of this plan is a requirement in terms of the National Environmental Management: Biodiversity Act (Act 10 of 2004) and its Regulations (Alien and Invasive Species Regulations, 2014). Section 76 of the Act requires that all Protected Area Management Authorities and all other "Organs of State in all spheres of government", including all municipalities, draw up an "Invasive Species Monitoring, Control and Eradication Plan for land under their control". These plans must cover all Listed Invasive Species in terms of Section 70(1) of the NEMBA.

The Alien Invasive Management Plan for the Municipality was adopted by Council and submitted to the National Department of Environmental Affairs in 2018 for consideration. The review process had stalled, due to internal challenges (which have since been resolved) within the National Department of Environmental Affairs. At the beginning of September 2021, the Department was finally able to

conduct inspections throughout the RNM as a means of verifying the information contained in the Control Plan and we are currently awaiting their feedback.

Signage Control matters

The section has identified the proliferation of illegal signs within the Municipality and has therefore embarked on the issuance of notices to offenders of illegal signs. Illegal posters and signs are removed daily in the different zones. Clean up campaigns have also been initiated in partnership with the Department of Community Services. The appointment of a service provider to monitor and enforce compliance has resulted in an improvement of proliferation.

Component F: Security and Safety

3.5 Protection Services

The section comprises of 2 sections, North and South with the following primary functions:

- By-Law enforcement;
- Traffic Management and
- Crime Prevention

There are 7 operating areas/zones:

North:

- Zone 1 (From Hibberdene to uMzimkhulu bridge and hinterlands)
- Zone 2 (From the uMzimkhulu bridge to Bhobhoyi bridge and hinterlands)
- Zone 3 (From the Bhobhoyi river to St. Michaels bridge and hinterlands)

South:

- Zone 4 (From St. Michaels bridge to eNkongweni Bridge and hinterlands)
- Zone 5 (From eNkongweni Bridge to Mpenjathi Bridge and hinterlands)
- Zone 6 (From Mpenjathi Bridge to Mthamvuna Bridge and hinterlands)
- Zone 7 (From Paddock to eNqabeni and surrounding areas)

Protection services data				
	Details	2019-20		2020-21
		Estimate No.	Actual No.	Estimate No.
1	Number of road traffic accidents during the year	356		356
2	Number of by-law infringements attended	350		350
3	Number of police officers in the field on an average day	85		85
4	Number of police officers on duty on an average day	90		90

Employees: Law Enforcement (including office of the HOD Public Safety)					
TASK GRADE	2019 - 20	2020-21			
	Employees No.	Posts No.	Employees No.	Vacancies (Fulltime equivalents) No.	Vacancies (as a % of total posts) %
TG. 14 - 16	2	2	2	0	0%
TG. 9 - 13	66	68	56	12	18%
TG. 4 - 8	99	99	73	26	26%
TG. 3	2	2	2	0	0%
Total	169	171	133	38	22%

Financial Performance 2020-21: Law Enforcement					R'000
Details	2020-21				
	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	21145	161132	16782	-26%	
Expenditure:					
Police Officers					
Other employees	2005	2110	2005	0%	
Repairs and Maintenance	1899	1800	1700	-12%	
Other				0%	
Total Operational Expenditure	3904	3910	3705	-5%	
Net Operational Expenditure	-17241	-157222	-13077	-32%	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					
T 3.20.5					

Capital Expenditure 2020-21: Law Enforcement						R' 000
Capital Projects	2020-21					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Total All	3230	1560	1191	-171%		
Project A	2541	1200	900	-182%	280	
Project B	300	100	60	-400%	150	
Project C	289	200	176	-64%	320	
Project D	100	60	55	-82%	90	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>						
T 3.20.6						

3.6 Fire & Disaster Management

Introduction

The section is responsible for ensuring that the Municipality is properly equipped to respond to instances of fire and disaster. The section monitors the Municipalities disaster management plan and ensures that it is reviewed constantly. The section has introduced a 24 hour shift system which has seen response times improve greatly as staff no longer responds from their homes to emergencies.

The section is also responsible for inspections regarding fire safety at business premises etc. these are conducted on a daily basis and also it is involved in on-going basic awareness programmes including programmes for informal dwelling fires.

Employees: Fire & Disaster Management					
TASK GRADE	2019- 20	2020-21			
	Employees No.	Posts No.	Employees No.	Vacancies (Fulltime equivalents) No.	Vacancies (as a % of total posts) %
TG. 14 - 16	1	1	1	0	0%
TG. 9 - 13	43	41	41	0	0%
TG. 4 - 8	27	27	16	11	41%
TG. 3	1	1	1	0	0%
Total	72	70	59	11	16%

Financial Performance 2020-21: Disaster Management					R'000
Details	2020-21				
	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue					
Expenditure:					
Fire fighters					
Other employees	1000	1250	1192	16%	
Repairs and Maintenance	2100	1221	1400	-50%	
Other					
Total Operational Expenditure	3100	2471	2592	-20%	
Net Operational Expenditure	3100	2471	2592	-20%	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					
<i>T 3.21.5</i>					

Capital Expenditure 2020-21: Disaster Management					
R' 000					
Capital Projects	2020-21				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	1615	1430	1461	-11%	
Project A	1400	1200	1239	-13%	
Project B	100	90	56	-79%	
Project C	65	90	88	26%	
Project D	50	50	78	36%	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					
T 3.21.6					

3.7 Motor Licensing and Testing Centre

Introduction:

The Licensing Section strives to afford quality services to all clients, the main tasks include; registration and licensing of motor vehicles, conducting driving license tests as well as issuing thereof, examining applicants for learners licenses and issuing thereof, The inspection of motor vehicles for roadworthiness and issuing of roadworthiness certifications.

MLB & DLTC data			
	Details	2019 - 2020	2020 - 2021
		Actual No.	
1	Total motor vehicles tested for road worthiness	**None	**None
2	Average turnout time for motor vehicle inspections	**None	**None
3	Total learner's licenses processed	4403	4419
4	Total driver's licenses processed	2565	3186
5	Total driver's licenses renewed	10599	13992
6	Total motor vehicle permits issued	2529	3009
7	Total motor vehicle licenses renewed	38460	74406
8	Average turnout time – learner's licenses	2 and half hours	3 hours
9	Average turnout time – driver's licenses	4-6 weeks	4-7

** Testing centre equipment was stolen and the municipality was still awaiting replacement from the Provincial Department.

Employees: Fire & Disaster Management

TASK GRADE	2019 - 20	2020-21			
	Employees No.	Posts No.	Employees No.	Vacancies (Fulltime equivalents) No.	Vacancies (as a % of total posts) %
TG. 14 - 16	1	1	1	0	0%
TG. 9 - 13	43	41	41	0	0%
TG. 4 – 8	27	27	16	11	41%
TG. 3	1	1	1	0	0%
Total	72	70	59	11	16%

Component G: Sport and Recreation

3.8 Sport and Recreation

The municipality through its Youth Development office has ensured that sports activities are part of the culture in our surrounding community. The municipality has ensured that it maintains its good relationship with the Ugu District Department of Sports and Recreation. The municipality itself also encourages communities to be involved in sports event as this leads to healthy lifestyle programmes within communities.

The municipality has supported the Department of Sports and Recreation in ensuring that sports development programmes are facilitated within local communities. The youth development unit has launched the sports federation in 2017 and it is still functional despite the challenges caused by the pandemic. Sports activities were stricken out of the municipalities' budget in 2019 due to cost containment measures. However, the youth unit in partnership with DSR has developed a good relation in ensuring sport activities are continued without funding from the municipality. Sporting activities were further restricted for the year 2020 due to Covid-19 restrictions but later resumed when restrictions were eased.

In ensuring that young people are kept active the municipality facilitates the hosting of an annual Karate tournament which aims to expose young participants to a more international standard in terms of the karate art. The municipality also support of local leagues. We have partnered with the Department of sports and recreation in hosting football and netball tournament for young people between the ages of 10-15. The event was held at Nyandezulu Bhuqu sports ground in June 2021 and Masidlale community games held at KwaMadlala ward 14 in July 2021.

The Special Programmes unit has ensured that we promote healthy lifestyle programmes amongst our elderly by hosting of the Golden games and also the hosting of the sports day for the disabled members of our community has encouraged inclusive and participatory activities for all members of the community.

Through the Employee Wellness unit, the municipality has managed for the past years to successfully host an employee sports day, this allows employees to participate in various activities such as netball, soccer, volleyball and other fun games. This tournament allows

employees to compete and win trophies for their departments and the atmosphere is always jovial.

Through our Public Works section, the municipality strives to ensure that all communities have access to sports facilities and other public facilities (i.e. Halls, and crèches), the section remains one of the fundamental areas in terms of betterment of the livelihood of our communities by achieving the mandate of rural development precisely.

It is highly critical in a sense of this nature that it plays a pivotal responsibility in eliminating the social ills in communities by construction of community halls, crèches, sport fields and general renovations of public facilities. These facilities are a catalyst amongst communities in realized social cohesion which in turn is a positive manner of bringing harmony and tolerance amongst diverse cultural individuals in their respective communities.

Through such positives there are negative elements realized for instance an unclear operations and maintenance programme from the Municipal Infrastructure Grant that require an urgent attention because public facilities especially in the rural areas are highly subjected to extreme vandalism.

Employees: MLB & DLTC					
TASK GRADE	2019 - 20	2020-21			
	Employees No.	Posts No.	Employees No.	Vacancies (Fulltime equivalents) No.	Vacancies (as a % of total posts) %
TG. 14 - 16	1	1	1	0	0%
TG. 9 - 13	7	7	5	2	29%
TG. 4 - 8	29	29	21	8	28%
TG. 3	4	4	2	2	50%
Total	41	41	29	12	29%

Component H: Corporate Policy Offices and Other Services

3.9 Executive and Council

Introduction

The Office of the Municipal Manager is assisted in its functions through the following units within the Municipality:

Internal Audit: The unit provides independent assurance regarding the financial performance of the municipality and its performance against set targets in the Service Delivery Budget Implementation Plan. The Internal Audit unit reports directly to the Accounting Officer and the Audit Committee. The Manager of the unit sits in all the major committees and remains independent of the Administration.

Risk Management: The municipality has heeded the call from the office of the Auditor General and is working towards ensuring that it tackles areas of concern that affect its reporting processes. One of the means identified was the establishment of the risk management office and this is a step that was well supported by Council and the administration. The Risk management officer sits in all the major committees and a Risk monitoring committee has been established to continuously monitor risk as there is a constant need to detect and respond to diverse risks affecting the operations of the municipality.

The Strategic Planning & Governance Department ensures that strategic guidance is provided regarding municipal functions, how municipality engages with the public, addressing the media and communicating with relevant stakeholders. Media briefings are now held monthly and this has ensured more open and frequent communication with local media houses to assist in providing accurate feedback.

The Department is responsible for some key functions that assist council carry out its duties, there are 2 Caucus secretaries who assist councillors administratively. Izimbizo (Public Meetings) are facilitated through the Speaker's office which reports to the Head of this Department, the Special Programmes unit which assists in ensuring support is given to vulnerable members of our community also reports under this Department.

The Integrated Development plan, and performance management functions are duties of this Department that requires immense public engagements to ensure that the Municipality is planning and reporting based on community needs. The Department therefore ensures the accountability of the Municipality to the community and continues to find ways of improving its services which will lead to better service delivery.

The Youth Development unit is responsible for facilitating projects that assist in youth participation within the municipality. The unit oversees the hosting of the annual youth summit which assists in public consultation of youth structures and NGOs. The unit has assisted in reviving the local youth councils, and this structure is responsible for ensuring that consultation on youth matters is conducted. Business seminars are hosted by the unit which help empower and motivate youth who are small business owners/entrepreneurs. The unit helped launch the "Queen of high schools" beauty pageant which has gained major traction in empowering high school girls through the life skills and mentoring programmes they get to be a part of. Unemployed youth are targeted through training sessions on life skills and leadership programmes. Career guidance EXPOs and counselling for high school pupils are conducted in

partnership with Department of Education, Eskom, SAICA and other tertiary institutions. The unit also facilitates the Mayoral registration fee programme which assists students who are financially disadvantaged to afford registration at tertiary institutions. The unit also plays a major role in sports development amongst the youth within the local wards and helped launch the sports federation within the municipal area.

The Customer Care and Stakeholder Relations plays a pivotal role in ensuring that the Municipality enhances its customer care focus, these are some of the tasks the section is responsible for:

- Switchboard operations;
- Collating telephone calls and instrument costs;
- Compiling of database on all complaints received from the community regarding service delivery;
- Distribution of complaints to the relevant departments; and
- Responding to complainants once feedback has been received from relevant departments.

The Municipality through this section launched its Customer Services Charter and has seen increased positive feedback from the community.

Employees: Public Works, Project Management & Facilities Management					
TASK GRADE	2019 - 20	2020-21			
	Employees No.	Posts No.	Employees No.	Vacancies (Fulltime equivalents) No.	Vacancies (as a % of total posts) %
TG. 14 - 16	2	2	2	0	0%
TG. 9 - 13	13	9	9	0	0%
TG. 4 - 8	16	12	9	3	25%
TG. 3	13	9	3	6	67%
Total	44	32	23	9	28%

Financial Performance 2020-21: The Executive and Council					R'000
Details	2020-21				
	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	150	112	100	-50%	
Expenditure:					
Employees	222	250	259	14%	
Repairs and Maintenance	100	121	110	9%	
Other	200	121	248	19%	
Total Operational Expenditure	522	492	617	15%	
Net Operational Expenditure	372	380	517	28%	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					
				<i>T 3.24.5</i>	

Capital Expenditure 2020-21: The Executive and Council					
R' 000					
Capital Projects	2020-21				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	296	575	531	44%	
Project A	110	130	128	14%	280
Project B	90	91	90	0%	150
Project C	76	322	233	67%	320
Project D	20	32	80	75%	90
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					T 3.24.6

3.10 Financial Services (Treasury)

The municipality's financial services office is made up of the following units:

Budget Office: Responsible for preparing the budget and related policies. This section has also ensured that the Municipality's Annual Financial Statements are prepared in-house with vast improvement over the past 3 years and this is evident in the Unqualified opinion (with other matters) expressed by the Auditor General's office during the past financial year audits and the current year's audit.

Expenditure Management: Responsible for monitoring payments made to service providers, ensuring that controls exist regarding the municipality's contract management and that all payments made by the municipality have followed the proper control process.

Procurement: Responsible for monitoring controls over the Supply chain management process and ensuring that controls exist to mitigate against any risks that might affect the supply chain processes. The unit oversees procurement process from minor purchase order, mini tenders to open bid tenders and reports on the system in place to Provincial and National Treasury as stipulated in the MFMA.

Assets Management: Responsible for monitoring and maintenance of all the municipal assets and safekeeping of all assets. Performing physical verification of assets and ensuring that the municipality maintains a GRAP compliant assets register.

Revenue: Responsible for revenue collection, the process of updating the valuation roll, billing services, providing assistance to ratepayers regarding accounts queries.

Outstanding debt is still a concern for the municipality therefore one of our main priorities is to continue being focused on debt collection. To improve on this endeavour the municipality went on tender to appoint a panel of attorneys to assist with certain cases where our own Credit Control Section has been unable to collect. The target was set to achieve at least **83%** of what

was billed during the year and by the end of the financial year we actually achieved a collection rate of **93%**.

The second General Valuation Roll came into effect on 1 July 2020 and is valid to 30 June 2021. The contracts of the Valuation Appeal Board members, as established by the MEC, ended in December 2013 and a new board was established and commenced with hearing the appeals lodged with the municipality in the new financial year.

Electricity losses still present a major challenge to the municipality so in the new-year the municipality proposes to conduct a meter audit with the intention to identify where the losses are emanating from and work on measures to reduce these losses.

Debt Recovery							
R							
Details of the types of account raised and recovered	2018 – 19		2019 - 20			2020 - 21	
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year %	Billed in year	Actual for accounts billed in year	Proportion of accounts value billed that were collected%	Estimated outturn for accounts billed in year	Estimated proportion of accounts value billed that were collected%
Property rates	354,143,020.20	91%	429,493,096.46	344,719,370.11	80,26	359,056,228.64	80,00
Electricity –B	102,919,784.80	96%	126,456,490.57	115,843,100.45	91,61	127,605,980.07	95,00
Electricity –C	5,087,879.39	104%	7,728,641.32	6,771,661.57	87,62	7,798,894.67	95,00
Refuse	41,183,041.49	88%	52,382,609.07	40,110,297.84	76,57	41,054,869.86	75,00
Other	41,600,442.24	109%	53,303,149.26	91,570,146.93	171,79	55,701,790.98	100,00
<i>B- Basic</i> <i>C- Consumption</i>							

Employees: Treasury					
TASK GRADE	2019 - 20	2020-21			
	Employees No.	Posts No.	Employees No.	Vacancies (Fulltime equivalents) No.	Vacancies (as a % of total posts) %
TG. 14 - 16	5	5	5	0	0%
TG. 9 - 13	23	25	20	5	20%
TG. 4 - 8	60	53	47	6	11%
TG. 3	4	2	0	2	100%
Total	92	85	72	13	15%

Financial Performance 2020-21: Financial Services (Treasury)						R'000
Details	2016-17	2020-21				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	3100	2430	2734	2500	3%	
Expenditure:						
Employees	1543	1200	1000	950	-26%	
Repairs and Maintenance	7099	5000	4533	4600	-9%	
Other	1000	760	680	600	-27%	
Total Operational Expenditure	9642	6960	6213	6150	-13%	
Net Operational Expenditure	6542	4530	3479	3650	-24%	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>						
T 3.25.5						

Capital Expenditure 2020-21: Financial Services (Treasury)						R' 000
Capital Projects	2020-21					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Total All	596	386	430	-39%		
Project A	236	130	165	-43%	280	
Project B	165	100	90	-83%	150	
Project C	90	80	85	-6%	320	
Project D	105	76	90	-17%	90	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>						
T 3.25.6						

3.11 Legal Services, Human Resources, Skills development, Fleet Management and Estates administration

Legal Services: The unit is responsible for all legal administration involving the municipality, reviewing of by-laws and ensuring that the municipality keeps abreast of the latest legal developments

Human Resources: The unit is responsible for all matter of recruitment, labour relations, and ensuring that the municipality is sourcing out and employing the necessary skilled labour in order to meet its objectives as per the Integrated Development Plan.

Human Resources Development: The section assists in ensuring that employees receive the necessary training in order to carry out duties assigned to them and also give employees an opportunity to enhance their skills to improve performance thereby improved service delivery and day to day administration of the organization.

Fleet Management: The section is responsible for all municipal fleet, facilitates updating of leases for vehicles and the maintenance of vehicles.

Estates administration: The section oversees all municipal property, facilitates updating of leases, municipal property registers, engaging stakeholders regarding municipal properties and assisting community with compliance to by-laws e.g. road closures.

Employees: Legal Services, Human Resources, office of HOD CS, Fleet Management & Estates administration					
TASK GRADE	2019- 20	2020-21			
	Employees No.	Posts No.	Employees No.	Vacancies (Fulltime equivalents) No.	Vacancies (as a % of total posts) %
TG. 14 - 16	5	4	4	0	0%
TG. 9 - 13	11	7	7	0	0%
TG. 4 - 8	14	14	10	4	29%
TG. 3	2	1	1	0	0%
Total	32	26	22	4	15%

Financial Performance 2020-21: Corporate Services					R'000
Details	2020-21				
	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	110	80	80	-38%	
Expenditure:					
Employees	307	130	233	-32%	
Repairs and Maintenance	178	204	210	15%	
Other	240	211	209	-15%	
Total Operational Expenditure	725	545	652	-11%	
Net Operational Expenditure	615	465	572	-8%	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					
T 3.26.5					

Capital Expenditure 2020-21: Corporate Services						R' 000
Capital Projects	2020-21					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Total All	690	459	300	-130%		
Project A	185	140	100	-85%		
Project B	325	188	143	-127%		
Project C	90	77	80	-13%		
Project D	90	54	60	-50%		
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>						
T 3.26.6						

3.12 Information and Communication Technology (ICT) Services

Introduction

RNM Communication and Information Technology Provide access to information users and network services.

RNM ICT responsible for provision of the following:

- User Access and termination control
- IT Security Management
- Management of email/internet security
- Server Maintenance and software installations
- Management of licensing
- Management of UPS throughout the municipality
- ETMS support

- Cloud services Microsoft Office 365
- Virtual Data Centers
- Printing solutions
- Virtual Meetings

During the financial year, the ICT unit completed the following milestones:

- Upgraded Antivirus to latest version
- Upgraded Backup software to latest version.
- IT BCP implemented.
- Resolved all AG queries.
- Local area network upgrade in Oslo Beach Firesafety.
- Wireless Network for Council chambers.
- Implementation of GFI Lan Guard – Network monitoring
- Margate Internet Failover.
- Managerial access to ETMS reports
- Recommission DNS servers
- Mscoa implementation
- Review of IT policies
- Implementation of firewall policy
- Disaster Recovery Testing
- Upgrade to email/internet filtering
- Office 365 migration

Employees: Information Communication Technology (ICT)					
TASK GRADE	2019 - 20	2020-21			
	Employees No.	Posts No.	Employees No.	Vacancies (Fulltime equivalents) No.	Vacancies (as a % of total posts) %
TG. 14 - 16	1	1	1	0	0%
TG. 9 - 13	6	6	6	0	0%
TG. 4 - 8	1	1	1	0	0%
TG. 3					
Total	8	8	8	0	0%

Financial Performance 2020-21: Information Technology Services					R'000
Details	2020-21				
	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue					
Expenditure:					
Employees	2899	4000	3800	24%	
Repairs and Maintenance	1000	1550	1200	17%	
Other					
Total Operational Expenditure	3899	5550	5000	22%	
Net Operational Expenditure	3899	5550	5000	22%	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					
T 3.27.5					

Capital Expenditure 2020-21: Information Technology Services						R' 000
Capital Projects	2020-21					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Total All	3000	2899	2844	-5%		
Project A	40	30	21	-90%	280	
Project B	20	60	18	-11%	150	
Project C	950	930	800	-19%	320	
Project D	250	120	290	14%	90	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>						
T 3.27.6						

3.13 Meetings, Administration and Registry services

Introduction

During the period under review, the Meetings and Administration Section comprised of three functional units which rendered support service to Council and the administrative units of the Municipality as follows:

Meetings unit:

Preparation and distribution of agendas;
 Minuteing of meetings;
 Circulation of action sheets;and
 Preparations for Executive Comxmittee; Council, portfolio committee; sub-committee and bid committee meetings

Printings and registry unit:

Photocopying of agendas etc.;
Recording of postage – incoming and outgoing;
Documenting and circulating of internal mail;
Filing of resolutions: Bid Committees/Exco/Council/PFC//Events Courier Service;
Rendering administrative assistance to directorates/councillors/public;
Opening and recording of tender documents; and
Provision of courier and postage services

Administration:

Procurement
Promulgation of notices and bylaws in KZN Provincial Gazette;
Publishing of notices in local and national newspapers;
Updating of Council's bylaws and Policy database;
Management of leased photocopiers;
Provision of meetings and administration support and service to councillors and directorates of the Municipality;
Provision of certified resolutions; and
Commissioner of Oath Services

Employees: Meetings and administration and registry services					
TASK GRADE	2019 - 20	2020-21			
	Employees No.	Posts No.	Employees No.	Vacancies (Fulltime equivalents) No.	Vacancies (as a % of total posts) %
TG. 14 - 16	1	1	1	0	0%
TG. 9 - 13	9	9	8	1	11%
TG. 4 - 8	7	8	8	0	0%
TG. 3	4	4	4	0	0%
Total	21	22	21	1	5%

3.14 Employee wellness

Description	Jan – Mar 2020	April – June 2020	July – Sep 2020	Oct – Dec 2020	Jan – Mar 2021
Consultations	Consulted with 346 employees	Consulted with 258 employees	Consulted with 44 employees for this reporting period	129 employees screened for minor element	Screened 167 on the Road show roadshow numbers
Chronic Diseases	Consulted with 209 employees	Consulted with 204 employees	Consulted with Eight (08) in the month of August 2020	Consulted with fourth employees 40	Consulted with 15 employees on the month of January 2021
Referrals	18 employees referred to hospital that is; 18 employees were referred for further management	13 employees referred to hospital that is; 13 employees were referred for further management	Eight (08) employees were referred on the between July Sep 2020	11 referrals for this reporting period oct – Dec 2020.	Two employees were referred on the month of January 2021
Awareness campaigns	On the 13 th of February 2020 Conducted Hepatitis B awareness campaign for Fire section. On the 13 th of March 2020 Conducted Medical Surveillance for law enforcement section.	On the 29 th of May 2020 Conducted RNM awareness Open day awareness. On the 12 th of June 2020 Conducted Health Education awareness.	Conducted Covid 19 updates campaign in the month of August 2020 Conducted Covid 19 impact assessment on employee wellness in the month August 2020	Conducted an open wellness day program from the 29 to 30 October 2020 RNM Wellness Day event and health screening for staff was offered by external service providers	On the 15 th January 2021 Conducted in-service training for Compliance officers on COVID_19 level three Regulations 1 st of March 2021 the section had an Awareness on EVDS registration Covid_19 vaccination

EAP Workshops	Conducted EAP workshop on 12th of March 2020.	EAP Financial management was not conducted due to COVID -19 lockdown and restrictions of gatherings on level 5 Healthy life style was not conducted due to COVID 19 lockdown and restrictions of gatherings on level 5	Conducted EAP Financial management workshop in the month of August 2020 Conducted Healthy lifestyle awareness workshop in the month of August 2020	EAP Financial management workshop was conducted on the 29th of October 2020 Healthy lifestyle fitness challenge was conducted on the 29th and 30th of October 2020	EAP Financial management workshop was conducted on the month of March 2021 Healthy lifestyle awareness was conducted on the month of March 2021
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Capital Expenditure 2020-21: Employee Wellness						R' 000
Capital Projects	2020-21					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Total All	232	2	320	28%		
Project A	58	136	102	43%	280	
Project B	60	55	40	-50%	150	
Project C	49	50	55	11%	320	
Project D	65	50	70	7%	90	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>						T 3.17.6

Financial Performance 2020-21: Employee Wellness					
					R'000
Details	2019-20	2020-21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					
Expenditure:					
Employees		1400	1200	1004	-39%
Repairs and Maintenance					
Other					
Total Operational Expenditure	0	1400	1200	1004	0%
Net Operational Expenditure	0	1400	1200	1004	-39%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					<i>T 3.17.5</i>

Component I: Organisational Performance Scorecard (Separate attachment Annexure A)

Chapter 4 – Organisational Development Performance (Performance Report Part 2)

Component A: Introduction to the Municipal Personnel

Employee Totals, Turnover and Vacancies

4.1

EMPLOYEES				
Description	2020/2021			
	Approved posts no.	Employees no.	Vacancies no.	Vacancies %
Strategic Planning and Governance (Inc OMM)	51	38	13	25,49%
HR, Legal Services, Fleet, Office of HOD & Estates	26	23	3	11,54%
Treasury	84	71	13	15,48%
ICT	8	8	0	0,00%
Meetings Administration	21	18	3	14,29%
Arts & Cultural Services	99	79	20	20,20%
Cemeteries & Crematoriums (including waste min)	35	24	11	31,43%
Environmental Management	7	6	1	14,29%
Employee Wellness & Labour Relations	6	6	0	0,00%
Law Enforcement (including office of HOD)	168	116	52	30,95%
Fire & Disaster Management	71	55	16	22,54%
Aquatic Safety	17	14	3	17,65%
Public Works (Projects Management & Facilities Management)	33	23	10	30,30%
Waste Management & Cleansing (inc EPWP and Office of HOD)	486	362	124	25,51%
Development Planning (Office of HOD, Building Control, Town Planning,)	37	27	10	27,03%
Local Economic Development (inc Aviation, technology Hub and LED)	36	18	18	50,00%
Housing & Office of the HOD	10	9	1	10,00%
ISD	0	0	0	0,00%
Electricity & Mechanical Engineering	43	40	3	6,98%
Roads	174	99	75	43,10%
MLB & DLTC	41	30	11	26,83%
Totals	1453	1066	387	26,63%

Vacancy Rate: 2020 -2021

Designations	Total approved posts	Vacancies (Total time that vacancies exist using fulltime equivalents)	Vacancies (as a proportion of total posts in each category)
	No.	No.	%
Municipal Manager	1	0	0%
CFO	1	1	100%
Other S57 Managers (excluding Finance posts)	6	0	0%
Management levels 14-16 (Including Senior Town Planners and excluding Finance posts)	44	3	7%
Management levels: 14-16 (Finance posts)	5	1	20%
Skilled Supervision: 9 - 13	307	49	16%
Semi-skilled: levels: 4 - 7	577	152	26%
Unskilled: Levels: 0 -3	520	181	35%
Totals	1461	387	26%

Turn-over Rate

Details	Total employees at the beginning of financial year	Terminations during the Financial year	Turn-over Rate
	No.	No.	
2020/2021	1109	59	5%

Component B: Managing the Municipal Workforce

4.2 Policies

HR Policies and Plans			
	Name of policy	Completed %	Reviewed %
1	Staff Retention Policy	0	0
2	Recruitment Policy	100%	100%
3	Staff Placement Policy	100%	
4	Staff transfer Policy	100%	
5	Sick Leave policy on probationary staff	0	0
6	Sexual Harassment in the workplace Policy	100%	0
7	Policy on payment of cost of new appointment's furniture removals	100%	
8	Policy on overtime in the workplace	100%	0
9	Acting Allowance Policy	100%	100%
10	Disciplinary Procedure (Collective Agreement)	100%	
11	Tuition Assistant Policy	100%	
12	Training and Development Policy	100%	
13	Leave Management Policy	100%	
14	Exit Management Policy	100%	
15	Individual Performance Management Policy	100%	

4.3 Performance Rewards

The Municipal Manager (MM) and Head of Departments (S57) receive performance bonuses based on their performance contracts and how they performed with regards to their scorecards and ratings as per their performance contract. For the **2020-2021** financial year the performance reviews were conducted on 1 June 2020 and performance bonuses were awarded to the qualifying Heads of Departments and Municipal Manager.

Component C: Capacitating the Municipal Workforce

4.4 Skills Development and Training

Skills Matrix										
Management Level	Gender	Employees in Post as at 30 June 2021	Number of skilled employees required and actual as at 30 June 2021							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
			No.	Actual 2019-20	Target 2019-20	Actual 2019-20	Target 2019-20	Actual 2019-20	Target 2019-20	Actual 2019-20
MM & S57	Male	6	0	0	0	5	1	3	1	05
	Female	2	0	0	1	2	0	1	1	02
Councilors, senior officials and managers	Male	61	0	0	0	18	1	8	1	26
	Female	43	0	0	0	18	0	7	0	25
Technicians and associate Professionals	Male	41	0	0	6	5	0	0	0	05
	Female	19	0	0	8	3	0	0	8	03
Professionals	Male	23	0	0	5	17	5	5	5	22
	Female	39	0	0	4	5	7	5	11	10
Sub total	Male	131	0	0	11	45	7	16	7	58
	Female	103	0	0	13	28	7	13	20	40
Total		234	0	0	24	73	14	29	27	98

Financial Competency Development: Progress Report						
Description	(A) Total number of officials employed by municipality	(B) Total number of officials employed by municipal entities	Consolidated: Total A & B	Consolidated: Competency assessments completed for A & B	Consolidated: Total number of officials whose performance agreements comply with regulation 16	Consolidated: Total number of officials that meet prescribed competency levels
Financial Officials						
Accounting Officer	1	0	1	1	1	1
Chief Financial Officer	1	0	1	1	1	1
Head of Department	6	0	6	6	6	6
Any other financial officials	1	0	1	1	-	1
Supply Chain Management Officials		0				
SCM Managers	1	0	1	1	-	1
Total	10	0	10	10	8	10

Manager Legal Services is awaiting assessments/Statement of Results from LGSETA

Skills Development Expenditure								
R								
Management Level	Gender	Employees in Post as at 30 June 2021	Original Budget and Actual Expenditure on Skills Development 2020-21					
			Skills programmes & other short courses		Other forms of training		Total	
			No.	Original Budget	Actual	Original Budget	Actual	Original Budget
MM & S57	Male	6	120000	0	120000	40000	240000	40000
	Female	2	60000	40000	60000	0	120000	40000
Councilors, senior officials	Male	61	100000	0	100000	24330	-	-

and managers	Female	43	100000	0	100000	0	-	-
Technicians and associate Professionals	Male	41	70000	43391	-	-	70000	43391
	Female	19	30000	57854	-	-	30000	57854
Professionals	Male	23	45000	36980	130000	0	175000	36980
	Female	39	40000	24550	130000	11000	170000	31550
Sub total	Male	131	335000	80371	350000	64330	269000	144701
	Female	103	230000	122404	290000	11000	520000	133404
Total		226	565000	202775	640000	75330	789000	278105

The Covid-19 pandemic impacted on the training programmes that were supposed to be offered.

Chapter 5 – Financial Performance

5.1 Component A: Statements of Financial Performance

KZN216 Ray Nkonyeni - Table C1 Monthly Budget Statement Summary - Q4 Fourth Quarter									
Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	428 372	457 943	457 943	167	447 649	457 943	(10 294)	-2%	457 943
Service charges	188 551	214 052	214 090	12 093	197 650	214 090	(16 440)	-8%	214 090
Investment revenue	4 670	2 466	2 466	687	3 513	2 466	1 047	42%	2 466
Transfers and subsidies	267 235	336 787	374 995	13 973	287 827	374 995	(87 168)	-23%	374 995
Other own revenue	55 175	72 702	70 554	5 001	50 797	70 554	(19 757)	-28%	70 554
Total Revenue (excluding capital transfers and contributions)	944 003	1 083 951	1 120 049	31 920	987 436	1 120 049	(132 612)	-12%	1 120 049
Employee costs	393 829	429 291	433 899	34 872	407 812	433 899	(26 087)	-6%	433 899
Remuneration of Councillors	29 828	30 368	30 368	2 355	28 366	30 368	(2 003)	-7%	30 368
Depreciation & asset impairment	92 664	92 000	92 000	-	78 558	92 000	(13 442)	-15%	92 000
Finance charges	5 606	13	4 554	60	331	4 554	(4 223)	-93%	4 554
Materials and bulk purchases	107 647	116 688	119 233	1 934	108 054	119 233	(11 179)	-9%	119 233
Transfers and subsidies	8 486	5 450	8 450	207	6 635	8 450	(1 815)	-21%	8 450
Other expenditure	395 463	440 159	432 598	53 437	340 953	432 598	(91 645)	-21%	432 598
Total Expenditure	1 033 524	1 113 969	1 121 102	92 866	970 709	1 121 102	(150 393)	-13%	1 121 102
Surplus/(Deficit)	(89 521)	(30 019)	(1 053)	(60 946)	16 728	(1 053)	17 781	-1688%	(1 053)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	81 858	90 713	96 041	13 167	76 497	96 041	###	-20%	96 041
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	15 628	10 619	10 519	-	-	10 519	(10 519)	-100%	10 519
Surplus/(Deficit) after capital transfers & contributions	7 965	71 313	105 506	(47 779)	93 225	105 506	(12 282)	-12%	105 506
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	7 965	71 313	105 506	(47 779)	93 225	105 506	(12 282)	-12%	105 506
Capital expenditure & funds sources									
Capital expenditure	179 000	98 630	125 775	14 411	139 378	125 775	13 603	11%	125 775
Capital transfers recognised	171 754	80 512	92 695	9 092	98 031	92 670	5 362	6%	92 670
Borrowing	-	3 000	3 000	1 740	1 740	3 000	(1 260)	-42%	3 000
Internally generated funds	(18 576)	15 118	30 080	3 579	16 290	26 430	(10 140)	-38%	26 430
Total sources of capital funds	153 177	98 630	125 775	14 411	116 060	122 099	(6 039)	-5%	122 099
Financial position									
Total current assets	339 141	361 414	333 496	-	456 326	-	-	-	333 496
Total non current assets	1 774 215	1 728 741	1 755 885	-	1 797 297	-	-	-	1 755 885
Total current liabilities	267 387	184 032	149 065	-	319 739	-	-	-	149 065
Total non current liabilities	124 562	160 047	160 047	-	124 114	-	-	-	160 047
Community wealth/Equity	1 713 442	1 746 076	1 780 269	-	1 809 770	-	-	-	1 780 269
Cash flows									
Net cash from (used) operating	1 038 810	1 073 416	1 127 864	(45 379)	727 298	1 127 864	400 565	36%	1 127 864
Net cash from (used) investing	-	(98 630)	(135 674)	(14 880)	(114 488)	(135 674)	(21 185)	16%	(135 674)
Net cash from (used) financing	-	3 500	46 150	(3 076)	(43 115)	(39 150)	3 965	-10%	46 150
Cash/cash equivalents at the month/year end	1 038 810	1 054 842	1 114 897	-	646 005	1 029 597	383 592	37%	1 114 650
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	18 242	8 300	16 421	13 834	12 266	11 942	64 964	255 308	401 278
Creditors Age Analysis									
Total Creditors	5 156	-	320	1	-	(0)	-	(426)	5 050

5.1.1 Financial Performance of Operational Services

Vote Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - BUDGET AND TREASURY		474 939	486 484	484 898	4 058	478 194	484 898	(6 704)	-1.4%	484 898
Vote 2 - DEVELOPMENT PLANNING SERVICES		11 901	14 331	8 164	2 874	9 759	8 164	1 594	19.5%	8 164
Vote 3 - STRATEGIC PLANNING AND GOVERNANCE		205 807	222 846	267 000	39	267 278	267 000	278	0.1%	267 000
Vote 4 - CORPORATE SERVICES		1 190	2 663	2 663	161	724	2 663	(1 939)	-72.8%	2 663
Vote 5 - PUBLIC SAFETY		18 947	31 570	34 749	1 079	14 190	34 749	(20 559)	-59.2%	34 749
Vote 6 - COMMUNITY SERVICES		746	2 845	6 809	826	5 429	6 809	(1 380)	-20.3%	6 809
Vote 7 - COMMUNITY SERVICES		70 327	84 071	83 849	1 597	62 535	83 849	(21 314)	-25.4%	83 849
Vote 8 - TECHNICAL SERVICES		314	115	106	11 781	11 931	106	11 825	11128.6%	106
Vote 9 - TECHNICAL SERVICES		257 317	340 356	338 369	22 671	213 893	338 369	(124 476)	-36.8%	338 369
Vote 10 - COMMUNITY SERVICES		-	-	-	-	-	-	-	-	-
Vote 11 - Null		-	-	-	-	-	-	-	-	-
Vote 12 - Null		-	-	-	-	-	-	-	-	-
Vote 13 - Null		-	-	-	-	-	-	-	-	-
Vote 14 - Null		-	-	-	-	-	-	-	-	-
Vote 15 - Null		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	1 041 489	1 185 282	1 226 608	45 087	1 063 933	1 226 608	(162 675)	-13.3%	1 226 608
Expenditure by Vote	1									
Vote 1 - BUDGET AND TREASURY		302 431	63 527	104 065	15 287	103 341	104 065	(723)	-0.7%	104 065
Vote 2 - DEVELOPMENT PLANNING SERVICES		30 505	37 659	41 960	2 834	33 335	41 960	(8 625)	-20.6%	41 960
Vote 3 - STRATEGIC PLANNING AND GOVERNANCE		183 232	176 996	181 217	7 960	137 175	181 217	(44 041)	-24.3%	181 217
Vote 4 - CORPORATE SERVICES		51 496	66 797	70 106	5 177	57 507	70 106	(12 599)	-18.0%	70 106
Vote 5 - PUBLIC SAFETY		(20 624)	157 168	150 972	14 682	141 040	150 972	(9 932)	-6.6%	150 972
Vote 6 - COMMUNITY SERVICES		150 409	152 497	160 676	13 475	151 539	160 676	(9 138)	-5.7%	160 676
Vote 7 - COMMUNITY SERVICES		69 790	86 287	90 632	8 708	76 089	90 632	(14 544)	-16.0%	90 632
Vote 8 - TECHNICAL SERVICES		2 196	2 731	2 574	203	2 296	2 574	(278)	-10.8%	2 574
Vote 9 - TECHNICAL SERVICES		264 088	370 307	318 900	24 540	268 386	318 900	(50 514)	-15.8%	318 900
Vote 10 - COMMUNITY SERVICES		-	-	-	-	-	-	-	-	-
Vote 11 - Null		-	-	-	-	-	-	-	-	-
Vote 12 - Null		-	-	-	-	-	-	-	-	-
Vote 13 - Null		-	-	-	-	-	-	-	-	-
Vote 14 - Null		-	-	-	-	-	-	-	-	-
Vote 15 - Null		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	1 033 524	1 113 969	1 121 102	92 866	970 709	1 121 102	(150 393)	-13.4%	1 121 102
Surplus/ (Deficit) for the year	2	7 965	71 313	105 506	(47 779)	93 225	105 506	(12 282)	-11.6%	105 506

5.2 Grants

Grants performance							
Description	2019/20	Budget Year 2020/21					
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance
R thousands							%
Operating Transfers and Grants							
National Government:	209 208	238 199	282 353	282 314	282 314	–	
Local Government Equitable Share	205 608	222 794	266 948	266 909	266 909	–	100.0%
Finance Management	3 600	2 000	2 000	2 000	2 000	–	100.0%
Integrated National Electrification Programme	–	9 000	9 000	9 000	9 000	–	100.0%
EPWP Incentive	–	4 405	4 405	4 405	4 405	–	100.0%
Provincial Government:	20 745	16 724	16 724	14 447	14 447	–	
Housing	20 745	2 277	2 277	–	–	–	#DIV/0!
Museum Grant	–	407	407	407	407	–	100.0%
Provincialisation of Libraries Grant	–	11 759	11 759	11 759	11 759	–	100.0%
Community Library Service Grant	–	2 281	2 281	2 281	2 281	–	100.0%
District Municipality:	–	–	400	400	400	–	
<i>Ugu</i>	–	–	400	400	400	–	100.0%
Total Operating Transfers and Grants	229 953	254 923	299 477	297 161	297 161	–	

Component B: Spending Against Capital Budget

5.3 Capital Expenditure

Total Capital Expenditure:		R'000
Detail	2020-21	
Original Budget	98 630 037.00	
Adjustment Budget	125 774 727.00	
Actual	139 377 691.68	
		<i>T 1.4.4</i>

5.4 Sources of Finance

Financial Overview: 2020 - 21				R' 000
Details	Original budget	Adjustment Budget	Actual	
Income:				
Grants	365 159 000,00	343 212 000,00	280 623 000,00	
Taxes, Levies and tariffs				
Other	747 163 000,00	745 054 000,00	699 609 000,00	
Sub Total	1 112 322 000,00	1 088 266 000,00	980 232 000,00	
Less: Expenditure	1 113 969 000,00	1 121 102 000,00	900 723 987,00	
Net Total*	(1 647 000,00)	(32 836 000)	79 508 013,00	
* Note: surplus/(defecit)			<i>T 1.4.2</i>	

5.5 Capital Spending on 5 Largest Projects

Name of Project	Current: 2020-21			Variance: 2022-21	
	Original Budget	Adjustment budget	Actual Expenditure	Original Variance(%)	Adjustment Variance (%)
Izotsha Memorial Park Crematorium	6 086 957.00	6 086 957.00	6 268 710.98	103%	103%
Marburg Motor Mechanic Workshop	9 146 642.00	9 146 642.00	8 407 391.93	92%	92%
Tarring of Jesus Road	5 779 474.00	5 779 474.00	5 815 120.79	101%	101%
Nositha main road	9 413 681.00	9 413 681.00	9 561 923.70	102%	102%
Road Rehabilitation Phase 7 (Gravel)	5 318 014.00	5 318 014.00	5 438 199.30	102%	102%

Capital Expenditure of 5 largest projects*					
					R' 000
Name of Project	Current: 2019 - 20			Variance: 2019 - 20	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
LOUISIANA HOUSING PROJECT	4 688	355	356	0,92	0,92
PORT SHEPSTONE TEMPORARY TAXI RANK	7 658	325	357	95%	96%
MASINENGE HOUSING					
MASINENGE HOUSING					
Objective of Project	To provide community with housing				
Delays	None				
Future Challenges	None				
Anticipated citizen benefits	None				
PORT SHEPSTONE TEMPORARY TAXI RANK					
Objective of Project	To upgrade the Port Shepstone Taxi Rank				
Delays	None				
Future Challenges	None				
Anticipated citizen benefits	N/A				
MKHOLOMBE S/CLEARANCE HOUSING PROJE					
Objective of Project	To provide community with housing				
Delays	None				
Future Challenges	None				
Anticipated citizen benefits					
MERLEWOOD ELECTRIFICATION					
Objective of Project	Ugrading of electricity network to the Ray Nkonyeni Area				
Delays	None				
Future Challenges	None				
Anticipated citizen benefits					
LOUISIANA HOUSING PROJECT					
Objective of Project	To provide housing to the rural community (Louisiana)				
Delays	None				
Future Challenges	None				
Anticipated citizen benefits					

T 5.7.1

Component C: Cash Flow Management and Investments

5.6 Cash Flow

KZN216 Ray Nkonyeni Municipality

Annual Financial Statements for the year ended 30 June 2021

Cash Flow Statement

Figures in Rand	Note(s)	2021	2020 Restated*
Cash flows from operating activities			
Receipts			
Taxation		426 061 546	438 003 511
Sale of goods and services		245 937 298	212 297 647
Grants		385 040 974	323 506 141
Interest income		31 749 249	27 649 014
Other cash item		3 484 541	690 257
		1 092 273 608	1 002 146 570
Payments			
Employee costs		(478 453 754)	(421 702 639)
Suppliers		(443 729 329)	(446 486 265)
Finance costs		(11 087 894)	(5 606 269)
		(933 270 977)	(873 795 173)
Net cash flows from operating activities	46	159 002 631	128 351 397
Cash flows from investing activities			
Purchase of property, plant and equipment	9	(101 970 333)	(98 780 175)
Proceeds from sale of property, plant and equipment	9	148 960	739 129
Purchase of heritage assets	11	(251 600)	(40 160)
Net cash flows from investing activities		(102 072 973)	(98 081 206)
Cash flows from financing activities			
Proceeds from long-term loan		3 500 000	-
Movement in employee obligation		-	(3 843 146)
Movement in provision		-	(2 557 384)
Finance lease payments		(12 366 617)	(4 696 251)
Repayment of long term loan		(4 651 611)	(8 549 698)
Net cash flows from financing activities		(13 518 228)	(19 646 479)
Net increase/(decrease) in cash and cash equivalents		41 536 846	12 103 726
Cash and cash equivalents at the beginning of the year		101 943 608	89 839 882
Cash and cash equivalents at the end of the year	7	143 480 454	101 943 608

5.7 Borrowings and Investments

DBSA loan

Component D: Other Financial Matters

5.8 GRAP Compliance

The municipality has been fully compliant with regards to GRAP reporting. The financial statements have been prepared to be in line with GRAP

Report of the auditor-general to the KwaZulu-Natal Provincial Legislature and the Council on Ray Nkonyeni Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Ray Nkonyeni Municipality set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2020, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information 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 Ray Nkonyeni Municipality as at 30 June 2020, and its financial performance and cash flows for the year then ended in accordance with the requirements of the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2019 (Act No. 16 of 2019) (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 this auditor’s 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 matter

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Restatement of corresponding figures

7. As disclosed in note 59 to the financial statements, the corresponding figures for 30 June 2019 were restated as a result of errors in the financial statements of the municipality, at and for the year ended 30 June 2020.

Debt impairment

8. As disclosed in note 42 to the financial statements, the municipality recognised a debt impairment of R41,07 million (2018-19: R32,71 million) as the recoverability of these amounts was doubtful.

Other matter

9. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited disclosure notes

10. 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

11. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with SA Standards of GRAP and the requirements of the MFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
12. In preparing the financial statements, the accounting officer is responsible for assessing the Ray Nkonyeni 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

13. 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.

14. 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

15. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 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 objective presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
16. 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 also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
17. 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 service delivery objective presented in the municipality's annual performance report for the year ended 30 June 2020.
18. 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.
19. I did not raise any material findings on the usefulness and reliability of the reported performance information for the selected objective.

Other matters

20. I draw attention to the matters below.

Achievement of planned targets

21. The annual performance report on pages xx to xx sets out information on the achievement of planned targets for the year.

Adjustment of material misstatements

22. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of the service delivery objective. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Report on the audit of compliance with legislation

Introduction and scope

23. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the municipality with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

24. The material findings on compliance with specific matters in key legislation are as follows:

Annual financial statements

25. The annual 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 and the cash flow statement identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records were provided, resulting in the financial statements receiving an unqualified audit opinion.

Procurement and contract management

26. Some of the competitive bids were adjudicated by a bid adjudication committee that was not composed in accordance with Supply Chain Management (SCM) regulation 29(2). Similar non-compliance was also reported in the prior year.

Expenditure management

27. Reasonable steps were not taken to prevent irregular expenditure of R17,55 million disclosed in note 55 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The majority of the irregular expenditure was caused by non-compliance with SCM regulation 29(2).

Other information

28. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and the selected objective presented in the annual performance report that has been specifically reported in the auditor's report.
29. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
30. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected objective presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
31. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

32. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.
33. Oversight and monitoring over compliance with laws and regulations and financial reporting was not diligent enough. This was due to not ensuring that the management team implemented reconciliation and review controls over regular, accurate and complete financial reports. Policies and procedures over non-compliance were also not adhered to by assigned officials.

Other reports

34. I draw attention to the following engagement conducted that had, or could have, an impact on the matters reported in the municipality's financial statements, reported performance information, compliance with applicable

legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

Investigation

35. The alleged fraud at the former Eziqoleni Municipality (which later merged with Hibiscus Coast Municipality to form Ray Nkonyeni Municipality) was investigated by the Directorate for Priority Crime Investigations (HAWKs) and has been concluded. The recommendations are currently being implemented.

Pietermaritzburg

1 March 2021



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Component B: Auditor General's Opinion on the Financial Statements current year (2020-2021)

6.1 Auditor General's report for the current year (Attached separately Annexure B)

Appendixes

Appendix A: Ray Nkonyeni Municipality Councillors & Council Attendance

Council Member	Full Time/Part Time FT/PT	Committees Allocated	Ward and Party Represented	% attendance	% leave of absence	% absenteeism
BOOYSEN YL	PT	DEVELOPMENT PLANNING AND SERVICES COMMITTEE	DA	93%	7%	0%
BOYLAND HG	FT	DEVELOPMENT PLANNING AND SERVICES COMMITTEE	ANC	86%	7%	7%
BRAUTESETH PA	PT	GOVERNANCE AND SPECIAL PROGRAMME	DA	93%	7%	0%
BREEDT SM	PT	MUNICIPAL PUBLIC ACCOUNTS COMMITTEE/COMMUNITY SERVICES	DA	79%	14%	7%
CANCA LN	PT	TECHNICAL SERVICE	DA	71%	21%	7%
CEBISA NP	PT	PUBLIC SAFETY	DA	100%	0%	0%
CELE DB	PT	MUNICIPAL PUBLIC ACCOUNTS COMMITTEE/ PUBLIC SAFETY	WARD 08-ANC	57%	36%	7%
CELE MI	PT	COMMUNITY SERVICES	WARD 27-ANC	57%	7%	7%
CELE NN	PT	GOVERNANCE AND SPECIAL PROGRAMME	DA	93%	7%	0%
CELE TB	PT	CORPORATE SERVICES	WARD 23-ANC	79%	21%	0%
CELE TM	FT	MUNICIPAL PUBLIC ACCOUNTS COMMITTEE	ANC	21%	71%	7%
CHETTY S	FT	MUNICIPAL PUBLIC ACCOUNTS COMMITTEE/ CORPORATE SERVICES	ANC	86%	14%	0%
CIYI GPN	PT	PUBLIC SAFETY/FINANCE	PR ANC	0%	86%	14%
DAMAS ATP	PT	COMMUNITY SERVICES/ LOCAL AIDS COUNCIL	PR- IFP	79%	21%	0%
DANCA NJ	PT	PUBLIC SAFETY	PR-ANC	64%	14%	21%
DHLAMINI N	PT	DEVELOPMENT PLANNING AND SERVICES COMMITTEE	WARD 11-ANC	71%	29%	0%
DLAMINI CM	PT	CORPORATE SERVICES	PR -IFP	71%	14%	14%
DLAMALALA SA	FT	TECHNICAL SERVICES	PR- ANC	93%	0%	7%
GARBADE LA	PT	MUNICIPAL PUBLIC ACCOUNTS	WARD 12-DA	79%	0%	0%
GUMBI RP	PT	MUNICIPAL PUBLIC ACCOUNTS	WARD 05-ANC	93%	0%	7%

Council Member	Full Time/Part Time FT/PT	Committees Allocated	Ward and Party Represented	% attendance	% leave of absence	% absenteeism
HENDERSON GD	PT	ETHICS COMMITTEE	WARD 19-DA	100%	0%	0%
HLOPHE TT	PT	YOUTH COMMITTEE	PR-ANC	93%	7%	0%
KHANYASE EM	PT	TECHNICAL SERVICES	PR-ANC	100%	0%	0%
KHAWULA AS	PT	MUNICIPAL PUBLIC ACCOUNTS	WARD 34-ANC	64%	21%	14%
KHAWULA SE	PT	GOVERNANCE AND SPECIAL PROGRAMMES	PR-IFP	86%	7%	7%
KOLI MP	PT	TECHNICAL SERVICES	21 ANC	57%	36%	7%
KRUGER TAP	PT	TECHNICAL SERVICES	16 DA	86%	14%	0%
LANGA F	PT	MPAC	PR- AIC	57%	36%	36%
LUBANYANA MT	FT	COMMUNITY SERVICES AND ETHICS	PR- ANC	79%	21%	0%
MAJOLA LD	PT	PUBLIC SAFETY	29 ANC	86%	14%	0%
MALIMBA Y	PT	PLANNING	PR ANC	100%	0%	0%
MBATHA HP	PT	FINANCE	35 ANC	36%	57%	7%
MEMELA SC	PT	FINANCE AND BUDGET CONTROL	22 ANC	93%	7%	0%
MNGOMA NJ	PT	COMMUNITY SERVICES	PR DA	71%	29%	0%
MNGOMEZULUGS	PT	YOUTH COMMITTEE	PR ANC	86%	7%	7%
MOLOI MP	PT	COMMUNITY SERVICES	32 ANC	86%	7%	7%
MORAFE SS	PT	COMMUNITY SERVICES	20 ANC	57%	21%	0%
MPISI MA	FT	PUBLIC SAFETY	36 ANC	86%	14%	0%
MQADI DM	PT	GOVERNANCE AND SPECIAL PROGRAMME		93%	0%	7%
MQADI NF	PT	YOUTH COMMITTEE	PR EFF	79%	21%	0%
MQWEBU NCP	FT	FINANCE AND BUDGET	ANC	93%	7%	0%
MTHULI TD	PT	CORPORATE SERVICES	01 ANC	79%	21%	0%
MZOBE BC	PT	COMMUNITY SERVICES	31 ANC	71%	29%	0%
NAIR Y	FT	CORPORATE SERVICES	ANC	79%	14%	7%
NDOVELA JS	FT	ETHICS	PR IFP	64%	36%	0%
NDWALANE WS	PT	CORPORATE SERVICES	DA	100%	0%	0%
NGALO B	PT	YOUTH COMMITTEE	PR ANC	57%	36%	7%
NGCECE SA	PT	YOUTH COMMITTEE	30 ANC	93%	7%	7%
NGCOBO MI	PT	COMMUNITY SERVICES	26 ANC	100%	29%	0%
NGCOBO NP	PT	GOVERNANCE AND SPECIAL PROGRAMME	24 ANC	100%	0%	0%
NJOKO DH	FT	PLANNING	ANC	64%	14%	21%
NKOMO S	PT	MPAC	ANC	86%	7%	21%
NTANZA VL	FT	GOVERNANCE AND SPECIAL PROGRAMME	ANC	79%	21%	0%
NTULI SP	PT	YOUTH COMMITTEE	ANC	79%	21%	0%
NTUSI LB	PT	MPAC	IFP	57%	21%	21%

Council Member	Full Time/Part Time FT/PT	Committees Allocated	Ward and Party Represented	% attendance	% leave of absence	% absenteeism
NTOMBELA BP	PT	FINANCE	7 ANC	93%	7%	0%
NXESI S	PT	FINANCE	PR AIC	86%	14%	0%
NYAWOSE BD	PT	GOVERNANCE AND SPECIAL PROGRAMME	33 ANC	71%	29%	0%
NYAWOSE HS	PT	PUBLIC SAFETY	25 ANC	71%	29%	0%
NYEMBEZI RS	PT	TECHNICAL SERVICE	9 ANC	57%	36%	7%
NYULEKA N	PT	GOVERNANCE AND SPECIAL PROGRAMME	15 ANC	93%	0%	7%
RAJARAM A	PT	CORPORATE SERVICES	17 DA	100%	14%	0%
RAWLINS D	FT	PUBLIC SAFETY	18 DA	79%	21%	0%
ROBBETZE R	PT	PLANNING	VF	86%	7%	7%
SHINGA CS	PT	CORPORATE SERVICES	EFF	71%	29%	7%
SHINGA KR	PT	MPAC	ANC	57%	29%	14%
SMITH S	PT	GOVERNANCE AND SPECIAL PROGRAMME	ANC	100%	0%	0%
VANDA LS *	PT	CORPORATE SERVICES		79%	21%	0%
WATSON DI	PT	PLANNING	PR DA	86%	14%	0%
ZULU CT	PT	TECHNICAL SERVICE	ANC	93%	7%	0%

Council Member	Full Time/Part Time FT/PT	Ward and Party Represented	% attendance	% leave of absence	% absenteeism
MQWEBU NCP (Mayor)	FT	ANC	80%	20%	0%
NAIR Y (Deputy Mayor)	FT	ANC	87%	13%	0%
LUBANYANA MT	FT	ANC	67%	33%	0%
BOYLAND HG	FT	ANC	93%	7%	0%
DLAMALALA SA	FT	ANC	87%	7%	7%
MPISI MA	FT	ANC	100%	0%	0%
NTANZA VL	FT	ANC	93%	7%	0%
NDWALANE WS	FT	DA	93%	7%	0%
RAWLINS D	FT	DA	80%	20%	0%
NDOVELA JS	FT	IFP	73%	73%	13%
NJOKO DH - Ex- Officio	FT	ANC	87%	13%	0%
CHETTY S (Chief Whip)	FT	ANC			

Legend:

* Deceased

^^ Resigned

Appendix B: Municipal Committees

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
Community Services Portfolio Committee	<p>Assists the Executive Committee by advising the Executive Committee on legislation, prevention and enforcement mechanisms, which are within the financial and administrative capacity of the Municipality;</p> <p>Overseeing the enforcement of municipal bylaws and other applicable laws by municipal employees and functionaries in order to ensure that municipal employees and functionaries involved in law enforcement are accountable to a democratically elected body;</p> <p>Overseeing certain municipal services, including health, cultural, cleansing and maintenance services; and To pay attention to educational and welfare services in general as they apply to the entire municipality.</p>
Corporate Services Portfolio Committee	<p>The object of the Corporate Services Portfolio Committee is to assist the Executive Committee by advising the Executive Committee on: -</p> <p>The leasing, letting, hiring and alienation of the goods and intellectual property of the municipality in accordance with a system which is fair, equitable, transparent, competitive and cost-effective;</p> <p>Implementing and maintaining an effective and efficient information technology system, catering for all the needs of the municipality;</p> <p>Obtaining proper legal services for the municipality;</p> <p>Providing adequate, effective and efficient secretarial, agenda and minuteing services to the Municipal Council and its committees;</p> <p>Acquisition and provision of adequate municipal office and related accommodation;</p> <p>Implementation and maintenance of an approved records system;</p> <p>Carrying out of certain ancillary functions;</p> <p>To provide acceptable Environmental Assistance Programmes, Wellness and Occupational Health and Safety initiatives</p> <p>To promote and uphold principles of Good Governance, Legal compliance and to provide effective legal administrative support</p> <p>To manage and monitor expenditure of fuel and repairs/maintenance on municipal fleet; and</p> <p>Ensuring that the values and principles set out in Section 195 of the Constitution are promoted throughout the municipal administration</p>

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
Development Planning Services Portfolio Committee	<p>The object of the Development Planning and Portfolio Committee is to assist the Executive Committee to:-</p> <p>Promote social and economic development;</p> <p>Encourage the involvement of the community of the entire municipality and its community organisations, bodies and institutions in the matters of local government;</p> <p>Participate in National Development Programmes and Provincial Development Programmes;</p> <p>Promote tourism development;</p> <p>To promote local economy through technology innovation;</p> <p>To ensure that the rural areas, having suffered a historical backlog in service provision, are adequately catered for in the municipal governance and administration of the municipality.</p> <p>To promote job creation through infrastructure development, tourism development and the expanded public works programme;</p> <p>Encourage the involvement of the community of the entire municipality and its community organisations, bodies and institutions in the matters of local government;</p> <p>Promote the implementation of the Integrated Development Plan (IDP).</p> <p>Administering the development planning of the area of jurisdiction of the municipality in such a way that it: -</p> <p>Ensures the provision of services to communities in a sustainable manner;</p> <p>Promotes social and economic development; and</p> <p>Promotes a safe and healthy environment in a manner consistent with the Integrated Development Plan.</p> <p>Administering the compilation and approval of the Integrated Development Plan and strategic planning exercises.</p> <p>Administering the compilation and approval of the Integrated Development Plan and strategic planning exercises.</p> <p>Administering building control within the municipal area.</p> <p>Ensuring that governmental discretions exercised by the municipality:</p> <p>are democratic, consistent and accountable; and</p> <p>encourage the involvement of the community of the municipality and its community organisations in the matters of the municipality.</p>
Events Co-ordinating Committee	<p>The objectives of the Events Coordinating Committee are, but not limited to, assist the Council on the following:</p> <p>Receiving and processing applications for events in all Council's properties;</p> <p>Approving or disapproving the aforementioned applications in accordance with a system which is fair, equitable and transparent and generally promotes local economic development and tourism in the area of jurisdiction of the Ray Nkonyeni Municipality;</p>

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
	Determining the conditions to which such approvals or disapprovals are made.
Environmental Sub - Committee	The sub-committee was called into existence to create a forum where the formal sector (Ray Nkonyeni Municipality) representative could meet and discuss with private sector, non-governmental organizations, community-based organizations and other stakeholders, matters that pertain to wildlife and environmental matters. The sub-committee will endeavour to strike a balance between development and conservation and to ensure that the environment is maintained as far as possible and that development objectives are achieved within accepted environmental practices.
Ethics Committee	<p>The Ethics Committee ("Committee") has been established by Council to ensure compliance with the Code of Conduct ("Code"), set out in Schedule 1 of the Local Government: Municipal Systems Act 32 of 2000 ("Systems Act"), in the Municipal Council and Council Committees.</p> <p>Item 14(1)(b) of the Code provides that a Municipal Council may establish a special committee to investigate and make a finding on any alleged breach of the Code and make appropriate recommendations to the Municipal Council.</p> <p>Item 14(7) of the Code provides that any investigation in terms of Item 14 must be in accordance with the rules of natural justice.</p> <p>Section 79(1) of the Local Government: Municipal Structures Act 117 of 1998 ("Structures Act") provides that a Municipal Council may establish committees necessary for the effective and efficient performance of any of its functions or the exercise of any of its powers and appoint members of such a committee from among its members.</p>
Finance & Budget Portfolio Committee	<p>The object of the Finance and Budget Portfolio Committee is to assist the Executive Committee in maintaining sound, viable and generally accepted financial systems by:</p> <ul style="list-style-type: none"> Administering the capital and operational budgets of the Municipal Council; Encouraging the involvement of the community of the municipality and its community organisations and institutions in the matters of the municipality; Ensuring that the governmental discretions exercised by the municipality are democratic, consistent and accountable; and Administering Council's assets

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
Governance Portfolio Committee	<p>The object of the Governance and Special Programmes Portfolio Committee is to assist the Executive Committee by advising the Executive Committee on: -</p> <ul style="list-style-type: none"> To ensure that adequate, effective and efficient Mayoral and Executive support and communication service; To ensure that the IDP is developed within statutory provisions; To ensure implementation of an effective OPMS; To ensure a credible Annual Report for every financial year is compiled; To ensure visible participation and alignment to district vision and goals; To ensure the promotion of a culture of participatory democracy and social cohesion; To ensure Municipal Transformation and Organisational Development; To ensure a fraud and corruption free organisation is built; To ensure a conducive work environment to enable increased staff productivity; To ensure improved accountability and clean administration; To ensure improved municipal branding and image through effective communication; To ensure alleviation against multi-dimensional impact of HIV & AIDS in the communities & contributing towards curbing new infections; To ensure that ECD institutions are run effectively; To ensure provision of care & empowerment of the disabled; To ensure provision of care & healthy living of the senior citizens; To ensure provision of care & healthy living of the senior citizens; To provide support towards improved quality of education and lives of learners; To ensure well informed communities, who are empowered and aware of their rights; To ensure that the values and principles set out in Section 195 of the Constitution are promoted throughout the municipal administration.
Grants in Aid	<p>The object of the Grants- in- aids Sub-committee is to consider the grants in aids applications received and ensure that the criteria set out has been adhered to.</p>
HIV & AIDS co-ordinating forum	<p>The main purpose of the council is to coordinate all the HIV & AIDS endeavours of the Ray Nkonyeni Municipality (RNM)</p>

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
Local Labour Forum	The Local Labour Forum, in terms of section 79 of the Act:- must seek to promote the interests of all employees in the work-place, whether or not they are trade union members; must seek to enhance efficiency in the work-place; is entitled to be consulted by the employer, with a view to reaching consensus about the matters referred to in section 84 and is entitled to participate in joint decision-making about the matters referred to in section 86.
MPAC (SCOPA)	The MPAC will assist council to hold the executive and municipal entities to account, and to ensure the efficient and effective use of municipal resources. By so doing, the MPAC would help to increase council and public awareness of the financial and performance issues of the municipality and its entities. Will provide a report on the performance regarding the Service Delivery and Budget Implementation Plan (SDBIP) to Council, and will also promote accountability to the local community; and The annual report shall be submitted to Council by 31 January annually thereafter Council shall consider and adopt the annual report within two months of it being submitted and discussed.
Public Safety	The objective of the Safety and Security Portfolio Committee is to assist the Executive Committee to promote a safe environment by: - Advising on legislation, prevention and enforcement mechanisms which are within the financial and administrative capacity of the municipality; Overseeing the enforcement of municipal law by municipal functionaries and municipal employees in order to ensure that municipal functionaries and municipal employees involved in law enforcement are accountable to a democratically elected body and Overseeing certain municipal services.
Technical Services Portfolio	The object of the Technical Services Portfolio Committee is to assist the Executive Committee to ensure the provision of Human Settlements and Infrastructural services to the communities of the municipality in a sustainable manner by: Advising on legislation and service delivery mechanisms, which are within the financial and administrative capacity of the municipality; Overseeing the delivery of certain municipal services and facilities; and Ensuring, subject to any policy that the Municipal Council may determine in terms of any National and Provincial Legislation made in terms of Section 217 (3) of the Constitution prior to the date referred to in Item 21 (4) of Schedule 6 to the Constitution, that when the municipality contracts for goods and services, it

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
	<p>does so in accordance with a system which is fair, equitable, transparent, competitive and cost-effective.</p> <p>The provision of Technical Services to the community of the municipality in a sustainable manner by overseeing Technical, human and settlements and infrastructure development and administration.</p>
Youth	<p>To assist Council to formulate a Youth Policy for the Ray Nkonyeni Municipality;</p> <p>To provide a forum for the coordination of all youth related activities within the RNM area;</p> <p>To develop an appropriate strategy that will enable the municipality to meet its policy commitments and legal obligations to the youth</p>
Women's Caucus	<p>Lobby the municipality to develop, promote and implement gender policies and thereafter monitor and evaluate the impact of these policies;</p> <p>Oversee that there are optimal women participation on the IDP and budget processes since they are gender sensitive;</p> <p>Advise and lobby for municipal interventions to enhance economic growth of women;</p> <p>Monitor that the municipality reaches its employment equity targets at all levels of decision making;</p> <p>Create public awareness about government policies and programmes aimed at the advancement of women and children's rights and the rights of the aged;</p> <p>Advocate and commission research on the impact of gender policies on women and children (girl) at the community level</p>

Appendix C: Third Tier Management Structure

Third Tier Structure		
Department	Title	Details
Office of the Municipal Manager	Manager: Internal Audit & Risk Management	Ms S Gambushe
	Manager: MM's Office	Ms Y Mhlamvu
Corporate Services	Manager: Human Resources	Mr R Lubanyana
	Manager: Labour Relations & Wellness	Mr A Mdleleni
	Manager: Estates Administration	Ms P Tom
	Manager: Information Technology	Ms S Qwabe
	Manager: Fleet Administration	Mr S Mthembu
	Manager: Legal Services	Ms R Davenarain
Technical Services	Manager: Meetings Administration	Ms G Naicker
	Manager: Human Settlements	Ms V Khawula
	Manager: Project Management Unit	Mr KB Msomi
	Manager: Roads & Stormwater	Mr B Mnguni
	Manager: Electrical Engineering	Ms CN Sihlali
	Manager: Mechanical Engineering	Vacant
Community Services	Manager: Facilities Management	Mr KI Mchunu
	Manager: Arts & Culture	Ms TR Khawula
	Manager: Education and Waste Minimisation	Ms Z Mzimela
	Manager Waste Management	Mr P Sithole (North) Mr AS Davis (South)
	Manager: Aquatic Safety	Mr SN Langeni
Public Safety	Manager Extended Public Works Programme	Mr NP Nondlekazi
	Manager: Motor Licensing Bureau	Mr SV Goldsmith
	Superintendent: Operations	Mr S Ngcaku
	Superintendent: Public Transport & Administration	Mr R Robbinson
Development Planning Services	Manager: Fire & Disaster Management	Mr S Naidoo
	Senior Manager: Building Control	Mr N Naidoo
	Manager: Town Planning	Ms NP Sithole
	Manager: Environmental Management & Signage Control	Ms FP Mhlongo
	Manager: Economic Development	Mr PC Khambule
	Manager: Aviation services	Ms Y Van Rensburg
	Manager Technology Hub	Mr SSV Nikelo

Third Tier Structure		
Department	Title	Details
Strategic Planning & Governance	Manager: Mayoralty and Communications	Mr SM April
	Manager: Stakeholder Relations & Customer Care	Mr XP Dlangalala
	Senior Manager: Strategic Planning	Ms Z Ndabezitha
	Manager: Youth Development	Ms S Ngwabe
	Manager: Speaker's Office	Mrs TTW Mbili
	Manager: Special Programmes	Mrs TZ Khumalo
	Manager: Performance Monitoring & Evaluation	Mrs N Bhengu
Treasury	Manager: Budget & Reporting	Ms SE Qwabe
	Manager: Revenue	Mr RS Dlamini
	Manager: Expenditure	Vacant
	Manager: Supply Chain Management	Mr N Mavundla
	Manager: Assets Management	Mr V Gqoboka

Appendix D: Municipal Functions

Powers & Functions(List)	Status in performing the power and function)	Service Provider /municipality performing these Powers and Functions
Air pollution	S	Ugu District Municipality
Building Regulations	Y	RNM
Child Care facilities	S	Ugu District Municipality
Electricity Reticulation	S	Eskom
Fire prevention and control	Y	RNM
Local Tourism	S	Ugu & Tourism Assoc
Municipal Airports	S	HCM & service Provider
Municipal Planning	Y	RNM
Municipal Health Services	X	Ugu District Municipality
Municipal Public Transport	X	Ugu District Municipality
Harbors and Ferries	Y	RNM
Storm Water Management	S	Ugu District Municipality
Trading Regulations	S	Ugu District Municipality
Water and Sanitation	X	Ugu District Municipality
Beaches and amusement parks	Y	RNM
Billboards, Public Advertising	Y	RNM
Traffic and Parking	Y	RNM
Street trading	Y	RNM
Cemeteries and crematoria	Y	RNM

Powers & Functions(List)	Status in performing the power and function)	Service Provider /municipality performing these Powers and Functions
Cleansing and Maintenance	Y	RNM
Control of Public Nuisances	Y	RNM
Control of Liquor Licenses	X	Liquor Board & SAPS
Animal care, burial and pounds	S	SPCA
Fences and Fencing	Y	RNM
Licensing of dogs	Y	RNM
Food licenses	X	Ugu District Municipality
Local amenities	Y	RNM
Local sport	Y	RNM
Street lighting	X	Eskom
Markets	X	Ugu District Municipality
Municipal Abattoirs	X	Ugu District Municipality
Municipal Parks and Recreation	Y	RNM
Municipal Roads	Y	RNM
Noise pollution	Y	RNM
Public places	Y	RNM
Refuse removal and solid waste	Y	RNM
Waste water treatment plant	X	Ugu District Municipality

Notes

X = not RNM function

Y = RNM function

S = shared with other service providers / institutions

Appendix E: Ward Reporting

Functionality of Ward Committees					
Ward Number	Name of Ward Cllr & Elected ward committee members	Committee established (Yes/No)	Number of quarterly committee meetings held during the year (3 per quarter)	Number of quarterly reports submitted to speakers office on time	Number of quarterly public meetings held during the year (3 per quarter)
Ward 01	Cllr Dorica Mthuli Venessa Pam Mtshali Nkululeko Mboniswa Busisiwe Mthwane Nomzamo Ngeleka Smoleni Winnie Gumede	YES	11	04	11
Ward 02	Cllr Alan Bosch Corrie Wernick S .F Mhlana Mvumikazi Tsewu Sbongile China Mkhwanazi	YES	12	04	10
Ward 03	Cllr Paul Edward Brauteseth Mirriam Lunika Louis Boshoff Scott Kvaligh	YES	11	04	10

Functionality of Ward Committees					
Ward Number	Name of Ward Cllr & Elected ward committee members	Committee established (Yes/No)	Number of quarterly committee meetings held during the year (3 per quarter)	Number of quarterly reports submitted to speakers office on time	Number of quarterly public meetings held during the year (3 per quarter)
Ward 04	Cllr Khayelihle Registone Shinga Nozipho Lubanyana Tholakele Dlezi Bhekani Chiliza Eric Nombika Defries Lushaba	YES	12	04	07
Ward 05	Cllr Rodney Phumlani Gumbi Lindokuhle Nzama Nonhlanhla Mbhele Ntombizandile Zoko Alwande Mbatha	YES	10	04	08

Functionality of Ward Committees					
Ward Number	Name of Ward Cllr & Elected ward committee members	Committee established (Yes/No)	Number of quarterly committee meetings held during the year (3 per quarter)	Number of quarterly reports submitted to speakers office on time	Number of quarterly public meetings held during the year (3 per quarter)
Ward 06	Cllr Lwazi Neo Canca Joan Robins Malusi Zwane Beauty Bango Khumbuza Mankanku	YES	10	04	03
Ward 07	Cllr Bongani Petros Ntombela Ace Lennox Ngillande Phelelani Edman Tshutsha Nocollege Nxumalo Nkululeko Mbuyisa Alson Jula	YES	09	04	09
Ward 8	Cllr David Bhekabezayo Cele Sithembile Primrose Gavu Lungelo Xaba Nomlindelo Ngilande Zwelonke Jama Njabulo Phehlukwayo	YES	03	04	00
Ward 9	Cllr Richard Sandile Nyembezi Dumisani Ngcungama Sharon Ntombi Nzama	YES	09	04	10

Functionality of Ward Committees					
Ward Number	Name of Ward Cllr & Elected ward committee members	Committee established (Yes/No)	Number of quarterly committee meetings held during the year (3 per quarter)	Number of quarterly reports submitted to speakers office on time	Number of quarterly public meetings held during the year (3 per quarter)
	Madu Simon Ncane Wilfred Bixi Bruce Watt				
Ward 10	Cllr Mandla Mqadi Nkosingiphile Mzelemu Balungile Cele Ntombi Mqadi Zanele Mjaja Busisiwe Zenda Sfiso James Mpisani	YES	12	04	02
Ward 11	Cllr Nelly Dhlamini Nonhlanhla Mthuli Thulisile Danca Fana Ngeleka Falakhe Zakuza Busisiwe Ngeleka Leon Victor Kotze	YES	11	04	08
Ward 12	Cllr Leon Armin Garbade Derrick Morris Patricia P De Korte Raji Harrietpersadh Elizabeth Hoorzhuk Jana Prold	YES	10	04	06

Functionality of Ward Committees					
Ward Number	Name of Ward Cllr & Elected ward committee members	Committee established (Yes/No)	Number of quarterly committee meetings held during the year (3 per quarter)	Number of quarterly reports submitted to speakers office on time	Number of quarterly public meetings held during the year (3 per quarter)
Ward 13	Cllr Noah Nkosinathi Cele Dennis Zikalala Lindani Duma Celukuthula Sithembiso Cele Hilton O'Dwyer Nils Potgieter Lucas Radebe Elliot Mkhandi	YES	12	04	08
Ward 14	Cllr Caiphus Tholokwakhe Zulu Alexander Mchunu Gugu Cynthia Madlala Doctor Albert Malunga Badanile Mkhize Emmanuel Mbhele Derrick Z. Dlamini Hlengiwe Madonda Nomthandazo Zibula	YES	12	04	12
Ward 15	Cllr Ncedani Nyuleka Skhumbuzo Mthethwa Funani Cele Christabel Mvubu Bonginkosi Khuzwayo Mlungisi Vukile Zangwa Nompucuko Bhala	YES	12	04	06

Functionality of Ward Committees					
Ward Number	Name of Ward Cllr & Elected ward committee members	Committee established (Yes/No)	Number of quarterly committee meetings held during the year (3 per quarter)	Number of quarterly reports submitted to speakers office on time	Number of quarterly public meetings held during the year (3 per quarter)
	Slindile Promise Hlengwa Elona Manyala				
Ward 16	Cllr Tjaart Andries Petrus Kruger John Arthur Irvin Delisile P. Ngcobo John Williams Jacobus Strydom Davina Campbell	YES	10	04	06
Ward 17	Cllr Ajith Rajaram Dineshwarin Pillay Sunil Singh Jessie Naidoo Valdin Ricardo Barth Dumisani Madlala	YES	12	04	02
Ward 18	Cllr Douglas Rawlins./ Nonceba P. Gigaba Evening Mkhize Temone Ullbricht Mohammed Adam	YES	11	04	00
Ward 19	Cllr George Henderson Alan Bosch Hardus Coetzee Ernest Booyesen Klasi Booyesen	YES	11	04	03

Functionality of Ward Committees					
Ward Number	Name of Ward Cllr & Elected ward committee members	Committee established (Yes/No)	Number of quarterly committee meetings held during the year (3 per quarter)	Number of quarterly reports submitted to speakers office on time	Number of quarterly public meetings held during the year (3 per quarter)
	Barend Smit				
Ward 20	Cllr Shadrack Sello Morafe Bheki Shezi Thembinkosi Ntuli Goodone Vusi Shibe Erick S. B. Ndwalane Xolani Gasa Simpfiwe Hlongwa Obed Mlambo	YES	11	04	10
Ward 21	Cllr Musawenkosi Pius Koli Philile Nonjabulo Gumede Makhosazane P. Shange Selby Nozipho Xolo Johannes Khalala Nonjabulo Mkhize Zinhle Ndimeni	YES	10	04	06
Ward 22	Cllr Simpfiwe Clarence Memela Thobani Chiliza Nandi Elsie Mbili Ndumiso innocent Hadebe Bhekamambo Mkhize Zama Shange Thembi Chiya	YES	10	04	00

Functionality of Ward Committees					
Ward Number	Name of Ward Cllr & Elected ward committee members	Committee established (Yes/No)	Number of quarterly committee meetings held during the year (3 per quarter)	Number of quarterly reports submitted to speakers office on time	Number of quarterly public meetings held during the year (3 per quarter)
Ward 23	Cllr Timothy Bheka Cele Bhekie B. Madlala Mavis Zanele Zulu Anna-Rose Thobile Madhlala Sithembele M. Mdunjana Simbonile Cele	YES	07	04	03
Ward 24	Cllr Nonsindiso Princess Ndovela (Ngcobo) Xolani Ndovela Bheki Mbhele Zama Mildred Gumede Qaphela Mvundla Lindelani Cikwayo Vusumuzi Tom Mthethwa	YES	12	04	12
Ward 25	Cllr Hoffrey Simosakhe Nyawose Eric Zifikele Mbili Siphindile Zulu Sibusiso Sithole Bright Mlungisi Msomi Zanele Mporofana	YES	07	04	03
Ward 26	Cllr Musawenkosi Israel Ngcobo Thabisile T.Y. Khaula	YES	12	04	09

Functionality of Ward Committees					
Ward Number	Name of Ward Cllr & Elected ward committee members	Committee established (Yes/No)	Number of quarterly committee meetings held during the year (3 per quarter)	Number of quarterly reports submitted to speakers office on time	Number of quarterly public meetings held during the year (3 per quarter)
	Sphelele Gumede Phindile Lushaba Ntombikhona V Cele Zinhle Nxasana Nokubonga Madikizela				
Ward 27	Cllr Mdumiseni Innocent Cele Tholakele Lubanyana Nhlaka Mthwane Ayanda Mchunu Thokozani D. Mendu Philisiwe H. Hlophe Dumisile Gugu Zulu Thamsanga J Mavundla	YES	11	04	04
Ward 28	Cllr B.V. Zulu Siyabonga Dlamini Zamile Mtolo Zandile Magwaza Nomusa Shabane Sandile Khwela	YES	12	04	03

Functionality of Ward Committees					
Ward Number	Name of Ward Cllr & Elected ward committee members	Committee established (Yes/No)	Number of quarterly committee meetings held during the year (3 per quarter)	Number of quarterly reports submitted to speakers office on time	Number of quarterly public meetings held during the year (3 per quarter)
Ward 29	Cllr Linda Doris Majola Nombuso Beatrice Nhlumayo Bongane Mthwane Nkosinathi Hadebe Thandeka Cele Thuli Langazane	YES	11	04	02
Ward 30	Cllr Sifiso Advocate Ngcece Msizi Cele Thembokwakhe Cele Nontuthuzelo Cele Moses Mthokozisi Gambushe Ntombifuthi Zulu LIndiwe Gambushe Noluthando Danca Moses Ngwenya Mbhutho Zodwa	YES	08	04	10

Functionality of Ward Committees					
Ward Number	Name of Ward Cllr & Elected ward committee members	Committee established (Yes/No)	Number of quarterly committee meetings held during the year (3 per quarter)	Number of quarterly reports submitted to speakers office on time	Number of quarterly public meetings held during the year (3 per quarter)
Ward 31	Cllr Bongji Constance Mzobe Ronnie S. Khomo Octavia Shongane Mavundla Nokuphiwa Priscilla Nzimande Mthembeni Chiliza Nompumelelo V. Ngobese Manesi Faith Khawula Malusi Nhlakanipho Tsaulwayo Tholakele Goodness Gumede	YES	09	04	04
Ward 32	Cllr Makhosazane Pretty Moloi Nokulunga Praise-God Phehlukwayo Sindisiwe Dube Mfanafuthi Xolo Sibongiseni Xolo Mthetheleli Mafa Mandisa Veronica Gambushe Martha Ngeleka Banele W Gumede Nomandla Cele	YES	10	04	06

Functionality of Ward Committees					
Ward Number	Name of Ward Cllr & Elected ward committee members	Committee established (Yes/No)	Number of quarterly committee meetings held during the year (3 per quarter)	Number of quarterly reports submitted to speakers office on time	Number of quarterly public meetings held during the year (3 per quarter)
Ward 33	Cllr Bonginkosi Dennis Nyawose Mduduzi Goodman Cele Khethiwe Mvundla Mduduzi Nyawose Fano Simon Cele Ncamisile Cele Nombuso Dlomo	YES	10	04	08
Ward 34	Cllr Alex Sibongiseni Khawula Xolani Mkhonde Phakamisile Mzobe Bongokuhle Shazi Phumlani Bhengu Nonkululeko Dladla Flourina T. Nkonyeni Jabulani Radebe Fikelephi Bhengu Khulekani Nzimande Nompumelelo Cele	YES	12	04	05

Functionality of Ward Committees					
Ward Number	Name of Ward Cllr & Elected ward committee members	Committee established (Yes/No)	Number of quarterly committee meetings held during the year (3 per quarter)	Number of quarterly reports submitted to speakers office on time	Number of quarterly public meetings held during the year (3 per quarter)
Ward 35	Cllr Hawukile Petronica Mbatha Nothabo Pamela Mthembu Gugulethu Ngubelanga Ntombikayise Juta Jabulani Nkonyeni Bekiwe Phildah Hlongwane Nombuso Mthembu Nomathamsanqa Cynthia Msizazwe Mzuvela Cebisa Zebulon Mhlungo	YES	12	04	12
Ward 36	Cllr Makhosezwe Amon Mpisi Bongiwe Mqadi Thulani Blose Khayelihle Cele Lindiwe Lucy Shazi Ntombikayise Nilizwi Ntsebeshe Thulani Nonto Jama Ellias Shezi Tmothy Gigaba	YES	12	04	05

Appendix F: Disclosure of interest

The Municipality has in place a system that requires that councillors and officials complete declaration of interest forms when they join the municipality, thereafter they are requested to ensure that they keep this information updated on an annual basis dependant on whether there are any changes to what the municipality has on record.

These forms are readily available and allows the municipality to monitor conflicts of interest that may arise during its operations. The municipality also maintains the declarations of interest as a standing item on all its meetings to allow councillors and officials to avoid conflict of interest on any matters arising from the meeting. The Municipal Manager supported by Council also issued a directive which forbids municipal officials from registering companies on the municipal database so as to avoid audit queries regarding trading with employees.

Appendix G: Capital Programme

Capital Programmes									
Capital Project	Ward(s) affected	Works completed (Yes/No/In Progress)	Date of completion	Number of completed units	Appointed Service Provider/Contractor	Number of Jobs created for Local Community	Original Budget	Adjustment Budget	Actual Value of work completed
CLUSTER 1									
QASHELA TO MUNGA PEDESTRIAN BRIDGE WARD 33	32	Yes	June 2020	1.6km	Mchilobomvu	12	R 2 000 000,00	R 3 000 000,00	R 3 599 696,74
COMMUNITY HALL- WARD 33	33	No	N/A	0	Masikhulisanesonke	13	R 2 500 000,00	R 2 000 000,00	R 1 874 487,06
COMMUNITY HALL- WARD 34	34	No	N/A	0	Bright Idea JV Bright Future	17	R 2 500 000,00	R 2 000 000,00	R 1 739 739,00
COMMUNITY HALL WARD 30	30	Yes	June 2020	1	Durosha Investments	10	R2 533 900,00	R3 533 900,00	R4 680 271,70
BHOSIKI HALL PHASE 2 - PARKING AND STORMWATER (WARD 36)	36	Yes	May 2020	1	Aphile Nandi	9	R 1 500 000,00	R 1 500 000,00	R 1 834 831,92
CLUSTER 2									
MJWENI PEDESTRIAN BRIDGE	8	Yes	May 2020	1	Margate Construction	12	R 1 200 000,00	R 1 200 000,00	R 1 614 929,14
MAQOBO PEDESTRIAN BRIDGE	9	No	N/A	1	Dumagude Civils	9	R 2 000 000	R 400 000	R 612 996,00

Capital Programmes									
Capital Project	Ward(s) affected	Works completed (Yes/No/In Progress)	Date of completion	Number of completed units	Appointed Service Provider/Contractor	Number of Jobs created for Local Community	Original Budget	Adjustment Budget	Actual Value of work completed
COMMUNITY HALL WARD 9	9	Yes	April 2020	1	Masikhulisanesonke	14	R2 733 900,00	R3 733 900,00	R 5 479 336,00
CLUSTER 3									
THONGAZI PEDESTRIAN BRIDGE WARD 1	1	Yes	June 2020	1	Aphile Nandie Trading and Projects	9	R 900 000,00	R 1 500 000	R2 197 212,00
UPGRADE OF SMITH STREET - WARD 6	6	No	N/A	N/A	Emhlungwini Trading and Construction	8	R 3000 000,00	R 3 500 000,00	R 3 200 081,34
CLUSTER 4									
TARRING OF NOSITHA MAIN ROAD WARD 27	27	No	N/A	0	Amanqamngeshe Contractors	12	R4 000 000,00	R6 390 000,00	R9 728 230,43
WARD 5 COMMUNITY HALL	5	No	N/A	0	Emhlungwini Trading and Construction	11	R3 000 000,00	R3 500 000,00	R3 966 687,18
FEZILE MKHWANAZI STORMWATER WARD 28	25	Yes	August 2019	1200m	Santos Civils	8	R 1800 000,00	R1 400,000,00	R 1 450 268,61
CLUSTER 5									
TARRING OF JESUS ROAD WARD 23	23	No	N/A	0	Inyameko Trading	15	R3 000 000,00	R5 050 000,00	R2 392 205,41
WARD 24 - DRESSING PEDESTRIAN BRIDGE	24	Yes	May 2020	1	Santo Civils	5	R300 000,00	R600 000,00	R 545 454,55

Capital Programmes									
Capital Project	Ward(s) affected	Works completed (Yes/No/In Progress)	Date of completion	Number of completed units	Appointed Service Provider/Contractor	Number of Jobs created for Local Community	Original Budget	Adjustment Budget	Actual Value of work completed
CLUSTER 6									
MNGANKA VEHICULAR BRIDGE	20	No	N/A	N/A	Tributary of Success JV MVI Construction.	9	R1 200 000,00	R1 200 000,00	R 1 543 800,18
VUSUSHABA SPORTFIELD	04	No	N/A	N/A	Gasela Plant	10	R 2000 000,00	R 500 000,00	R 640 926,18
PORT SHEPSTONE TEMPORARY TAXI RANK	18	No	N/A	N/A	Durosha Investments	7	R 5 383 381,00	R 5 383 381,00	R 802 957,39
CLUSTER 7									
ACACIA ROAD STORMWATER - SEAPARK WARD 16	16	Yes	Nov 2019	200m	Igorha Construction	12	R2 000 000	R2 500 000,00	R 2 571 962,58
TARRING OF GEORGE MBHELE HIGH ROAD WARD 13	13	Yes	September 2019	450m	Igorha Construction	8	R 1500 000	R1 700 000,00	R1 729 454,00
MUNICIPAL WIDE PROJECTS									
ROAD REHABILITATION PHASE 7 (GRAVEL)	1,11,9,10,30,32,31,33,35,36,7,9,13,15,4,14,27,29,20,23,21,34,22,25,26,28,5,24	Yes	Jun-20	1,96km	Dynamo-duck, Thiyane Contractors, Sizakancane Construction, Jamjo, Sholo Trading Enterprise, Emhlungwini Trading, Mzansi LDK Trading, Luvovoda	140	R7 000 000,00	R7 000 000,00	R6 363 636,36

Capital Programmes									
Capital Project	Ward(s) affected	Works completed (Yes/No/In Progress)	Date of completion	Number of completed units	Appointed Service Provider/Contract or	Number of Jobs created for Local Community	Original Budget	Adjustment Budget	Actual Value of work completed
					JV, The Flusher Boys JV, Dummy and Themby Trading, Durosha Investments, Rhuu Construction, Appile Nandie Trading, Melokuhle Trading, Isifiso SikaNdlovu				
ELECTRICITY INFILLS - VARIOUS WARDS (NEW)	7,8,29, 17	No	N/A	N/A	Noyaba Engineering, Imbawula Trading,	14	R 9 000 000	R 5000 000	R 4 545 454,54

Appendix H: Service Provider Performance Schedule

Capital Programmes											
Bid Number	Name of external Service Provider	Date Contract Awarded	Service provided in terms of the SLA	Value of project	Comparison with previous year		Current Financial Year		Assessment of Service Providers Performance		
					Target	Actual	Target	Actual	Good	Satisfactory	Poor
8/2/RNM0043	Creston construction	17/05/18	Domba Sportsfield	R5,859,090.03	1	1				S	
8/2/RNM0086	Umhlungwini trading & Construction	25/04/2019	Ward 5 hall	R5, 929, 033.39	1	1	1	1		S	
8/2/RNM0060	Masikhulisanesonke Jv Vitsha	5/06/18	Ward 9 Hall	R6, 747,880.09	1	1				S	
8/2/RNM0066	Durosha Investments	25/07/18	Ward 30 hall	R8,290, 752.03	1	1				S	
8/2/RNM0067	Masikhulisanesonke JV Vitsha	25/07/18	Ward 33 Hall	R6, 201,333.46			1	1		S	
8/2/RNm0068	Brifgt Idea JV Bright Future	10/06/19	Ward 34 Hall	R7,162, 047.72			1	1		S	
8/2/RNM0146	Gasela Plant Hire	24/0/2020	Vusushaba Sportsfield	R5,540, 906.83			1	1		S	
8/2/RNM0087	Piwana holdings (PTY LTD	19 March 2018	CONSTRUCTION OF WARD 20 COMMUNITY HALL	R5,977, 778.02	1	1				S	
8/2/RNM0137	Appileh Nandie Trading	11 October 2019	CONSTRUCTION BHOSIKI HALL PARKING AND STORMATER PHASE2	R1,921, 555.13	1	1	1	1		S	
8/2/RNM0155	Margate construction	19 November 2019	Refurbishment of Port Shepstone fishing pier	R952,102.25	1	1	1	1		S	
8/2/RNM0138	Gasela Plant hire	17 September 2019	Construction of Dick king parking and Fencing	R1, 989, 718.50			1	1		S	
8/2/RNM0082	Ugqoko Lwensizwa	12 September 2019	Panel for Installation of Outdoor gym Equipment CLUSTER 1	R530, 350.00	1	1				S	
8/2/RNM0082	Pectoscope (PTY) LTD	12 September 2019	Panel for Installation of Outdoor gym CLUSTER 7	R530, 350.00	1	1				S	

8/2/RNM0082	Mthuli Trading cc	12 September 2019	Panel for Installation of Outdoor gym CLUSTER 5	R530,350.00	1	1				S	
8/2/RNM0151	MVI JV Tributary success	17/09/2019	Mnganka Vehicular bridge	R2, 741, 179.10	1	1	1	1		S	
8/2/RNM0148	Margate Construction	17/09/2019	Mjweni Pedestrian bridge	R2,284, 733.20	1	1	1	1		S	
8/2/RNm0053	Appile Nandie	08/08/2019	Thongazi Pedestrian bridge	R2,014, 858.23	1	1	1	1		S	
RNM0054	IGORHA CONSTRUCTION	19 MARCH 2018	CONNSTRUCTION OF TARRING OF JESUS ROAD – WARD 21	R7,998,585.36	1		1				P
RNM0055	IGORHA CONSTRUCTION	27 JUNE 2018	CONSTRUCTION OF ACACIA STORMWATER UPGRADE – WARD 16	R2,560,809.08	1	1	1	1		S	
RNM0029	EMHLUNGWINI TRADING AND CONSTRUCTION	12 JULY 2019	CONSTRUCTION OF THE UPGRADE OF SMITH STREET – WARD 6	R6,713,121.55	1	1	1	1		S	
RNM0054	INYAMEKO TRADING	04 DECEMBER 2019	CONNSTRUCTION OF TARRING OF JESUS ROAD – WARD 21	R8,146,689.93	1	1	1		G		
8/2/RNM0171	Amanqamqeshe Trading	3 November 2019	Nositha Main Road	R 20 162 403.60	1	1	1			S	
8/2/RNM0147	Mchilobomvu Civils	23 October 2019	Qhashela Pedestrian Bridge	R 3 491 101.00	1	1	1	1	G		
8/2/RNM1683	Santo Civils	16 August 2019	Dressing Pedestrian Bridge	R 659 462.35	1	1				S	
8/2/RNM0027	Santo Civils	10 April 2018	Fezile Mkhwanazi Stormwaer	R 1 400 000.01	1	1				S	
8/2/RNM 0090	Dynamo-Duck		Mnkanti Concrete Road	R 1 981 758.2	1	1			G		
8/2/RNM0090	The Flusher Boys	16 September 2019	Phase 7 Rural Roads	R 416 629.3	1	1			G		
8/2/RNM0090	Dynamo Duck		Phase 7 Rural Stormwater	R 416 629.3	1	1			G		
8/2/RNM0090	Sizakancane Trading	16 September 2019	Phase 7 Rural Stormwater	R 416 629.3	1	1			G		
8/2/RNM0090	Shaolo Trading	16 September 2019	Phase 7 Rural Stormwater	R 416 629.3	1	1				S	
8/2/RNM0090	Rhuu Construction	16 September 2019	Phase 7 Rural Stormwater	R 416 629.3	1	1			G		

8/2/RNM0090	Mzanzi LDK	16 September 2019	Phase 7 Rural Stormwater	R 416 629.3	1	1			G		
8/2/RNM0090	Melaokuhle	16 September 2019	Phase 7 Rural Stormwater	R 416 629.3	1	1			G		
8/2/RNM0090	Luvolonde	16 September 2019	Phase 7 Rural Stormwater	R 416 629.3	1	1			G		
8/2/RNM0090	Jamjo Civils	16 October 2019	Phase 7 Rural Stormwater	R 416 629.3	1	1			G		
8/2/RNM0090	Isifiso Sikandlovu	16 September 2019	Phase 7 Rural Stormwater	R 416 629.3	1	1			G		
8/2/RNM0090	Emhlungwini	16 September 2019	Phase 7 Rural Stormwater	R 416 629.3	1	1					P
8/2/RNM0090	Dummy an Themby	16 September 2019	Phase 7 Rural Stormwater	R 416 629.3	1	1			G		
8/2/RNM0090	Aphileh Nanddie	16 September 2019	Phase 7 Rural Stormwater	R 416 629.3	1	1			G		
8/2/RNM0091	Zamagambu	8 June 2020	Rural Stormwater	R 296 300.0	1	1				S	
8/2/RNM0091	Sheppy Technology	8 June 2020	Rural Stormwater	R 350 300.0	1	1			G		
8/2/RNM0091	Dumagude	8 June 2020	Rural Stormwater	R 296 300.00	1	1			G		
8/2/1713	Imbawula Technical Services	20 February 2020	Nkampini-Khweshube Infills	R3 000 000.00	1	1				S	
8/2/1713	Noyaba Electrical Engineers	20 February 2020	Merlewood phase two electrification	R3 000 000.00	1	1	1			S	
8/2/1713	Noyaba Electrical Engineers	20 February 2020	Mbecuka village infills	R2 000 000.00	1	1	1			S	

Appendix I: Corrective Action Plan – Auditor General’s findings for year ended 30 June 2020

Status of implementation

Achieved	In-progress	Not-achieved	Comments
100%	0%	0%	
38	0	0	

RAY NKONYENI MUNICIPALITY ACTION PLAN FOR MATTERS BY THE AUDITOR GENERAL FOR PERIOD 30 JUNE 2021

	FINDING	CORRECTIVE ACTION	TIMEFRAME	RESPONSIBLE MANAGER	PROGRESS/STATUS
ANNEXURE A: AUDIT REPORT FINDINGS					
1.	Bid adjudication committee requirements not met.	The Bid Adjudication Committee was reconfigured to be in line with legislation. The revised irregular expenditure register was provided AG on 19 February 2021 and the adjustments were adequately audited.	N/A	CFO	Done.

	FINDING	CORRECTIVE ACTION	TIMEFRAME	RESPONSIBLE MANAGER	PROGRESS/STATUS
2.	Material amendments in the Financial Statements.	<p>Financial statements to be submitted to internal audit two week prior to the due date after they have been reviewed by the financial experts for adequate review of the financial statements and supporting documentation.</p> <p>Adequate preparation and review by of the following year end procedures: - Depreciation, Fixed Asset register, Debtors impairment calculation, Write-off of debtors, accruals, Irregular expenditure and other provisions calculated at year end.</p>	<p>13 August 2021</p> <p>13 August 2021</p>	<p>CFO</p> <p>Manager: Budget & Reporting</p> <p>Manager: Internal Audit & Risk Management</p> <p>Manager: Assets</p> <p>Manager: Revenue</p> <p>Manager: Expenditure</p>	<p>Financial statements were submitted to Internal audit and reviews and discussion have been held. Registers and schedules supporting the AFS have been reviewed and submitted to AG. Irregular expenditure has been quantified, presented to council for noting. The prior year IE has been investigated by IA and tabled to MPAC and Council for writeoff where applicable.</p>
3.	Failure to prevent irregular expenditure	<p>Develop SCM compliance check list to be reviewed by manager Risk and Compliance.</p> <p>SCM Regulations Awareness Campaigns</p>	<p>30 April 2021</p> <p>30 June 2021</p>	<p>Manager: Supply Chain Management /Manager: Internal Audit & Risk Management</p> <p>Manager: Supply Chain Management</p>	<p>Done.</p> <p>Done.</p>

	FINDING	CORRECTIVE ACTION	TIMEFRAME	RESPONSIBLE MANAGER	PROGRESS/STATUS
	ANNEXURE B: OTHER IMPORTANT MATTERS				
4.	Statement of comparison: Final budget figures not agreeing to adjusted budget.	Financial statements to be submitted to internal audit two week prior to the due date after they have been reviewed by the financial experts for adequate review of the financial statements and supporting documentation.	13 August 2021	CFO All Treasury Managers Manager: Internal Audit & Risk Management	Finalised, reviewed before submission to AG.
5.	Differences identified on cash flow statement.	Financial statements to be submitted to internal audit two week prior to the due date after they have been reviewed by the financial experts for adequate review of the financial statements and supporting documentation.	13 August 2021	CFO Manager: Budget & Reporting Manager: Internal Audit & Risk Management	AFS finalised and cashflow reviewed before submission for audit.
6.	Exceptions identified based on Computer Assisted Audit Techniques (CAATs) testing.	Ensure there are sufficient controls in place to identify, correct and prevent: <ul style="list-style-type: none"> - billing of vacant land: incorporate the above in our tariff policies; - billing of estimates exceeding 3 months: placing additional capacity for meter reading, introduction of 	30 June 2021 30 June 2021	Manager: Revenue Manager: Electricity	Done. Done.

	FINDING	CORRECTIVE ACTION	TIMEFRAME	RESPONSIBLE MANAGER	PROGRESS/STATUS
		<p>automated metre reading system (read TOU meters); begin to replace old faulty metres; Manager: Electricity to submit report to Audit process committee of estimates more than 3 months and</p> <ul style="list-style-type: none"> - billing for electricity but, not for rates: Electricity accounts were incorrectly opened. Management will identify erfs that the electricity accounts belongs to and bill accordingly. 		Manager: Electricity	Done.
7.	Statutory receivables note 10 incorrectly disclosed.	Financial statements to be submitted to internal audit two week prior to the due date after they have been reviewed by the financial experts for adequate review of the financial statements and supporting documentation.	13 August 2021	<p>CFO</p> <p>Manager: Budget & Reporting</p> <p>Manager: Internal Audit & Risk Management</p>	Finalised, reviewed before submission to AG.
8.	Differences identified on statement of changes in net assets.	Financial statements to be submitted to internal audit two week prior to the due date after they have been reviewed by the financial experts for adequate review of the financial statements and supporting documentation.	13 August 2021	<p>CFO</p> <p>Manager: Budget & Reporting</p>	Finalised, reviewed before submission to AG.

	FINDING	CORRECTIVE ACTION	TIMEFRAME	RESPONSIBLE MANAGER	PROGRESS/STATUS
		Prior year adjustments must be approved by CFO, including supporting documentation.		Manager: Internal Audit & Risk Management	
9.	Adjustments on payables not supported.	Financial statements to be submitted to internal audit two week prior to the due date after they have been reviewed by the financial experts for adequate review of the financial statements and supporting documentation. Prior year adjustments must be approved by CFO, including supporting documentation.	13 August 2021	CFO Manager: Budget & Reporting Manager: Internal Audit & Risk Management	Finalised, reviewed before submission to AG.
10.	Incorrect calculation of allowance for impairment: Debtors.	Management must ensure that the allowance for impairment is calculated in accordance with applicable financial reporting framework and the impairment methodology. The adjusting journals were processed on the system and audited by AG.	N/A	Manager: Revenue	Done.
11.	Traffic fines not recorded.	Ensure that all fines are recorded accurately and completely. The revenue from traffic fines on the Traffman system was accounted for,	N/A	Manager: Revenue	Done.

	FINDING	CORRECTIVE ACTION	TIMEFRAME	RESPONSIBLE MANAGER	PROGRESS/STATUS
		journals processed and audited. AG was satisfied with the adjustment.			
12.	Limitation of scope on the information requested relating to receivables.	The listing was submitted and audited by AG. This finding is cleared.	N/A	CFO	Done.
13.	Accruals incorrectly accounted for in financial statements.	Financial statements to be submitted to internal audit two week prior to the due date after they have been reviewed by the financial experts for adequate review of the financial statements and supporting documentation. CFO to adequately review year end procedures Perform monthly reconciliations	13 August 2021	CFO Manager: Budget & Reporting Manager: Internal Audit & Risk Management	Finalised, reviewed before submission to AG.
14.	Finance costs recognized does not agree to finance cost in financial statements.	Financial statements to be submitted to internal audit two week prior to the due date after they have been reviewed by the financial experts for adequate review of the financial statements and supporting documentation.	13 August 2021	CFO Manager: Budget & Reporting Manager: Internal Audit & Risk Management	Finalised, reviewed before submission to AG.

	FINDING	CORRECTIVE ACTION	TIMEFRAME	RESPONSIBLE MANAGER	PROGRESS/STATUS
15.	Indicator not specific and verifiable.	<p><u>"Number of verge maintenance cuts per quarter"</u> is not specific and is not verifiable.</p> <p>The KPI has been removed from the Final 2020 - 2021 SDBIP amendments which were approved by Council on the 23rd of February 2021.</p> <p>Include all removed KPIs in the APR.</p>	30 June 2022	Manager: Performance Monitoring and Evaluation	Done.
16.	DTI was not notified of the successful bidder and the value of the contract and provided with copies of the contracts and the bidder's SBD 6.2 certificate.	Management should design and implement controls to promptly notify DTI of all successful bidders and submit the required documents.	Monthly	Manager: Supply Chain Management	<p>Done.</p> <p>July 2020 to date – documents sent.</p>
17.	Reasons for not obtaining three quotes not documented and approved.	Management will ensure going forward that at least three quotations are obtained for procurements of a transaction value over R10 000 up to R200 000 (VAT included) for the full population and reasons are recored for not obtaining at least 3 quotations.	On-going.	Manager: Supply Chain Management	Done.

	FINDING	CORRECTIVE ACTION	TIMEFRAME	RESPONSIBLE MANAGER	PROGRESS/STATUS
18.	Poor contract management.	<p>Management must ensure that no payments for contracts are made after the contracts has expired with no approval of extension.</p> <ul style="list-style-type: none"> - Enquire from Munsoft about the contract management module <p>Management must review and monitor compliance with applicable laws and regulations in a timely manner relating to contract management.</p>	30 April 2021	Manager: Supply Chain Management	<p>Done.</p> <ul style="list-style-type: none"> - New time lines have been given to mitigate issues of poor contract management. - Reports submitted to portfolio and oversight committee.
19.	Payments not made within 30 days.	<p>Management must implement controls to ensure all payments are made within 30 days to ensure compliance with the MFMA.</p> <p>Internal Audit & Risk Management section must adequately monitor the MFMA compliance register.</p>	Monthly	<p>Manager: Expenditure</p> <p>Manager: Internal Audit & Risk Management</p>	<p>Actioned and continuously being monitored.</p> <p>Non-Compliance reported at Corp Manco.</p>
20.	Awards made to spouses and parents in service of the state not disclosed in AFS.	Management should analyse the population and identify all winning providers who are either a spouse, child or parent of a person in the service of the state, or has been in the	N/A	Manager: Supply Chain Management	AFS adjusted, disclosed and audited by AG.

	FINDING	CORRECTIVE ACTION	TIMEFRAME	RESPONSIBLE MANAGER	PROGRESS/STATUS
		<p>service of the state in the previous 12 months.</p> <p>Management should disclose the details of the awards and the person in the notes to the annual financial statements.</p>			
21.	False declaration by supplier.	<p>It must be clearly stated in the SCM policy and tender adverts that prospective suppliers are required to submit valid and truthful declarations.</p> <p>Management should disclose the details of the awards and the person in the notes to the annual financial statements.</p>	N/A	Manager: Supply Chain Management	The proposed disclosure of the note to the annual financial statements was amended and audited by AG.
22.	Personal protective equipment procured above maximum price.	Management should review and monitor compliance with applicable laws and regulations relating to the procurement of personal protective equipment to ensure that the procurement does not exceed the maximum price stipulated by National Treasury.	31 May 2021	<p>Manager: Supply Chain Management</p> <p>Manager: Internal Audit & Risk Management</p>	<p>Protective equipment procured </= stipulated price.</p> <p>MFMA Circular 102 (4) has been included and reported at Corp Manco.</p>

	FINDING	CORRECTIVE ACTION	TIMEFRAME	RESPONSIBLE MANAGER	PROGRESS/STATUS
		Include MFMA circular requirements in the compliance register to be monitored on a regular basis.			
23.	SCM policy non-compliant with Municipal Supply Chain Management Regulations.	Management should perform a detailed review and amend the SCM policy to be compliant with the SCM municipal regulations.	N/A	Manager: Supply Chain Management	The policy was updated and adopted by Council in November 2020. The finding was resolved.
24.	Rotation Audit Committee Members.	Audit Committee Members should not be contracted continuously for a period exceeding six years. After serving continuously for six years, a cooling off period of two years should be allowed before appointing the same member to the same audit committee.	N/A	Acting Manager: Internal Audit & Risk Management	The Audit Committee is a shared service and appointments are done directly by the Ugu District Municipality. Ms. Elliot's contract expired on the 31st of December 2020 and a new Audit Committee Member has since been appointed.
25.	No business case documented for the Trafman system implementation.	Going forward management will develop business cases for new systems implemented. Business case to be prepared in a standard format to be obtained from IT.	31 May 2021	HOD: Public Safety/ Acting Manager: IT	Done. Business case for the Trafman system was documented and presented to the ICT Steering Committee. Going forward for every new system procured a business case will be required

	FINDING	CORRECTIVE ACTION	TIMEFRAME	RESPONSIBLE MANAGER	PROGRESS/STATUS
		User departments must consult and obtain approval from IT prior to procurement of softwares. IT will conduct policy awareness campaigns.			and presented to the ICT committee. Checklist at SCM updated to include a field to check if the IT approved the system to be procured. Policy Awareness Campaigns completed.
26.	Information Technology risks not included in the overall Ray Nkonyeni Municipality Risk Register.	Incorporate IT risks in the overall risk register and report to the oversight committee.	30 June 2021	Manager: Internal Audit & Risk Management	IT risks have been incorporated to the overall risk register – reported to Risk Management and Audit Committee.
27.	Personal development and training plans not in place for Information Technology staff.	WSP consultants with IT took place on 23 February 2021. The results of the Skills Audit will be incorporated in the WSP. In terms of institutional agreements in place, the municipality will be cascading IPMS in July 2021. It must be noted that IPMS contains a PDP component.	01 July 2021	HOD: Corporate Services	Done.

	FINDING	CORRECTIVE ACTION	TIMEFRAME	RESPONSIBLE MANAGER	PROGRESS/STATUS
28.	Service Addendum, Schedule M – Credit Control relating to the NMS – Bret system had not been adequately signed off.	Document has been signed – finding resolved.	N/A	CFO/Manager: IT	Done. The SLA was signed.
29.	Munsoft Monthly Service Activity Reports for Ray Nkonyeni Municipality not adequately completed.	Documenting of monitoring on activity report. IT will set up quarterly meetings with Munsoft together with Treasury management.	30 April 2021	IT and Treasury Management	Done. Munsoft sends a quarterly report of all tickets logged. Service tickets from Munsoft reviewed by treasury management and signed off on a quarterly basis. Meeting with Munsoft representative was held in May 2021.
30.	Microsoft Exchange is running on an outdated Microsoft Windows Server operating system.	The Exchange server was one of the primary domain controllers and poses a high risk if decommissioned at the present time. Once additional licensing has been purchased the server will be decommissioned.	01 April 2021	Acting Manager: IT	Done. IT budgeted for more O365 licenses and received a quote from Service provider for 100 licenses to be procured in July and will then upgrade the server with the remaining accounts to

	FINDING	CORRECTIVE ACTION	TIMEFRAME	RESPONSIBLE MANAGER	PROGRESS/STATUS
		Until such time the current finding will be added to the risk register and monitored.			resolve the non-compliance issue. Exchange server will be decommissioned once all user accounts are migrated to O365.
31.	Information Technology security awareness training not conducted as required by the Information Communication Technology Usage and Security Policy.	IT Department will conduct awareness through email campaigns and the municipal newsletter.	30 June 2021	Acting Manager: IT	Done. Awareness campaigns conducted for all departments. These were done virtually due to Covid and there was a recording of the training that was sent to all users via email and users completed Ms forms survey as evidence. IT sent out an email with an attachment all IT policies presentation to all users on the 30 th of June and also shared password security awareness tips on internal magazine "Ezangaphakathi"

	FINDING	CORRECTIVE ACTION	TIMEFRAME	RESPONSIBLE MANAGER	PROGRESS/STATUS
32.	Inadequate management of the firewall.	<p>The IT department is the process of deploying new firewall. The new firewall has the required standards as per AG requirements.</p> <p>The issue of a failover firewall will be resolved as secondary firewall is to be commissioned in Margate.</p> <p>The firewall procedural manual will be updated detailing the change management procedures.</p> <p>The firewall rule expiry details will be updated in the rule description as per AG recommendation.</p>	15 April 2021	Acting Manager: IT	<p>Done.</p> <p>New firewall deployed meets AG requirements (Password is set to not expire) there's a screen shot as evidence.</p> <p>New firewall has password complexity feature but didn't have "no expiry" feature. Solution: IT used AD accounts to access the firewall to comply with password expiry requirement as AD passwords are forced to expire after 30 days.</p>
33.	User Account Management Procedure omits some required information.	The UAM policy will be updated to include details of required restrictions on administrator accounts and the turnaround times for user account management requests.	30 June 2021	Acting Manager: IT	<p>Done.</p> <p>UAM policy reviewed and updated.</p>

	FINDING	CORRECTIVE ACTION	TIMEFRAME	RESPONSIBLE MANAGER	PROGRESS/STATUS
34.	Individuals no longer employed by the municipality still have active user accounts on the Windows Active Directory and some employees had logged onto the system after their termination dates.	<p>HR will enforce the recently adopted Exit Management policy which makes provision for IT matters.</p> <p>HR Manager will send a list of all terminations to IT Manager on the last day of every month as an additional control measure.</p> <p>IT will ensure proper documentation (Memo approved by HOD: Corporate Services) is submitted prior to re-enabling of user accounts.</p>	Immediate and ongoing	Manager: HR and Acting Manager: IT	Done.
35.	Munsoft, VIP and NMS – BRET system administrator activity logs do not contain sufficient information.	<p>Munsoft and VIP findings will be moved to the risk register until the issues are resolved.</p> <p>IT Department will request Munsoft to make the necessary changes (Feature Update).</p>	31 March 2021 30 June 2021	Acting Manager: IT	<p>Done.</p> <ul style="list-style-type: none"> - System Limitations therefore added to risk register. <p>In progress.</p> <ul style="list-style-type: none"> - Ticket opened with Munsoft. - Awaiting turnaround date as it is a major feature update.

	FINDING	CORRECTIVE ACTION	TIMEFRAME	RESPONSIBLE MANAGER	PROGRESS/STATUS
					Quote received to perform upgrade to the VIP system. <ul style="list-style-type: none"> - Awaiting approval from MM.
36.	Duplicate user accounts identified on the Munsoft system.	IT Department will liaise with Munsoft to rectify reporting. Duplicate users have been deactivated.	Immediately and ongoing	Acting Manager: IT/Systems Administrator	Done. <ul style="list-style-type: none"> - Engaged Munsoft to adding surname to the user. - Only 2 people from IT are authorized to create user accounts to eliminate errors.
37.	Munsoft, VIP and NMS – BRET system generated change logs not available.	VIP findings will be moved to the risk register until the issues are resolved.	01 April 2021	Acting Manager: IT	Done.

	FINDING	CORRECTIVE ACTION	TIMEFRAME	RESPONSIBLE MANAGER	PROGRESS/STATUS
38.	Property Rates	There was an error in printing the valuation roll table from Caseware that is disclosed on the AFS therefore, management should correct the financial statements to show the full amount.	N/A	Manager Budget & Reporting	Done – finding resolved.

Appendix J: Audit Committee Recommendations

Municipal Audit Committee Recommendations		
Date of audit committee meeting	Committee recommendations 2020-21	Recommendation adopted (enter Yes) if No provide explanation
<p>MONDAY, 24 AUGUST 2020 - ORDINARY MEETING</p>	<p>REPORT ON THE REVIEWED INTERNAL AUDIT CHARTER FOR THE 2020 / 2021 FINANCIAL YEAR (4/3/2/24) (J/OMM/IA107082020)</p> <p style="text-align: center;">RESOLVED</p> <ol style="list-style-type: none"> 1. THAT the report dated 20 August 2020, submitted by the Manager Internal Audit regarding the reviewed internal audit charter for the 2020 – 2021 financial year, be and is hereby received and noted; 2. THAT it be noted that there are no changes required in the reviewed internal audit charter; and 3. THAT the reviewed internal audit charter for the 2020 / 2021 financial year be approved. 	<p>Yes</p>
	<p>REPORT ON THE REVIEWED AUDIT COMMITTEE CHARTER FOR THE 2020 / 2021 FINANCIAL YEAR (4/3/2/24) (J/OMM/IA108082020)</p> <p style="text-align: center;">RESOLVED</p>	<p>Yes</p>

Municipal Audit Committee Recommendations		
Date of audit committee meeting	Committee recommendations 2020-21	Recommendation adopted (enter Yes) if No provide explanation
	1. THAT the report dated 20 August 2020, submitted by the Manager Internal Audit regarding the Reviewed Audit Committee Charter 2020-2021, be and is hereby received and noted,	
	2. THAT it be noted that there are no changes in the reviewed audit committee charter 2020-2021; and 3. THAT the reviewed Audit Committee charter for 2020 – 2021 financial year is hereby recommended to council for approval.	
	<p>RISK BASED INTERNAL AUDIT PLAN FOR 2020 / 2021 FINANCIAL YEAR (6/15/1/1/1) (J/OMM/IA106082020)</p> <p style="text-align: center;">RESOLVED</p> <p>1. THAT the report dated 20 August 2019, submitted by the manager internal audit regarding Risk-based internal audit plan for 2020 – 2021 financial year, be and is hereby received and noted;</p> <p>2. THAT the risk-based internal audit plan for 2020-2021 financial year is hereby approved for implementation;</p>	Yes

Municipal Audit Committee Recommendations		
Date of audit committee meeting	Committee recommendations 2020-21	Recommendation adopted (enter Yes) if No provide explanation
	<p>3. THAT progress regarding the implementation and progress of the annual audit plan to be provided to the audit committee on a quarterly basis for review.</p>	
	<p>INTERNAL AUDIT REVIEW NOTES ON REVIEW OF ANNUAL FINANCIAL STATEMENTS FOR 2019 / 2020 FINANCIAL YEAR (5/8/3/13) (J/OMM/IA111082020)</p> <p style="text-align: center;">RESOLVED</p> <p>1. THAT the report dated 21 August 2020, submitted by the Manager Internal Audit & Risk Management, regarding internal audit review notes on review of annual financial statements 2019-2020, be and is hereby received and noted; and</p> <p>2. THAT it be noted that the draft financial statements 2019/2020 was reviewed by internal audit and the review notes were submitted to Treasury for actioning.</p>	Yes
	<p>PROGRESS ON THE IMPLEMENTATION OF THE CORRECTIVE ACTION PLAN ADDRESS ISSUES RAISED IN THE 2018 – 2019 AUDIT REPORT (10/2/1/1) (J/OMM/IA109082020)</p> <p style="text-align: center;">RESOLVED</p> <p>1. THAT the report dated 18 June 2020 from the Manager Internal Audit and risk management regarding progress on the implementation of the</p>	Yes

Municipal Audit Committee Recommendations		
Date of audit committee meeting	Committee recommendations 2020-21	Recommendation adopted (enter Yes) if No provide explanation
	<p>2. corrective action plan to address issues raised in the 2018-2019 audit report, be and is hereby received and noted; and</p> <p>3. THAT it be noted that the municipality has achieved 88% and 12% is still in progress.</p>	
	<p>DRAFT ANNUAL FINANCIAL STATEMENTS FOR THE 2019 / 2020 FINANCIAL YEAR (6/15/1) (CFO1412020)</p> <p style="text-align: center;">RESOLVED</p> <p>1. THAT the report dated 21 August 2020, submitted by the Chief Financial Officer, regarding the Draft Annual Financial Statements for the 2019 / 2020 Financial Year, be and is hereby received and noted; and</p> <p>2. THAT the final copy of the Annual Financial Statements for the 2019 / 2020 be submitted to the Audit Committee members no later than 26 August 2020 and that Internal Audit also review the final set of financial statements to confirm if the outstanding matters have been resolved.</p>	Yes

Municipal Audit Committee Recommendations		
Date of audit committee meeting	Committee recommendations 2020-21	Recommendation adopted (enter Yes) if No provide explanation
	3.	
	4.	
	5.	
MONDAY, 24 AUGUST 2020 - ORDINARY MEETING (PERFORMANCE)	<p>INTERNAL AUDIT REPORT ON REVIEW OF QUARTER 3 PERFORMANCE INFORMATION 2019 – 2020 FINANCIAL YEAR (5/8/3/13) (J/OMM/IA102062020)</p> <p style="text-align: center;">RESOLVED</p> <ol style="list-style-type: none"> 1. THAT the report dated 25 June 2020 submitted by the manager internal audit, regarding internal audit reports on review of quarter 3 performance information, be and is hereby received and noted. 2. THAT the findings raised in the report be addressed as per the management commitments in the action plan in the APR 2019-2020; and 3. THAT the issue of compliance need to be demonstrated and improvements on the narrative of the report, also deal with the issues of information that could not be read and the final document be submitted to internal audit and the Audit Committee members. 	Yes
	<p>INTERNAL AUDIT REVIEW NOTES ON REVIEW OF ANNUAL PERFORMANCE REPORT FOR THE 2019 / 2020 FINANCIAL YEAR (5/8/3/13) (J/OMM/IA102062020)</p> <p style="text-align: center;">RESOLVED</p>	Yes

Municipal Audit Committee Recommendations		
Date of audit committee meeting	Committee recommendations 2020-21	Recommendation adopted (enter Yes) if No provide explanation
	<ol style="list-style-type: none"> 1. THAT the report dated 25 June 2020 submitted by the manager internal audit, regarding internal audit reports on review of quarter 3 performance information, be and is hereby received and noted; and 2. THAT the findings raised in the report be addressed as per the management commitments in the action plan in the APR 2019-2020. 	
FRIDAY, 23 OCTOBER 2020 – SPECIAL MEETING	<p>INTERNAL AUDIT REVIEW NOTES OF ANNUAL FINANCIAL STATEMENTS FOR 2019 / 2020 FINANCIAL YEAR (5/8/3/13) (J/OMM/IA123102020)</p> <p style="text-align: center;">RESOLVED</p> <ol style="list-style-type: none"> 1. THAT the report dated 08 October 2020, submitted by the Acting Manager Internal Audit and Risk Management regarding the internal audit reviewed notes on review of annual financial statements 2019-2020, be and is hereby received and noted; and 2. THAT it be noted that the draft financial statements 2019 / 2020 were reviewed by internal audit and the review notes were submitted to Treasury for actioning. 	Yes

Municipal Audit Committee Recommendations		
Date of audit committee meeting	Committee recommendations 2020-21	Recommendation adopted (enter Yes) if No provide explanation
	3.	
	4.	
	<p>FINAL DRAFT ANNUAL FINANCIAL STATEMENTS FOR THE 2019 / 2020 FINANCIAL YEAR (6/15/1) (CFO102020)</p> <p style="text-align: center;">RESOLVED</p> <ol style="list-style-type: none"> 1. THAT the report dated 23 October 2020, submitted by the Chief Financial Officer, regarding the Final Draft Annual Financial Statements for the 2019 / 2020 Financial Year, be and is hereby received and noted; and 2. THAT the Draft Annual Financial Statements for the 2019 / 2020 Financial Year be considered prior to the submission to the Office of the Auditor – General for the annual audit; 3. THAT it be noted that the Audit Committee has complied with Section 166 of the Municipal Finance Management Act 2003, (Act 56 of 2003) concerning the Draft Annual Financial Statements, therefore subject to suggested amendments and changes raised by the Audit Committee with other changes and amendments as are required concerning the Chief Financial Officer and the Accounting Officer, if any; 4. THAT the Draft Annual Financial Statements for the 2019 / 2020 Municipal Financial Year be forwarded by the Accounting Officer of the Municipality to the Auditor General as provided for in terms of sections 122 read with section 126(2) of the Municipal Finance Management Act (MFMA), 2003 read with Section 166(2)(b) of the MFMA; 	Yes

Municipal Audit Committee Recommendations		
Date of audit committee meeting	Committee recommendations 2020-21	Recommendation adopted (enter Yes) if No provide explanation
	5.	
	<p>6. THAT the Draft Annual Report as provided for in terms of Chapter 121 and in chapter 12 of the MFMA 2003 be forwarded no later than 31 October 2020 to the Auditor General together with and incorporating the Draft Annual Financial Statements, and Performance Information; and</p> <p>7. THAT the Audit Committee directs that they be received by the Auditor General, Kwa-Zulu Natal no later than 31 October 2020.</p>	
FRIDAY, 23 OCTOBER 2020 – SPECIAL MEETING (PERFORMANCE)	<p>INTERNAL AUDIT REPORT REVIEW NOTES ON REVIEW OF ANNUAL PERFORMANCE REPORT 2019 – 2020 FINANCIAL YEAR (5/8/3/13) (J/OMM/IA102062020)</p> <p style="text-align: center;">RESOLVED</p> <p>1. THAT the report dated 08 October 2020 submitted by the Acting Manager Internal Audit, regarding internal audit review notes on the review of the Annual Performance report for the 2019 / 2020 financial year, be and is hereby received and noted; and</p> <p>2. THAT it be noted that the Annual Performance Report for the 2019 /2020 financial year was reviewed by Internal Audit and review notes were submitted to the Manager Performance Monitoring and Evaluation (PME) for actioning; and</p> <p>3. THAT it be noted that review process included the review of quarter 4 SDBIP and performance scorecards as per Section 14 (a) of the Municipal Planning and Performance Management Regulations.</p>	Yes

Municipal Audit Committee Recommendations		
Date of audit committee meeting	Committee recommendations 2020-21	Recommendation adopted (enter Yes) if No provide explanation
	4.	
	2019 / 2020 DRAFT ANNUAL PERFORMANCE REPORT AND DRAFT ANNUAL REPORT (4/8/2) (DSPG0902020)	
	RESOLVED	Yes
	<ol style="list-style-type: none"> 1. THAT the report dated 13 August 2020 submitted by the Head of Department Strategic Planning and Governance, regarding the Draft Annual Performance Report and Draft Annual Report for the 2019 / 2020 financial year, be and is hereby received and noted. 2. THAT it be noted that the report was discussed with the management and information contained therein is as per information received from them; 3. THAT The Draft Annual Performance Report for the 2019/20 Financial Year as provided for in Section 46 of the Municipal Systems Act and to be forwarded to the Auditor General in terms of Section 46(2) of the Municipal Systems Act; 4. THAT the Draft Annual Report as provided for in terms of Chapter 121 of the MFMA and in Chapter 12 of the MFMA be forwarded to the Auditor General together with and incorporating the Draft Annual Financial Statements, and Performance Information; and 5. THAT the Audit Committee directs that they be received by the Auditor General, KwaZulu-Natal no later than 31 October 2020. 	

Municipal Audit Committee Recommendations		
Date of audit committee meeting	Committee recommendations 2020-21	Recommendation adopted (enter Yes) if No provide explanation
FRIDAY, 04 DECEMBER 2020 – ORDINARY MEETING	<p>TREASURY REPORT FOR THE PERIOD ENDING 31 OCTOBER 2020 (6/15/1) (CFO2022020)</p> <p style="text-align: center;">RESOLVED</p> <ol style="list-style-type: none"> 1. THAT the report dated 10 November 2020, submitted by the Acting Chief Financial Officer regarding the Treasury Report for the Period ending 31 October 2020, be and is hereby received and noted; and 2. THAT the Monthly Budget Statement as at 31 October 2020 be noted. 	Yes
	<p>FRUITLESS AND WASTEFUL EXPENDITURE REGISTER – AS AT OCTOBER 2020 (6/1/1) (CFO122020)</p> <p style="text-align: center;">RESOLVED</p> <ol style="list-style-type: none"> 1. THAT the report dated 10 November 2020, submitted by the Acting Chief Financial Officer regarding the Fruitless and Wasteful Expenditure Register – as at October 2020, be and is hereby received and noted; and 2. THAT Fruitless and Wasteful Expenditure be recommended to Council for approval. 	Yes

Municipal Audit Committee Recommendations		
Date of audit committee meeting	Committee recommendations 2020-21	Recommendation adopted (enter Yes) if No provide explanation
	<p>PROGRESS REPORT ON ANNUAL AUDIT PLAN 2020 – 2021 AS AT NOVEMBER 2020 (10/2/1/1) (J/OMM/IA142112020)</p> <p style="text-align: center;">RESOLVED</p> <ol style="list-style-type: none"> 1. THAT the report dated 26 November 2020, submitted by the Acting Manager Internal Audit and Risk Management, regarding the Progress Report on Annual Audit Plan for the 2020 – 2021 Financial Year, be and is hereby received and noted; and 2. THAT the progress regarding the implementation of the Annual Audit Plan for 2020 – 2021 as at November 2020 be noted; 3. THAT the S&T Audit project be moved to the quarter. 	Yes

Municipal Audit Committee Recommendations		
Date of audit committee meeting	Committee recommendations 2020-21	Recommendation adopted (enter Yes) if No provide explanation
FRIDAY, 04 DECEMBER 2020 – ORDINARY MEETING (PERFORMANCE)	<p>INTERNAL AUDIT REPORT REVIEW OF QUARTER 1 PERFORMANCE INFORMATION FOR THE 2020 – 2021 FINANCIAL YEAR (5/8/3/13) (J/OMM/IA129112020)</p> <p style="text-align: center;">RESOLVED</p> <p>1. THAT the report dated 23 November 2020 submitted by the Acting Manager Internal Audit and Risk Management, regarding internal audit</p>	Yes
	<p>2. report on review of quarter 1 performance information for the 2020 / 2021 financial year, be and is hereby received and noted; and</p> <p>3. THAT the findings raised in the report be addressed as per the management comments in the action plan; and</p> <p>4. THAT the Performance Management team incorporate the changes proposed by the Audit Committee and submit the report to the Audit Committee prior submission to the Auditor General.</p>	
TUESDAY, 30 MARCH 2021 - ORDINARY MEETING	<p>TREASURY REPORT FOR THE PERIOD ENDIN 28 FEBRUARY 2021 (10/1/2/5) (CFO0462021)</p> <p style="text-align: center;">RESOLVED</p>	Yes

Municipal Audit Committee Recommendations		
Date of audit committee meeting	Committee recommendations 2020-21	Recommendation adopted (enter Yes) if No provide explanation
	<p>THAT the report dated 28 February 2021, submitted by the Acting Chief Financial Officer regarding the Treasury Report for the Period ending 28 February 2021, be and is hereby received and noted; and</p> <p>2. THAT the Monthly Budget Statement as at 28 February 2021 be noted.</p>	
	<p>PROGRESS REPORT ON ANNUAL AUDIT PLAN 2020 – 2021 AS AT MARCH 2021 (10/2/1/1) (J/OMM/IA159032021)</p> <p style="text-align: center;">RESOLVED</p> <p>1. THAT the report dated 10 March 2021 submitted by the Acting Manager Internal Audit and Risk Management, regarding the progress report on annual audit plan for 2020 – 2021, be and is hereby received and noted;</p> <p>2. THAT the progress regarding the implementation of the annual audit plan for 2020 – 2021 as at March 2021 be noted;</p> <p>3. THAT the Human Resource Audit (Recruitment and Selection and Ghost Employees) project be moved to the next quarter;</p> <p>4. THAT the IT General Control project be moved to the next financial year; and</p>	Yes

Municipal Audit Committee Recommendations		
Date of audit committee meeting	Committee recommendations 2020-21	Recommendation adopted (enter Yes) if No provide explanation
	5.	
	6. THAT issues raised in the risk register and issues of leave management and fleet management be included on the register.	
	<p>INTERNAL AUDIT REPORT ON REVIEW OF LEAVE MANAGEMENT (6/15/1/2/1) (J/OMM/IA156032021)</p> <p style="text-align: center;">RESOLVED</p> <p>1. THAT the report dated 18 March 2021 submitted by the Acting Manager Internal Audit and Risk Management, regarding the Internal Audit Report on Review of Leave Management, be and is hereby received and noted;</p> <p>2. THAT the findings raised in the report be addressed as per the management commitments in the action plan; and</p> <p>3. THAT the Head of Department Corporate Services submit a report to the Audit Committee regarding action plan to address the issues raised in the Internal Audit Report regarding the Review of Overtime Management and an action plan to be included in the report.</p>	Yes
	<p>INTERNAL AUDIT REPORT ON REVIEW OF OVERTIME MANAGEMENT (6/15/1/2/1) (J/OMM/IA158032021)</p> <p style="text-align: center;">RESOLVED</p>	Yes

Municipal Audit Committee Recommendations		
Date of audit committee meeting	Committee recommendations 2020-21	Recommendation adopted (enter Yes) if No provide explanation
	<ol style="list-style-type: none"> 1. THAT the report dated 18 March 2021 submitted by the Acting Manager Internal Audit and Risk Management, regarding the Internal Audit Report on Review of Overtime Management, be and is hereby received and noted; 2. THAT the findings raised in the report be addressed as per the management commitments in the action plan; 3. THAT management to provide the action plan addressing the issues raised in the Internal Audit report on overtime management; and 4. THAT a report be submitted to the Audit Committee regarding whether the policy on overtime has been updated or not. 	
TUESDAY, 30 MARCH 2021 - ORDINARY MEETING (PERFORMANCE)	<p>INTERNAL AUDIT REPORT REVIEW OF QUARTER 2 PERFORMANCE INFORMATION FOR THE 2020 – 2021 FINANCIAL YEAR (5/8/3/13) (J/OMM/IA157032021)</p> <p style="text-align: center;">RESOLVED</p> <ol style="list-style-type: none"> 1. THAT the report dated 18 March 2021 submitted by the Acting Manager Internal Audit and Risk Management, regarding internal audit report on review of quarter 2 performance information for the 2020 / 2021 financial year, be and is hereby received and noted; and 2. THAT the findings raised in the report be addressed as per the management comments in the action plan; and 	Yes

Municipal Audit Committee Recommendations		
Date of audit committee meeting	Committee recommendations 2020-21	Recommendation adopted (enter Yes) if No provide explanation
	3. THAT the Quarter 2 Performance Information report be looked at in the next meeting which will be held on 16 April 2021 to see if the findings by Internal Audit have been actioned.	
THURSDAY, 24 JUNE 2021- ORDINARY MEETING	<p>FRUITLESS AND WASTEFUL EXPENDITURE REGISTER – MAY 2021 (6/1/1) (CFO2212021)</p> <p style="text-align: center;">RESOLVED</p> <p>1. THAT the report dated 14 June 2021, submitted by the Acting Chief Financial Officer, regarding Fruitless Wasteful Expenditure for July 2019 - May 2020, be and is hereby received and noted;</p> <p>2. THAT the fruitless and wasteful expenditure be submitted to council for approval.</p>	Yes
	<p>IRREGULAR EXPENDITURE TO DATE AS AT MAY 2021 (8/1/P) (CFO052021)</p> <p style="text-align: center;">RESOLVED</p> <p>1. THAT the 2020 Annual Financial THAT the report dated 14 June 2021, submitted by the Acting Chief Financial Officer, regarding Irregular Expenditure as at May 2021, be and is hereby received and noted.</p>	Yes
	2021 ANNUAL FINANCIAL STATEMENTS PREPARATION PLAN (10/1/2/5) (CFO2222021)	

Municipal Audit Committee Recommendations		
Date of audit committee meeting	Committee recommendations 2020-21	Recommendation adopted (enter Yes) if No provide explanation
	<p style="text-align: center;">RESOLVED</p> <p>1. THAT the report dated 14 June 2021, submitted by the Acting Chief Financial Officer, regarding the 2021 Annual Financial Statements Preparation Plan, be and is hereby received and noted.</p>	Yes
	<p>INTERNAL AUDIT REPORT ON THE REVIEW OF REVENUE MANAGEMENT (6/1/5/1/2/1) (J/OMM/IA176062021)</p> <p style="text-align: center;">RESOLVED</p> <p>1. THAT the report dated 14 June 2021 submitted by the Manager Internal Audit and Risk Management, regarding the Internal Audit Report on Review of Revenue Management, be and is hereby received and noted; and</p> <p>2. THAT the findings raised in the report be addressed as per management commitments in the action plan.</p>	Yes
	<p>INTERNAL AUDIT REPORT ON THE REVIEW OF SUBSISTENCE AND TRAVEL MANAGEMENT (6/15/1/2/1) (J/OMM/IA176062021)</p> <p style="text-align: center;">RESOLVED</p>	

Municipal Audit Committee Recommendations		
Date of audit committee meeting	Committee recommendations 2020-21	Recommendation adopted (enter Yes) if No provide explanation
	<ol style="list-style-type: none"> 1. THAT the report dated 14 June 2021 submitted by the Manager Internal Audit and Risk Management, regarding the Internal Audit Report on Review of Subsistence and Travel Management, be and is hereby received and noted; and 2. THAT the findings raised in the report be addressed as per management commitments in the action plan. 	Yes
	<p>PROGRESS REPORT ANNUAL AUDIT PLAN 2020 – 2021 AS AT JUNE 2021 (10/2/1/1) (J/OMM/IA179062021)</p> <p style="text-align: center;">RESOLVED</p> <ol style="list-style-type: none"> 1. THAT the report dated 15 June 2021 submitted by the Manager Internal Audit and Risk Management, regarding Progress Report on Annual Audit Plan 2020 – 2021, be and is hereby received and noted; 2. THAT the progress regarding the implementation of the annual audit plan for 2020 – 2021 financial year as at June 2021 be noted; 3. THAT the Estate Management Audit and the Bank and Cash Management Audit be moved to the next financial year. 	Yes
	OVERTIMME REPORT FOR THE MONTH OF MAY 2021 (5/5/1/2021) (CFO02232021)	

Municipal Audit Committee Recommendations		
Date of audit committee meeting	Committee recommendations 2020-21	Recommendation adopted (enter Yes) if No provide explanation
	<p style="text-align: center;">RESOLVED</p> <p>1. THAT the report dated 14 June 2021 submitted by the Acting Chief financial Officer, regarding Overtime Report for the May 2021, be and is hereby received and noted;</p> <p>2. THAT the overtime for May 2021 amounting to R1 548 977.00 be noted.</p>	Yes
	<p>REVIEWED INTERNAL AUDIT CHARTER 2021 – 2022 (4/3/2/24) (J/OMM/IA180062021)</p> <p style="text-align: center;">RESOLVED</p> <p>1. THAT the report dated 22 June 2021 submitted by the Manager Internal Audit and Risk Management, regarding the Reviewed Internal Audit Charter for the 2021 – 2022 Financial Year, be and is hereby received and noted;</p> <p>2. THAT it ne noted that the only amendment made to the charter was approved in the previous financial year, which was the addition of the quality assurance and improvement program and internal audit's role in combined assurance under section 18 and 19, respectively, as recommended in the Quality Assurance Review Report; and</p> <p>3. THAT the reviewed Internal Audit Charter for the 2021 – 2022 Financial Year be approved.</p>	Yes

Municipal Audit Committee Recommendations		
Date of audit committee meeting	Committee recommendations 2020-21	Recommendation adopted (enter Yes) if No provide explanation
	4.	
	<p>REVIEWED AUDIT COMMITTEE CHARTER 2021 – 2022 FINANCIAL YEAR (4/3/2/24) (J/OMM/IA180062021)</p> <p style="text-align: center;">RESOLVED</p> <ol style="list-style-type: none"> 1. THAT the report dated 22 June 2021 submitted by the Manager Internal Audit and Risk Management, regarding the Reviewed Audit Charter for the 2021 – 2022 Financial Year, be and is hereby received and noted; 2. THAT it ne noted that the only amendment made to the charter was approved in the previous financial year, which was the addition of the Annual Assertion and Annual Declaration by the Internal Audit Section under section 13. This addition was brought forward as recommended in the Internal Audit Quality Assurance Review Report; and 3. THAT the Reviewed Audit Charter for the 2021 – 2022 Financial Year be submitted to Council for approval. 	Yes
THURSDAY, 24 JUNE 2021- ORDINARY MEETING (PERFORMANCE)	<p>REVIEW OF QUARTER 3 PERFORMANCE INFORMATION 2020-2021 (5/8/3/13) (J/OMM/IA175062021)</p> <p style="text-align: center;">RESOLVED</p>	Yes

Municipal Audit Committee Recommendations		
Date of audit committee meeting	Committee recommendations 2020-21	Recommendation adopted (enter Yes) if No provide explanation
	<ol style="list-style-type: none"> 1. THAT the report dated 14 June 2021 submitted by the Acting Manager Internal Audit and Risk Management, regarding internal audit report on review of quarter 3 performance information for the 2020 / 2021 financial year, be and is hereby received and noted; and 2. THAT the findings raised in the report be addressed as per the management comments in the action plan; and 3. THAT the corrective actions be included on the report in future; 4. THAT it be resolved that in instance's were POE's are not received in time, the Accounting Officer be informed in writing and consequence management be implemented if POE'S are not received / submitted in time. 	

Appendix K 1: Revenue Collection Performance by Vote

Revenue Collection Performance by Vote						
R' 000						
Vote Description	Year -1	2020/21			2020/21	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Vote 1 - BUDGET AND TREASURY OFFICE		486 484	484 898	482 972	-1%	0%
Vote 2 - TECHNICAL SERVICES		340	338	281	-21%	-20%
Vote 3 - STRATEGIC PLANNING AND GOVERNANCE		602 222	616 267	217 267	17%	0%
Vote 4 - COMMUNITY SERVICES		846 87	000 90	278 79	-9%	-14%
Vote 5 - CORPORATES SERVICES		032	765	892	-390%	-390%
Vote 6 - ECONOMIC DEVELOPMENT AND PLANNING		2 417	2 417	493 10	-43%	19%
Vote 7 - PUBLIC SAFETY		14 331	8 164	29 028	-8%	-19%
		31 570	34 749	29 296		
Total Revenue by Vote	-	1 185 282	1 226 608	1 151 177	97,12	93,85

*Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.
This table is aligned to MBRR table A3*

T K.1

Appendix K 2: Revenue Collection Performance by Source

Revenue Collection Performance by Source					
					R '000
Description	2020/21			2020/21 Variance	
	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Property rates	457 943	457 943	447 331	-2%	-2%
Service charges - electricity revenue	147 931	147 931	141 263	-5%	-5%
Service charges - water revenue					
Service charges - sanitation revenue					
Service charges - refuse revenue	66 121	66 159	54 682	-21%	-21%
Rental of facilities and equipment	4 229	4 180	3 785	-12%	-10%
Interest earned - external investments	2 466	2 466	3 513	30%	30%
Interest earned - outstanding debtors	23 825	22 804	28 226	16%	19%
Dividends received					
Fines, penalties and forfeits	14 611	14 601	16 546	12%	12%
Licences and permits	13 156	12 514	5 567	-136%	-125%
Agency services	3 315	3 315	5 400	39%	39%
Transfers and subsidies	336 787	374 995	289 550	-16%	-30%
Other revenue	13 666	13 140	66 113	79%	80%
Gains on disposal of PPE					
Total Revenue (excluding capital transfers and contributions)	1 084 051	1 120 049	1 061 977	-2,08%	-5,47%

Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.

T K.2

Appendix L: Conditional Grants (Excluding MIG)

Conditional Grants: excluding MIG						R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
National Government:	76		75			
	262	90 458	873			
Integrated Urban Development Grant	65		64			
Neighbourhood Development Partnership Grant	313	64 509	509	-1%	0%	
Expanded Public Works Programme Integrated Grant	5		5			
Local Government Financial Management Grant	000	20 000	415	8%	-269%	
	3		3			
	949	3 949	949	0%	0%	
	2		2			
	000	2 000	000	0%	0%	
<i>* This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in the main report, see T 5.8.3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Obtain a list of grants from national and provincial government. T L</i>						

Appendix M: Service backlogs at schools and backlogs due to another sphere of government

There is currently no updated report on the outcomes for 2020-2021 available for inclusion in the annual report.

Appendix N: Loans & grants granted by the municipality

The municipality has a grants in aid programme where it provides assistance to NGOs and individuals requiring assistance, there is an application process and a committee awards the grants after assessing the applications.

Appendix O: Section 71 reports not made in due time

The municipality submitted all section 71 returns within legislated time frames.

Appendix P: National and Provincial outcomes on Local government

There is currently no updated report on the outcomes for 2020-2021 available for inclusion in the annual report.

Volume II: Annual Financial Statements (Attached separately Annexure C - Final)