

# UPHONGOLO MUNICIPALITY



## ANNUAL REPORT 2020/2021

*This Draft Annual Report is drafted in terms of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) and the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000).*

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## GLLOSSARY

| DEFINITIONS                     |   |
|---------------------------------|---|
| <b>Accessibility indicators</b> | Explore whether the intended beneficiaries are able to access services or outputs.  |
| <b>Accountability documents</b> | Documents used by executive authorities to give <i>“full and regular”</i> reports on the matters under their control to parliament and provincial legislatures as prescribed by the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996). This includes plans, budgets, in-year and annual reports. |
| <b>Activities</b>               | The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe <i>“what we do”</i> .   |
| <b>Adequacy indicators</b>      | The quantity of input or output relative to the need or demand.   |
| <b>Annual Report</b>            | A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003). Such a report must include the annual financial statements as submitted to the Auditor-General.                                    |
| <b>Approved Budget</b>          | The annual financial statements of a municipality as audited by the Auditor-General and approved by Council or a provincial or national executive.  |
| <b>Baseline</b>                 | Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.  |
| <b>Basic municipal service</b>  | A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided, it may endanger the public health and safety or the environment.   |
| <b>Budget year</b>              | The financial year for which an annual budget is to be approved – means a year ending on 30 June.   |
| <b>Cost indicators</b>          | The overall cost or expenditure of producing a specified quantity of outputs.   |
| <b>Distribution indicators</b>  | The distribution of capacity to deliver services.   |



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|---|---|
| <b>Financial Statements</b>               | Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.  |
| <b>General Key performance indicators</b> | After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.   |
| <b>Impact</b>                             | The results of achieving specific outcomes, such as reducing poverty and creating jobs.   |
| <b>Inputs</b>                             | All the resources that contribute to the production and delivery of outputs. Inputs are " <i>what we use to do the work</i> ". They include finances, personnel, equipment and buildings.   |
| <b>Integrated Development Plan (IDP)</b>  | Sets out municipal goals and development plans.   |
| <b>National Key Performance Areas</b>     | Five National Key Performance Areas are: <ol style="list-style-type: none"> <li>1. Municipal Transformation and Institutional Development</li> <li>2. Basic Service Delivery and infrastructure Development</li> <li>3. Good Governance and Community Participation</li> <li>4. Cross Cutting Interventions</li> <li>5. Social and Economic Development</li> <li>6. Financial Viability and Management</li> </ol> |
| <b>Outcomes</b>                           | The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are " <i>what we wish to achieve</i> ".   |
| <b>Outputs</b>                            | The final products, or goods and services produced for delivery. Outputs may be defined as " <i>what we produce or deliver</i> ". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunisation, or a service such as processing an application) that contributes to the achievement of a key result area.   |
| <b>Performance Indicator</b>              | Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge  |

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|  | the extent to which an output has been achieved (policy developed, presentation delivered, service rendered).  |
| <b>Performance Information</b>                         | Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.   |
| <b>Performance Standards</b>                           | The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the<br><br>outputs and related activities of a job by describing what the required result should be. In this employee performance management and development system (EPMDS), performance standards are divided into indicators and the time factor.  |
| <b>Performance Targets</b>                             | <b>The level of performance that municipalities and its employees strive to achieve. Performance targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.</b>   |
| <b>Service Delivery and Budget Implementation Plan</b> | Detailed plan annually approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.   |
| <b>Vote</b>  | One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.<br><br>Section 1 of the MFMA defines a "vote" as:<br><br><i>“(a) One of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i><br><br><i>(b) Which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.”</i> |

## ACRONYMS

| <b>ACRONYMS</b> |   |
|-----------------|---|
| <b>A/PC</b>     | Audit/Performance Committee                                       |
| <b>AIDS</b>     | Acquired Immune Deficiency Syndrome                               |
| <b>ANC</b>      | African National Congress   |
| <b>ANC</b>      | Anti Natal Clinic   |
| <b>APR</b>      | Annual Performance Report   |
| <b>AQMP</b>     | Air Quality Management Plan                                       |
| <b>ASB</b>      | Accounting Standards Board  |
| <b>ACF</b>      | Anti-Corruption and Fraud   |
| <b>CBD</b>      | Central Business District   |
| <b>CCAP</b>     | Climate Change Adaption Plan                                      |
| <b>CFO</b>      | Chief Financial Officer   |
| <b>CIGFARO</b>  | Chartered Institute of Government Finance Audit and Risk Officers |
| <b>CLLR</b>     | Councillor  |
| <b>CIP</b>      | Comprehensive Infrastructure Plan                                 |
| <b>RCM</b>      | Risk and Compliance Manager                                       |
| <b>DA</b>       | Democratic Alliance   |
| <b>DCOGTA</b>   | Department of Co-operative Governance and Traditional Affairs     |
| <b>DED</b>      | Department of Economic Development                                |
| <b>DoA</b>      | Department of Agriculture   |
| <b>DoRA</b>     | Division of Revenue Act   |
| <b>DRDLR</b>    | Department of Rural Development and Land Reform                   |
| <b>ECD</b>      | Early Childhood Development                                       |
| <b>EEA</b>      | Employment Equity Act   |
| <b>EFF</b>      | Economic Freedom Fighters   |
| <b>EIA</b>      | Environmental Impact Assessment                                   |
| <b>EPWP</b>     | Expanded Public Works Programme                                   |
| <b>FRM</b>      | Fraud Risk Management   |

|               |  |
|---------------|--|
| <b>GIS</b>    | Geographic Information System                            |
| <b>GRAP</b>   | Generally Recognised Accounting Practice                 |
| <b>GV</b>     | General Valuation  |
| <b>GVA</b>    | Gross Value Added  |
| <b>HIV</b>    | Human Immunodeficiency Virus                             |
| <b>HR</b>     | Human Resources  |
| <b>IAS</b>    | Invasive Alien Species                                   |
| <b>IFP</b>    | Inkatha Freedom Party                                    |
| <b>ICT</b>    | Information and Communication Technology                 |
| <b>IDP</b>    | Integrated Development Plan                              |
| <b>IEM</b>    | Integrated Environmental Management                      |
| <b>IGR</b>    | Inter-Governmental Relations                             |
| <b>INEP</b>   | Integrated National Electrification Funding              |
| <b>IOD</b>    | Injury on Duty   |
| <b>ISAMAO</b> | Institute of South African Municipal Accounting Officers |
| <b>ITP</b>    | Integrated Transport Plan                                |
| <b>IWMP</b>   | Integrated Waste Management Plan                         |
| <b>KFA</b>    | Key Focus Area   |
| <b>KPA</b>    | Key Performance Area                                     |
| <b>KPI</b>    | Key Performance Indicator                                |
| <b>LED</b>    | Local Economic Development                               |
| <b>LLF</b>    | Local Labour Forum                                       |
| <b>MM</b>     | Municipal Manager  |
| <b>MFMA</b>   | Municipal Finance Management Act                         |
| <b>MGRO</b>   | Municipal Governance Review and Outlook                  |
| <b>MICE</b>   | Meetings, Incentives, Conferences and Exhibitions        |
| <b>MIG</b>    | Municipal Infrastructure Grant                           |
| <b>MPAC</b>   | Municipal Public Accounts Committee                      |

|                |   |
|----------------|---|
| <b>MPRA</b>    | Municipal Property Rates Act                        |
| <b>MSA</b>     | Municipal Systems Act                               |
| <b>mSCOA</b>   | Municipal Standard Chart of Accounts                |
| <b>NBR</b>     | National Building Regulations                       |
| <b>NEMAQA</b>  | National Environmental Management Air Quality Act   |
| <b>NEMBA</b>   | National Environmental Management: Biodiversity Act |
| <b>NERSA</b>   | National Energy Regulator of South Africa           |
| <b>NGO</b>     | Non-Governmental Organisation                       |
| <b>NPO</b>     | Non-Profit Organisation                             |
| <b>NQF</b>     | National Qualification Framework                    |
| <b>PMS</b>     | Performance Management System                       |
| <b>PPP</b>     | Public Private Partnership                          |
| <b>RBIG</b>    | Regional Bulk Services Infrastructure Grant         |
| <b>SAHRA</b>   | South African Heritage Resources Agency             |
| <b>SALGA</b>   | South African Local Government Association          |
| <b>SAPS</b>    | South African Police Service                        |
| <b>SCM</b>     | Supply Chain Management                             |
| <b>SDBIP</b>   | Service Delivery and Budget Implementation Plan     |
| <b>SDF</b>     | Spatial Development Framework                       |
| <b>SEDA</b>    | Small Enterprise Development Agency                 |
| <b>SEM</b>     | Staff Employee Monitoring                           |
| <b>SMMEs</b>   | Small Medium and Micro Enterprises                  |
| <b>SO</b>      | Strategic Objective                                 |
| <b>SOP</b>     | Standard Operating Procedure                        |
| <b>STATSSA</b> | Statistics South Africa                             |
| <b>SV</b>      | Supplementary Valuation                             |
| <b>TASK</b>    | Tuned Assessment of Skills and Knowledge            |
| <b>UIF</b>     | Unemployment Insurance Fund                         |

|             |                            |
|-------------|----------------------------|
| <b>WTW</b>  | Water Treatment Works      |
| <b>WWTW</b> | Wastewater Treatment Works |

# CHAPTER 1

## MAYOR'S FOREWORD, MUNICIPAL MANAGERS'S OVERVIEW

## **FORMULATION OF UPHONGOLO MUNICIPALITY ANNUAL REPORT 2020/2021**

The structure of uPhongolo Municipality Annual Report-2020/2021 is based on the revised Annual Report Template provided by the National Treasury, dated 31 July 2012.

The purpose of this revised Annual Report template is to address the need expressed by a number of municipalities for assistance in the preparation and development of improved content and quality of Municipal Annual Reports. This template provides an update to the MFMA Circular No. 11, issued in January 2005.

This template gives effect to the legal framework requirement, concepts and principals espoused in the White Paper on Local Government and Improving Government Performance. It reflects the ethos of public accountability. The content gives effect to information required for better monitoring and evaluation of government programmes in support of policy decision making. The template provides an improved overview of municipal affairs by combining the performance report data required under Municipal Systems Act Section 46 with annual report data referred to in that Act and in the MFMA.

The revised template makes its contribution by forging linkages with the Integrated Development Plan, Service Delivery and Budget Implementation Plan, Budget Reforms, In-year Reports, Annual Financial Statements and Performance Management information in municipalities. This coverage and coherence is achieved by the use of interlocking processes and formats.

The revised template relates to the Medium-Term Strategic Framework particularly through the IDP strategic objectives; cross cutting nature of services offered by different spheres of government, municipal service outcome indicators; and the contextual material as set out in Chapters 3, 4 & 5. It also provides information on good management practice in Chapter 4; risk management in Chapter 2; and Supply Chain Management in Chapter 5; and addresses the Auditor-General's Report, dealing with Financial and Performance Management arrangements in Chapter 6. This opens up greater possibilities for financial and non-financial comparisons between municipalities and improved value for money.

The revised template provides information on probity, including: anti-corruption strategies; disclosure of financial interests by officials and councillors; disclosure of grants by external parties, disclosure of loans and grants by municipalities. The appendices talk to greater detail including disaggregated information on municipal wards, among others. Notes are included throughout the format to assist the compiler to understand the various information requirements. The financial years contained in this template are explained as follows:



- Year -1: The previous financial year;
- Year 0: The financial year of reporting;
- Year 1: The following year, mostly requires future targets; and

The other financial years will follow a similar sequence as explained above.

## COMPONENT A: MAYOR'S FOREWORD

### HONOURABLE MAYOR – CLLR VM SIKHOSANA

**VISION:** In presenting this Annual Report for year ending June 2021, we are focused to our vision which is "uPhongolo Municipality will ensure an all-inclusive socio-economy by providing qua services that will yield a better life for all by 2035". This report is therefore a reflection of how far we have travelled in realising this vision. It also informs the amount of effort still to be put in coming closer to the realisation if this vision and the total emancipation of our people

**KEY POLICY DEVELOPMENTS:** Our strategies and operations as the Municipality always takes a direction towards addressing the National triple challenges i.e. poverty, inequality and unemployment. It is for this reason that whenever we develop our plans and strategies we ensure the alignment with Provincial Growth Development Plan, which also guides us when developing our IDP.

In order to achieve this, we have a clear mission and core values, which are our ethics as an Institution. We had to be very innovative and strategic in the sourcing, prioritisation and spending the limited resources.

The municipality had adopted the IDP which is by the people and for which its implementation will change many lives for the better. The strategic objections in our IDP is focused on, amongst other things, the development of key community infrastructure, which would improve peoples' lives. The Municipality did not only focus on the number of infrastructure items but mostly the quality of infrastructure that all residents could be proud of in utilising. It was for that reason that the Municipality limited the number of new projects but to focus on the current and old projects by investing more quality additions and features in our Halls, Sport fields, gravel roads and more.

The Municipality received grants from MIG and INEP to implement capital projects for the benefit of our Community. These grants are conditional and such conditions are monitored by Cogta, DOE & Treasury. During 2020/2021 the infrastructure grants were fully spent and this means that the

Municipality achieved its targets as planned in the organisational scorecard and there were no roll-overs.

The National Treasury introduced the cost containment regulation with a view that public funds should be spent in the most prudent way. The Municipality developed a cost containment policy congruent to the regulation to ensure that the resources of the Municipality are used effectively, efficiently and economically. The impact of this is that the implementation of the policy would enable the funds are spent on service delivery priorities. The success of the Municipality to deliver on its mandate is partly linked to the available human resources. For 2020/2021 financial year the Municipality ensured that all critical positions were all filled.

**PUBLIC PARTICIPATION:** Our local citizens are our greatest stakeholders in the planning and general working of the Municipality. It is the Municipality's citizens that give Councillors the mandate when they come to office, and it is fitting that they are consulted and reported back to on the municipal's operations.

The emergence of the Covid-19 pandemic in South Africa in 2020 meant that communication with the communities had to be adjusted in line with national government protocol in relation to the pandemic. Accordingly, uPhongolo Municipality has had to adjust when conducting community consultation meetings. All 15 ward Councillors had regular engagements with communities to address service delivery issues and report on future plans of the Municipality affecting their respective wards. The Municipality adopted the *Operation Sukuma Sakhe (OSS)* which enables it to identify challenges and address them in a pro-active manner. A number of deserving families benefited from the OSS housing project in 2020/2021. Many challenges that faced the communities are addressed through War Rooms by engaging other stakeholders in the National and Provincial government to assist in the needs identified.

**FUTURE ACTIONS:** Our focus in the next coming years will not shift from our mandate and vision of providing quality services that will yield a better life for all. Providing a healthy, clean and safe environment. However, our greatest focus will be on the local economic development thus creating decent and sustainable jobs for our people.

**CONCLUSION:** We are pleased and proud to report that our Municipality has obtained an Unqualified Audit Opinion in the year 2020/2021. We will strive to maintain the audit opinion or better by obtaining a clean audit. We will forever be committed to our communities by doing all that is possible to improve their lives for the better.

I thank you

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**HONOURABLE MAYOR – CLLR VM SIKHOSANA**

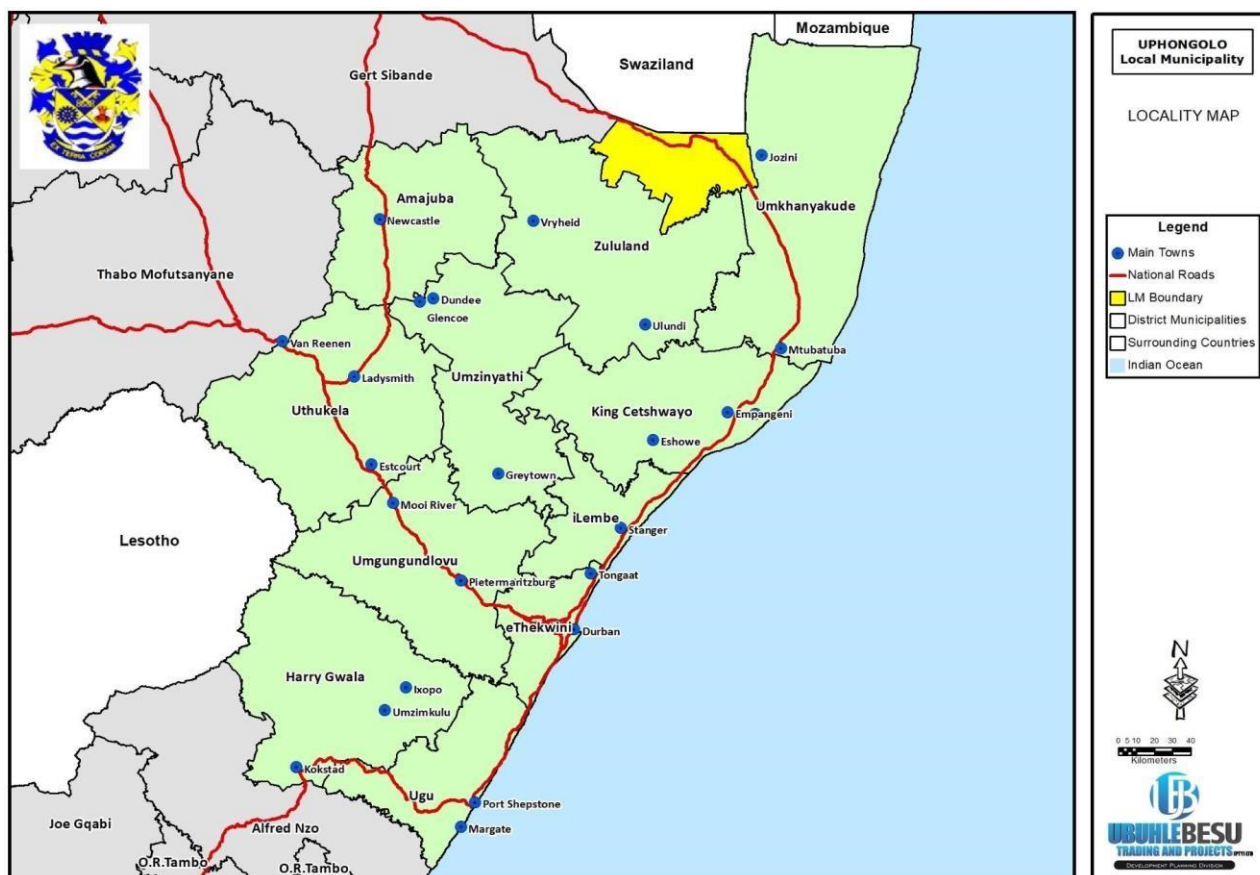
**UPHONGOLO MUNICIPALITY**

## COMPONENT B: EXECUTIVE SUMMARY

### 1. EXECUTIVE SUMMARY

uPhongolo Municipality is one of five local municipalities located within Zululand District Municipality (DC26) in KwaZulu Natal Province. It is strategically located along the N2, adjacent to the eSwatini Border and the Mpumalanga Province. It forms part of LEBOMBO SDI Corridor as a gateway to eSwatini and Mozambique using its Golela and Onverwacht border gates respectively.

**Map: 1 uPhongolo Municipality Locality**



**Source: uPhongolo Municipality**

The municipality has a relatively diverse economy, with a particularly strong primary and secondary sector, in the form of Agriculture and retail and game farming, which together contribute over 30% of the Municipality's GVA. General Government has a comparatively small economic role in the municipality as compared to the rest of the region, although it remains the biggest sectorial contributor (18%).

Surrounded by a unique natural scenic beauty, with endless water resources uPhongolo Municipality is the only place in South Africa where you can do tiger fishing in a competitive environment when we host the tiger fishing tournament. UPhongolo boasts of vast tracts of untapped natural resources coupled with original natural creations of magnificent landscape and green scenery which manifests itself as a paradise and a jewel that creates more opportunities with a huge potential to elevate tourism in our area to higher level.

Amongst other key offerings the area of uPhongolo has the following key attributes:

- Gold mining at Klipwaal;
- Sugar cane farming;
- Untapped Rural tribal land;
- Two significant dams – Pongolapoort dam and Mbivane Dam;
- Sugarcane processing factory (TSB) which is due for expansion to include biofuel from the cane residue;
- Ithala Game reserve and many other tourist attractions like game farms including the big five experience;
- Gateway to eSwatini and Maputo through the Golela border post;
- Proximity to King Shaka airport and the Dube trade port;
- Unrestricted height freight route for abnormal trucking from Durban to Johannesburg on the N2 passes through uPhongolo; and
- Rich Zulu Kingdom heritage.

**SPATIAL LOCATION WITHIN KWAZULU-NATAL:** uPhongolo Municipality is situated within the northern area of Zululand, in northern KwaZulu- Natal. As such, it is highly influenced by provincial and district development trends and development within the Zululand Municipality has significant implications for both the province and the district. As such, spatial planning for the future development of uPhongola Municipality takes into account development trends and patterns that are taking place at both provincial and district level.

**REGIONAL CONTEXT:** The N2 national road corridor passes through the uPhongolo area as a national link between Gauteng and the Richards Bay corridor and on to Durban in the south. it also connects with Swaziland just to the north of the uPhongolo municipal area as N2 is the primary development corridor. the major challenge is to capitalise on the opportunities this presents and optimise benefits for the local people.

## **1.1. MUNICIPAL MANAGER'S OVERVIEW**

### **ACTING MUNICIPAL MANAGER: MR MB KHALI**

uPhongolo Local Municipality was established and operates in terms of Chapter 7 of the South African Constitution. Section 152(1) outlines various objects of local government and it is on these objects that this municipality governs and serves its community in a democratic manner. uPhongolo Municipality has 15 wards and 29 Councillors who were elected to serve the Council on 03 August 2016.

The year 2020/2021 was a challenging year all over the world due to the out-break of the Covid-19 epidemic which caused havoc in the economy and health of people. The impact of the Covid-19 in the Municipality exposed the municipality to a number of risks which were not thought of beforehand. The plans that were put in place by management to improve service delivery and related financial health of the Municipality were turned up-side-down by the effects of Covid-19.

On the positive, they were opportunities that were unearthed since the start of the lockdown. New technologies were used to improve efficiency and save on cost. Cost saving areas were identified and explored which meant more money for other core service delivery areas.

The Risk Management function exist in the Municipality within the Office of the Municipal Manager. The MFMA, 62 (1) requires that Municipalities maintains systems of Risk Management and Internal Control that is efficient and effective. The current system has improved significantly, and the risk maturity of the organizations proves that.

The Fraud Prevention Strategy which was approved by the Council is being implemented and this will help reduce malpractices within uPhongolo municipality. We also have instituted an Enterprise Risk Management Framework, which also includes the Risk Management Policy.

The Municipality received an Unqualified Audit Opinion in the 2020/2021 financial year . This is due to the desire by the municipality to continuously improve its financial management systems and deliver better quality services to its residents. A number of finding by the Auditor General for 2020/2021

financial year have been noted and a management report which go to show that the Municipality is serious about improving controls

The Audit Action Plan for the current audit report and management report has been developed to address all matters. The goal is to clear all finding and achieve clean audit. A regular monitoring of progress in addressing AG finding is done by Internal Audit and reported to Audit Committee and Council on quarterly basis

Staff costs was within the norm as it as sitting at 37% of Opex while the norm is limited to 40%. We also managed to spend 100% of MIG and INEP grants which is a sign of good financial management.

Our LED unit continued with the process to consolidate our key economic development priorities as reflected in 2020/2021 IDP, which primarily focuses on creation of sustainable jobs, mitigation of the HIV epidemic and promote positive living amongst others. This resulted in creation of 86 EPWP jobs and sustained for the year by 30 June 2021.

Keeping our communities safe and healthy has been a high priority in 2020/2021 notwithstanding that health services is not our mandate. The municipality was able to co-operate with other stakeholders in ensuring that food dispensing outlets and general groceries stores provide safe products to our communities. To try and curb the spread of Covid-19, the municipality embarked on an exercise to disinfect public areas and monitor compliance with disaster management regulation.

Various key service delivery improvements achieved during the year under review confirmed the alignment and implementation of the IDP, SDBIP and Council resolutions. These include, amongst others, the completion of ward 3 sports-field, ward 14 creche, electrification of 578 households, tarring of 2km's of roads and drilling of 19 boreholes.

In June 2021, the Annual Risk assessment process was successfully completed which included the fraud risk assessment. This process was of critical importance as the Internal Audit is required by the MFMA to plan the audit coverage to address the risks identified through the risk management processes developed and maintained by management, therefore the risk assessment process and the internal audit planning process are aligned so that timely and relevant risk information is available to Internal Audit when they are devising their audit coverage plans.



uPhongolo Local Municipality has six service departments namely:

- the Municipal Manager's Office;
- Finance Department;
- Technical Department;
- Community Services Department;
- Corporate Services Department; and
- Planning Development & Local Economic Development.

The aforesaid six departments are headed by respective Directors who are accountable and/or report to the Municipal Manager. The Municipality took a decision to split the following departments: Technical Services, Planning and Development & Local Economic Development (LED) and ensure that each respective department has a Director duly appointed. Service delivery and the implementation of Council resolutions, IDP and the SDBIP have improved as a result.

The Municipality approved an organisational performance management (PMS) framework and policy that serve as guiding documents and aligned to the Planning and Performance Management Regulations. The high-level process cycle of the PMS is designed to monitor the departmental performance in the following key performance areas, service delivery, municipal transformation, financial viability, good governance and cross-cutting interventions.

#### **2020/2021 SERVICE DELIVERY HIGHLIGHTS:**

**ELECTRICITY:** Households with access to electricity were above the minimum requirement as the 20 Amp is provided by Eskom. More electrification projects are being rolled-out on an annual basis and as such, the 18% is used as an indicator.

**REFUSE:** Households with refuse being collected by the Municipality was considered to be above minimum standard as the standard collection is twice weekly for all households being provided with the service.

**SANITATION:** Households with access to flush or chemical toilet and VIP toilets were considered to be above minimum standards. The sanitation function is provided by the District Municipality and the access of 70% above the minimum standard is as per the 2011 statistics.

**WATER:** Households with piped water in their yard and at a communal stand are considered to be above minimum standard and as such, a 27% backlog was noted in the 2011 census information. This function is also being provided by the District Municipality.

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**ACTING MUNICIPAL MANAGER: MR MB KHALI**

**UPHONGOLO MUNICIPALITY**

## **1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENT OVERVIEW**

### **1.2.1. MUNICIPAL POWERS AND FUNCTIONS**

The Constitution of the Republic of South Africa Act 108 of 1996, Schedule 4, Part B, read together with Section 152 thereof, and containing the objects of local government vests the powers and functions in a local municipality. Municipal transformation and institutional development relate to a fundamental and significant change pertaining to the way that municipalities perform their functions, allocation of resources and institutional strategies which are implemented to ensure optimum results in service delivery to the communities. It is envisaged that transformation and institutional development shall be seen to take place when the following is addressed as part of the Municipality's strategic planning and direction.

The Municipality has the functions and powers assigned to it in terms of Sections 156 and 229 of the Constitution (Act 108 of 1996). Chapter 5 of the Local Government Municipal Structures Act, Act 117 of 1998 clearly defines these functions and powers vested in a local community;

- To provide democratic and accountable government for local communities;
- To ensure provision of services to communities in a sustainable manner;
- To promote social and economic development;
- To promote a safe and healthy environment; and
- To encourage the involvement of communities and community organisations in the matters of local government.

Table 1 below indicates the functions that are performed by the uPhongolo Municipality in respect of its relationship with the Zululand District Municipality under which the Municipality falls.

**Table 1: uPhongolo Municipality's Functions in Relation to those of the Zululand District Municipality**

| Zululand District Municipality and Local Municipalities |  |  |                        |
|---|--|--|------------------------|
| District Municipal Functions                            | Shared Functions District and Local          | Local Municipal Functions                                    |                        |
| Potable Water Supply                                    | Fire Fighting services                       | Air Pollution  |                        |
| Sanitation Services                                     | Local Tourism                                | Building regulations (National Building Regulations)         |                        |
| Electricity Reticulation                                | Municipal Airports                           | Child Care Facilities  |                        |
| Municipal Health Services                               | Municipal Planning                           | Pontoons, Ferries, Jetties, Piers and Harbours               |                        |
| Regional Airport  | Municipal Public Transport                   | Storm Water Management System in Built up areas              |                        |
|   | Cemeteries, Funeral Parlours and Crematoria  | Trading regulations  |                        |
|   | Markets                                      | Beaches and Amusement Facilities                             |                        |
|   | Municipal Abattoirs                          | Billboards and the Display of advertisement in Public places |                        |
|   | Municipal Roads                              | Cleansing  |                        |
|   | Refuse Removal, Refuse Dumps and Solid Waste | Control of Public Nuisances                                  |                        |
|   | Cemeteries, Funeral Parlours and Crematoria  | Facilities for the Accommodation, Care and Burial of Animals |                        |
|   |  |  | Fencing and Fences     |
|   |  |  | Licensing of Dogs      |
|   |  |  | Local amenities        |
|   |  |  | Local Sport Facilities |
| Municipal Parks and Recreation                          |  |  |                        |
| Noise Pollution   |  |  |                        |
|   |  | Pounds   |                        |

|  |  |                     |
|--|--|---------------------|
|  |  | Public Places       |
|  |  | Street Trading      |
|  |  | Street Lighting     |
|  |  | Traffic and Parking |

The Municipality's core object is to deliver the basic services in line with the legislation to improve the lives of the uPhongolo Community and its visitors. The community needs are identified through the public participation process of the Integrated Development Plan (IDP) which are then budgeted for and implemented. The focus for the year was on the Electrification of areas without electricity, Construction and maintenance of roads, Provision of RDP Housing for the needy, solid waste removal, Job creation (local economic development) and Construction Community Hall, Sport fields and Crèches. See Annual Performance Report (APR) for details of level of services provided for 2020/2021.

#### 1.2.2. POPULATION AND DEMOGRAPHIC PROFILE

**Table 2: Key Demographic Statistics.**

| Indicator             | uPhongolo Municipality                    |
|-----------------------|---|
| Area                  | 3 239 km <sup>2</sup>                     |
| Population            | 141 247                                   |
| Households            | 34 228                                    |
| Number of settlements | 104                                       |
| Urban areas           | 1 town and 4 small urban settlements      |
| Gender breakdown      | Males 46,9 %<br>Females 53,1 %            |
| Age breakdown         | 0 – 14 51.78% /15 – 64 43.93% /65 + 4.29% |
| Life expectancy       | 1998 65 years<br>2011 48 years            |

**Source: Stats SA – Census 2011 and Community Survey, 2016**

The population growth rate of the uPhongolo Municipality (including Golela) increased from 2003 to 2013. The population growth rate can be used as an indicator for measuring demand for fuel within the area. The population of uPhongolo has increased from 122 653 in 2004 to 147 679 in 2014; this

represents an average annual increase of 1.9% over the period ranging from 2003- 2013. The number of households grew from 27 280 in 2004 to 27 958 in 2014.

**Table 3: Life Statistics**

| Indicator        | Description | Value    |
|------------------|-------------|----------|
| Gender breakdown | Males       | 48%      |
|                  | Females     | 52.0%    |
| Age breakdown    | 0 -14       | 51.78%   |
|                  | 15 -64      | 43.93%   |
|                  | 65+         | 4.29%    |
| Life expectancy  | In 1998     | 65 years |
|                  | In 2011     | 48 years |

Age breakdown analysis shows a decrease of 12.47% in the 15 to 64 age group meaning that uPhongolo has become a breeding and training ground of the South African labour force were upon attaining qualifications and experience the working age group departs for greener pastures. As such, major interventions through the provision of access roads, electricity and proper sanitation are required as our priority areas in the IDP. This kind of investment will bring development that can lure our citizens to stay and develop with us instead of migrating

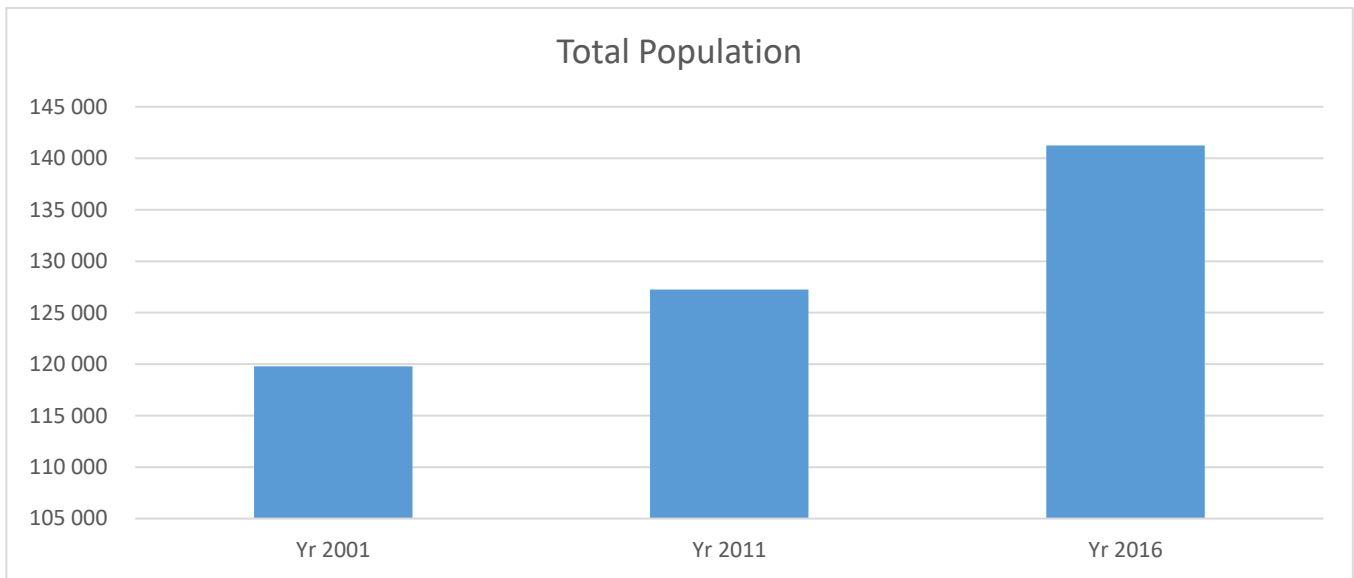
**Table 4: Population by Age and Gender for 2001, 2011 and 2016**

| Age   | 2001  |        |        | 2011  |        |        | 2016  |        |        |
|-------|-------|--------|--------|-------|--------|--------|-------|--------|--------|
|       | Male  | Female | Total  | Male  | Female | Total  | Male  | Female | Total  |
| 0-4   | 7 663 | 8 038  | 15 701 | 8 838 | 8 962  | 17 800 | 9 887 | 9 706  | 19 593 |
| 10-14 | 8 266 | 8 097  | 16364  | 8 042 | 8 120  | 16 162 | 9 787 | 9 458  | 19 245 |
| 15-19 | 8 398 | 8 492  | 16 890 | 8 155 | 7 910  | 16 065 | 9 202 | 9 245  | 18 447 |
| 15-19 | 7 704 | 8 169  | 15 873 | 7 961 | 7 897  | 15 858 | 9 526 | 9 008  | 18 534 |
| 20-24 | 5 249 | 5 941  | 11 190 | 6 380 | 7 087  | 13 467 | 7 728 | 8 200  | 15 928 |
| 25-29 | 3 968 | 4 639  | 8 607  | 4 997 | 5 766  | 10 762 | 6 146 | 6 946  | 13 092 |
| 30-34 | 2 959 | 3 792  | 6 751  | 3 354 | 3 894  | 7 247  | 4 329 | 4 848  | 9 177  |
| 35-39 | 2 476 | 3 335  | 5 811  | 2 615 | 3 192  | 5 806  | 2 558 | 2 822  | 5 380  |
| 40-44 | 2 343 | 3 018  | 5 361  | 2 021 | 2 793  | 4 814  | 1 866 | 2 658  | 4 524  |
| 45-49 | 1 881 | 2 373  | 4 254  | 1 635 | 2 554  | 4 188  | 1 388 | 2 178  | 3 566  |
| 50-54 | 1 476 | 1 689  | 3 165  | 1 665 | 2 318  | 3 983  | 1 122 | 1 799  | 2 921  |
| 55-59 | 1 072 | 1 270  | 2 342  | 1 315 | 1 873  | 3 188  | 1 288 | 1 867  | 3 155  |
| 60-64 | 990   | 1 471  | 2 462  | 970   | 1 467  | 2 438  | 741   | 1 626  | 2 367  |
| 65-69 | 600   | 1 085  | 1 685  | 613   | 992    | 1 605  | 666   | 1 223  | 1 889  |
| 70-74 | 479   | 1 082  | 1 561  | 538   | 1 022  | 1 560  | 488   | 957    | 1 445  |
| 75-79 | 324   | 480    | 805    | 263   | 685    | 948    | 224   | 643    | 867    |

|              |               |               |                |               |               |                |               |               |                |
|--------------|---------------|---------------|----------------|---------------|---------------|----------------|---------------|---------------|----------------|
| 80-84        | 236           | 426           | 662            | 184           | 573           | 757            | 144           | 323           | 467            |
| 85+          | 94            | 205           | 298            | 182           | 406           | 588            | 109           | 541           | 650            |
| <b>Total</b> | <b>56 178</b> | <b>63 602</b> | <b>119 781</b> | <b>59 728</b> | <b>67 510</b> | <b>127 238</b> | <b>67 198</b> | <b>74 049</b> | <b>141 247</b> |

*Source: Stats SA , 2001, 2011 And Community Survey 2016*

**Graph 1: Population Growth Rate: 2001, 2011 and 2016**



**Source: Stats SA , 2001, 2011 And Community Survey 2016**

**AVERAGE HOUSEHOLD SIZE:** According to the ZDM’s Household analysis the Municipality has an average household size of 6.76. This figure indicates the actual situation in the municipal area and is much more correct than the STATSSA figures. The average household size of the uPhongolo Municipality according to STATSSA was calculated by subdivision of the population figures with the number of households recorded. The average household size is therefore is 4 persons per household. This has also a huge influence on service delivery due to the impact on infrastructure services design parameters and actual provision.

**Table 5 : Household Size**

| Municipality | Total household population |            |            | Number of households |        |        | Average household size |      |      |
|--------------|----------------------------|------------|------------|----------------------|--------|--------|------------------------|------|------|
|              | 1996                       | 2001       | 2011       | 1996                 | 2001   | 2011   | 1996                   | 2001 | 2011 |
| UPhongolo    | 1996                       | 2001       | 2011       | 1996                 | 2001   | 2011   | 1996                   | 2001 | 2011 |
| Total        | 97 372                     | 115<br>384 | 125<br>197 | 15 967               | 24 814 | 28 772 | 6.1                    | 4.6  | 4.4  |

**Source: Stats SA – Census 2011**

## HOUSEHOLD DWELLING TYPE

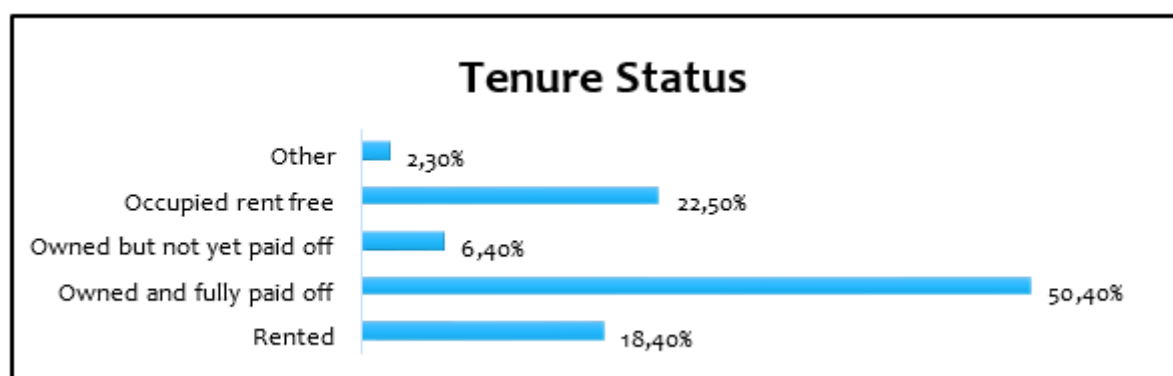
**Table 6: Household Dwelling Type**

| Municipality | Formal Dwelling |        |        | Informal Dwelling |      |      | Traditional Dwelling |       |       |
|--------------|-----------------|--------|--------|-------------------|------|------|----------------------|-------|-------|
|              | 1996            | 2001   | 2011   | 1996              | 2001 | 2011 | 1996                 | 2001  | 2011  |
| UPhongolo    | 1996            | 2001   | 2011   | 1996              | 2001 | 2011 | 1996                 | 2001  | 2011  |
| Total        | 8 371           | 16 331 | 24 013 | 313               | 398  | 342  | 7 121                | 8 011 | 4 115 |

**Source: Stats SA – Census 2011**

## TENURE STATUS

**Graph 2: Tenure Status**

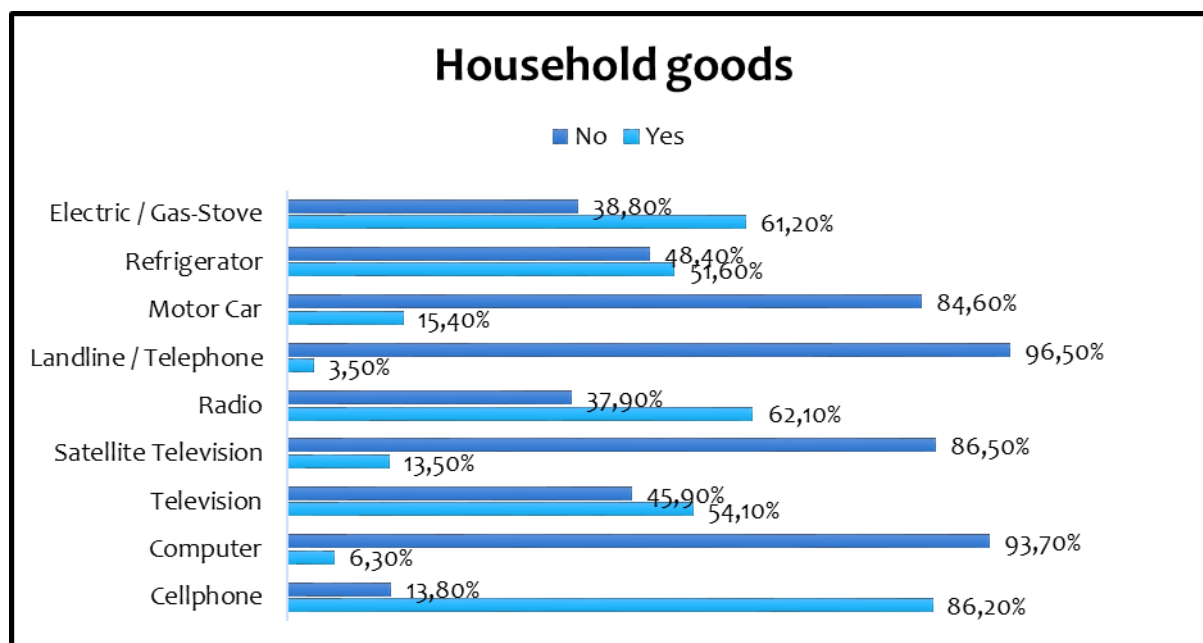


**Source: Stats SA – Census 2011**



## HOUSEHOLD GOODS

Graph 3: Household Goods



Source: Stats SA – Census 2011

## HOUSEHOLD HEADED BY FEMALES

Table 7: Female Headed Households Figures

| Municipality | No. Of Household Headed by A Woman |        |        | Number of Households |      |      | % of Female Headed Households |      |      |
|--------------|------------------------------------|--------|--------|----------------------|------|------|-------------------------------|------|------|
|              | 1996                               | 2001   | 2011   | 1996                 | 2001 | 2011 | 1996                          | 2001 | 2011 |
| UPhongolo    |                                    |        |        |                      |      |      |                               |      |      |
| Total        | 7 114                              | 12 151 | 13 993 | 15                   | 24   | 28   | 44.6                          | 49.0 | 48.6 |
|              |                                    |        |        | 967                  | 814  | 772  |                               |      |      |

Source: Stats SA – Census 2011

## HOUSEHOLD HEADED BY CHILDREN

**Table 8: Child Headed Households**


| Municipality | No. of Households Headed By Children |      |      | Number of Households |      |      | % of Households Headed by Children |      |      |
|--------------|--------------------------------------|------|------|----------------------|------|------|------------------------------------|------|------|
|              | 1996                                 | 2001 | 2011 | 1996                 | 2001 | 2011 | 1996                               | 2001 | 2011 |
| UPhongolo    | 172                                  | 429  | 475  | 15                   | 24   | 28   | 1.1                                | 1.7  | 1.7  |
| Total        |                                      |      |      | 967                  | 814  | 772  |                                    |      |      |

**Source: Stats SA – Census 2011**

Currently, the total population of the uPhongolo Municipality is estimated at 141 247 people represented into 34 228 households. Ethnically, the population is grouped as follows: Africans 98.5%, Coloureds 0.1%, Asians 0.01%, and whites 1.5% as presented in the table below.

**Table 9: Population and Ethnic Groups**

| Trends                  | No.            | Percentage |
|-------------------------|----------------|------------|
| Black African – Total   | 132 270        | 98,1       |
| Coloured – Total        | 6              | 0,1        |
| Indian or Asian – Total | 18             | 0,1        |
| White – Total           | 1 937          | 1,5        |
| <b>Total</b>            | <b>134 231</b> | <b>100</b> |



*Source : Stats SA, 2011*

Education is an indication of human resources and the skills available within the municipality. Figure 7 above presents the levels of education obtained by people within uPhongolo Municipality in 2013. 15% of the population over the age of 15 have no schooling qualification of any grade. This is concerning given the importance of education in obtaining employment and contributing to the economy. 37.9% of the population have completed matric and only 0.7% has tertiary qualifications as presented above

**ECONOMIC GROWTH:** uPhongolo has 50 km<sup>2</sup> of sugarcane and subtropical fruit plantations surrounding it using drastic irrigation systems. The town of Pongola has thrived as a result of the canal system and a sugar mill that was built which together with the sugarcane plantations and government employment sustains the livelihood of the people of uPhongolo. The N2 national road corridor passes through the uPhongolo area as a national link between Gauteng and Richards Bay then Durban in the south. It also connects with eSwatini just to the north of the uPhongolo Municipal area. This is the primary development corridor in uPhongolo.

The Pongola area also has many tourist attractions including Game Farms and Lodges, the Pongolapoort Dam, famed for its Tiger Fishing and surrounding wildlife, cultural history and much more. The town of Pongola is wedged between the eSwatini border and the Pongola River and has all the modern facilities, Supermarkets, Hospital, Small Airport, 9 (hole) Golf Course, Tennis and Bowls. Pongola has an unparalleled selection of excellent game camps and lodges in which to spend the night. Around Pongolapoort Dam there are 10 lodges in the Pongola Game Reserve which has four of the Big 5.

The two main rivers in the municipality are the Mkuze River in the south and the (Pongola) River in the north, the latter feeding the Pongolapoort Dam, located on the eastern boundary of the municipality. Agriculture and tourism form the basis for the municipality's economy. Major development components consist of game and nature reserves, agricultural activities, traditional settlement areas and some urban nodes.

The public sector is the dominant provider of employment opportunities; however, the informal sector is expanding, primarily based on the taxi industry, informal financial services and taverns. From the data provided by Quantec, 13% of households receive no income, 99.8% of the population earn

between R 801 and R 1600 per month, while 8% of the population earn between R6400 and R12 000 per month. There are couple of households in the Municipality that earn R 25 000 monthly.

The figure bellow illustrates the percentage of economically active people in uPhongolo Municipality. The figure shows that 17% of the population is unemployed, that 30% of the population is employed, 53% of the population is not economically active.

Education is an indication of human resources and the skills available within the municipality. Data provided from Quantec indicates 15% of the population over the age of 15 have no schooling qualification of any grade. This is concerning given the importance of education in obtaining employment and contributing to the economy. 39.7% of the population have completed matric and only 0.7% has tertiary qualifications.

The municipality has also embarked on several activities to speed up the growth of uPhongolo. This includes the investment in a flea market complex which was completed in 15/16 and well as the Imbube Cultural Village which is still under construction. This market is expected to benefit from the free flow of tourists visiting the many game reserves in the area, as well as encourage locals to be productive as there is a selling place for their products. There has also been a newly developed mall at uPhongolo which has since seen the attraction of other major retail chains into this growing town. These opportunities have not only increased job opportunities but also have increased the quality of lifestyle for the local citizens as they can now shop at the best shops in South Africa.

uPhongolo will see major structural developments in the near future as more and more retailers are establishing their mark on our map. As a municipality we aim to ease and facilitate this development by providing state of the art infrastructure. The municipality hopes to speed this up through training of small informal sector business to provide building blocks services, so they can take advantage of the current boom in the building section that is buffered nationally by the current low interest rates

### 1.2.3. ENVIRONMENTAL OVERVIEW

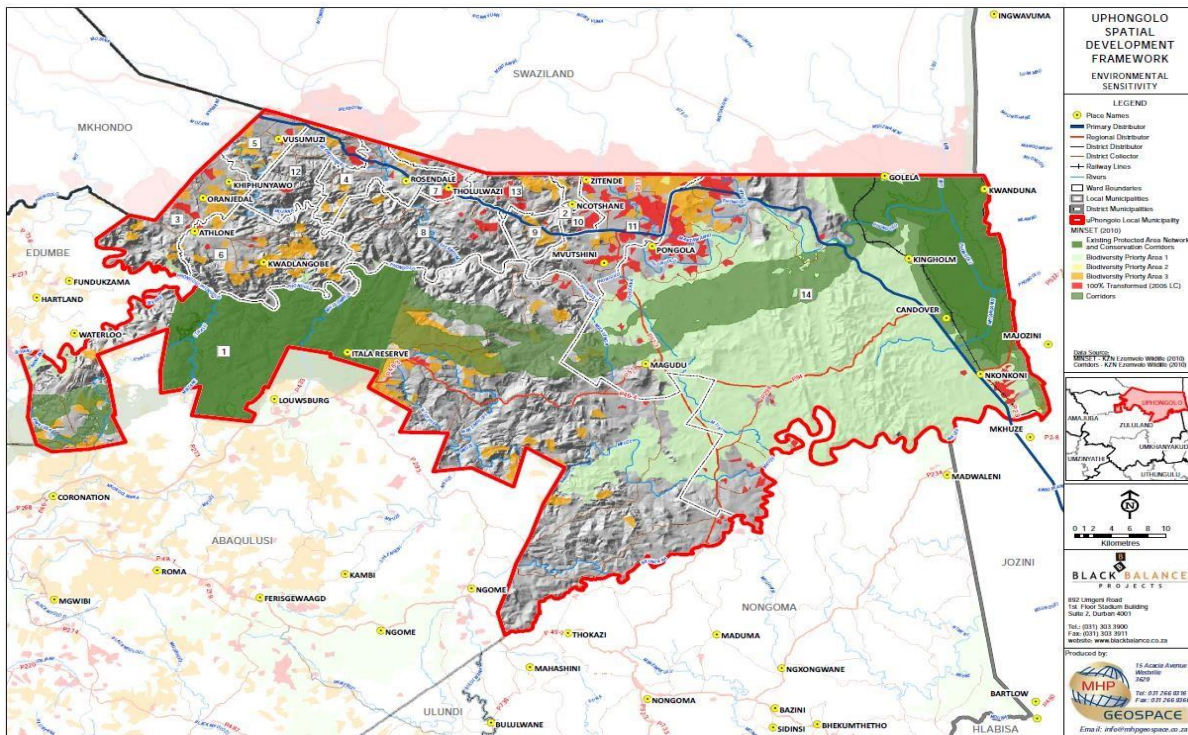
uPhongolo Municipality has a number of environmental sensitive areas, of which two are formally protected. Ithala Game Reserve is located on the south western boundary of the municipality directly South of the Phongolo River. Pongola poort dam is situated on the eastern boundary of the Municipality.

The environmental Conservation corridor as identified by the KwaZulu-Natal Spatial Development Framework is clearly visible and traversing the municipality in an east west direction. The main areas where sugar cane production takes place is classified as 100% transformed or classified as areas with no sensitivity (Priority Area 3).

Biodiversity Priority 1 Areas are mainly concentrated in the eastern side of the municipality, between the R66 and the Pongola Poort Dam. A very limited number of small Priority 1 Biodiversity Area pockets are situated adjacent the Ithala Game Reserve and the eDumbe LM Boundary.

Biodiversity Priority Area 3 is scattered throughout the municipality area and is situated mainly on the western boundary the Ithala Reserve and surrounding the areas of Kwadlangobe, and Oranjeldal. Areas to the north west of Pongola, where sugarcane farming is taking place, has also a large concentration of Priority Biodiversity 3 areas. No Biodiversity Priority 2 areas are observed.

**Map: 2 uPhongolo Environmental Sensitivity**



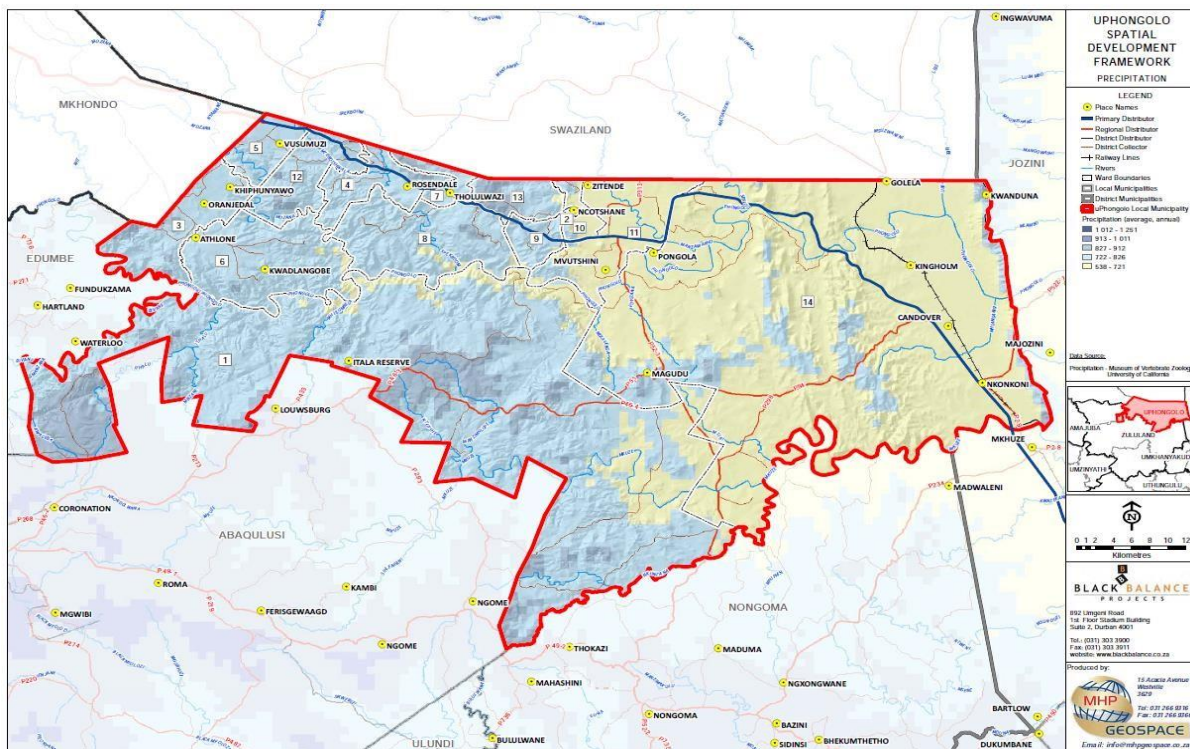
**HYDROLOGY:** uPhongolo Municipality has a mixture of two “precipitation sectors” which is linked to the varying topography within the municipal area. On average the two sectors average between 722 to 826mm per annum and 538 to 721mm per annum. Selected pockets have a higher average precipitation of 913 to 1011mm per annum.

It is evident from the map that the mountainous areas situated to the west of the municipality have higher precipitation levels, thus play an important role in feeding uPhongolo and Mkuze Rivers. Catchments are the areas of land where rainwater drains downhill into a body of water, such as a river, lake or dam.

The drainage basin includes both the streams and rivers that convey the water as well as the land surfaces from which water drains into those channels and is separated from adjacent basins by a catchment divide. Ecological aspects need to be taken into account when considering Catchment Areas/Drainage Basins. Water that is accumulated within the catchment areas, flows to water bodies namely rivers and dams which is ultimately utilised to provide potable water for household purposes.

Subsequently it is necessary to consider the possible impacts from specific land uses (settlements and agriculture) on the quality of water. This will further provide a clue as to where sanitation services are more desperately required to prevent contamination of water sources by cholera for example. In cases where large scale agricultural activity can have a negative impact on the quality of water it is necessary to limit the use of pesticides. The table below comprises of the rivers and dams that exist within the uPhongolo Municipality.

**Map: 3 uPhongolo Precipitation**



**STRATEGIC ENVIRONMENTAL ASSESSMENT:** It is critical for the development of a sustainable Spatial Development Framework to identify environmentally sensitive areas in order to direct and manage intensive development away from such areas. uPhongolo Spatial Development Framework considers both formally registered conservation areas as well as additional potential/future conservation worthy areas, classified as Critical Biodiversity 1 Areas. Phongolo and Mkuze River including tributaries, have a conceptual buffer of 40m from centreline, which allows for an estimated 15m width of a river and then includes the 30m buffer area.

**AREAS PRONE TO SOIL EROSION:** Wetlands & Dams in excess of 1 Ha with a 30m buffer around the boundary. Areas identified as Biodiversity Priority 1 Areas. MinSet Data as Overlain on the Conservation Criteria Map, Depicting Mandatory Reserve Areas.

The above environmental features have been protected within formal reserves, Riverine Areas, as well as the proposed “Eco Tourism” area, which is aimed at balancing the need for agricultural and conservation activities in a specific region.

**SPATIAL ISSUES** : The uPhongolo integrated development plan depicts a number of challenges related to a number of aspects that has spatial manifestations. Protecting the natural environment and resources, the natural environment forms one of the most important resources of the municipality, providing the basis for agriculture and tourism development as well as a functioning and attractive landscape;

Maximising and coordinating the tourism and recreation potential, while the municipality accommodates an existing series of tourism attractions, there is scope for a better utilisation of opportunities, whereby it needs to be ensured that such development is not detrimental to the natural environment, is in accordance with the image of the tourism features of the municipality, and that the various initiatives are coordinated with each other.

Linking access and development, different levels of development should be related to the different levels of accessibility, e.g. development requiring high levels of accessibility and visibility should be located in proximity of primary access corridors etc., the access hierarchy therefore provides one element in the structuring of development in the municipality.

Utilising linkages to surrounding opportunities, the municipality is located in proximity of a wide range of existing and potential developments outside its boundaries, potentials emanating from this location needs to be utilized.

Integrating traditional settlement areas, there is a need to better integrate the traditional settlement areas into the functioning of the municipality in terms of social, economic and institutional development ensuring that the communities benefit from improved development without losing their particular unique background.

Facilitating economic development, ensuring that all sectors and communities of the municipality form part of and contribute their particular abilities to the economic development of the area; and



facilitating social development, ensuring the provision of adequate social amenities and facilitating social integration.

**AGRICULTURE** : The agricultural sector employs more people than any other sector in uPhongolo Municipality. It impacts significantly on employment, income generation, economic linkages, land tenure and land reform and environmental considerations in the area. The most predominant activities are sugarcane farming and gaming.

The current agricultural products being exported are sugar cane, vegetables, citrus fruit and game. Value adding for sugar cane is undertaken locally as there a sugar mill in existence. A local maize mill by the local farmers and an agri-park proposed by Rural Development Department will also form a good value chain to benefit SMMEs and Co-ops. Municipality's LED is directly involved in assisting Co-ops and SMMEs to take advantage of these opportunities. There is also potential for production of bio-fuel in the area.

Land rated above moderate in terms of agricultural potential is very limited for the whole municipal area. Agricultural potential for Pongola Valley is high due to the availability of water for irrigation purposes. This is evidently seen by existence of commercial farms producing sugar and vegetables in these areas. Agricultural production outside of these areas are limited to stock and game farming.

The land in the north western part of the municipality falls under Ingonyama Trust and is densely populated by traditional communities that are practicing subsistence farming. A small-scale sugar production project was established in 1999 after the construction of Bivane Dam.

## EXISTING LAND USE PATTERNS

**Table 10: Land Cover and Broad Land Uses**

| Commercial Crops Dry land         | Degraded Grassland           | Rural Dwellings             |
|-----------------------------------|------------------------------|-----------------------------|
| Commercial Crops Irrigated        | Dense Bush                   | Sugarcane – Commercial      |
| Bushland                          | Grassland                    | Sugarcane – Emerging Farmer |
| Degraded Bushland                 | Grassland/ Bush Clumps Mix   | Subsistence – Rural         |
| Degraded Forest                   | Permanent Orchards Irrigated | Urban                       |
| Degraded Grassland                | Permanent Orchards Dryland   | Water (Natural)             |
| Old Cultivated fields (Bushland)  | Plantation                   | Wetlands                    |
| Old Cultivated fields (Grassland) | Plantation Clear-felled      | Woodland                    |

From the above land cover, six main elements are visible within the Municipal area, namely urban areas, rural settlements and subsistence farming, woodlands, grasslands and commercial sugarcane. The urban areas are situated around Pongola Town and stretches northwards along the N2. Smaller pockets of densely populated “urban areas” are situated along major transport routes, but they are also scattered throughout the municipality at localities such as Ncotshane, Vusumuzi and Khiphunyawo. The remainder of the settlements are characterised by rural dwellings.

These settlements include areas such as Athlone and Kwadlangobe in the western areas, Magudu and Candover south and south east of Pongola Town, and KwaNduna and Golela on the north eastern boundary of the municipality. Large areas of woodlands are situated on the evenly sloped areas on the north eastern boundary of uPhongolo. This area stretches from the Majozi surroundings (east) to Magudu (South of N2).

Subsistence farming is scattered throughout the municipal area, but more densely situated in close proximity to the rural settlement areas. The highest concentrations of subsistence farming are found near the settlements of Tholulwazi, Oranjedal and Athlone, with scattered subsistence farming activities around Rosendale.

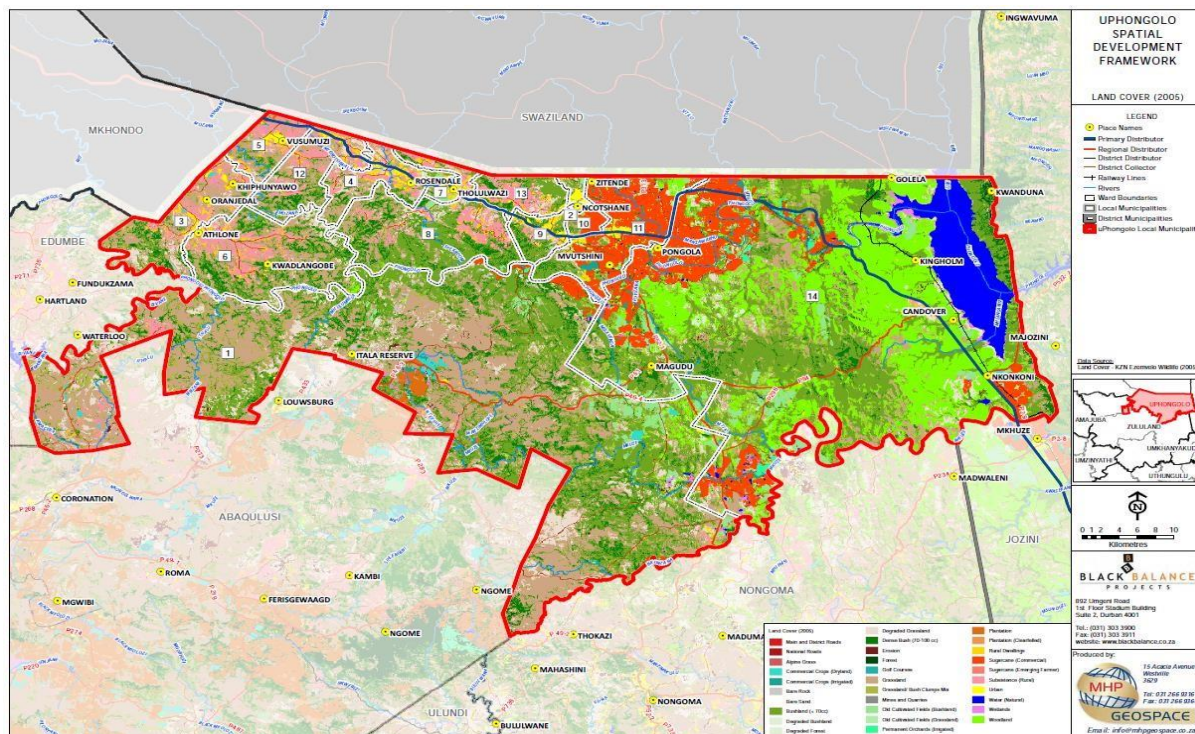
Grasslands are scattered throughout the municipal area, although the lack of other activities and vegetation types makes this the main land cover category in the south western areas around Ithala Reserve and Waterloo. Plantations are located in the south western parts of the municipality, and mainly grouped south of Ithala Reserve.

The area in the east of Magudu is characterised by bushlands, whilst the northern parts of the municipal area have a high concentration of commercial sugarcane groupings situated north from Zithende surroundings (north) to all around the Pongola Town. Agriculture: largely located in flat topographic conditions in river valleys, in particular east of Pongola, much of activities consist of commercial sugar cane and vegetable farming. A level of subsistence farming forms an integral part of the traditional settlement areas.

**TOURISM AND NATURE RESERVES:** one of the main economic activities in the municipality extending over much of the municipality. There exist a series of additional opportunities, such development must however be based on an appropriate protection, management and utilization of the substantial natural resources of the municipality and an appropriate co-ordination of the tourism/recreation activities.

## UPHONGOLO LAND COVER

**Map: 4 uPhongolo Land Cover**



**GRAZING LAND:** Grazing land occurs in the form of large tracks of vacant land located between different settlements.

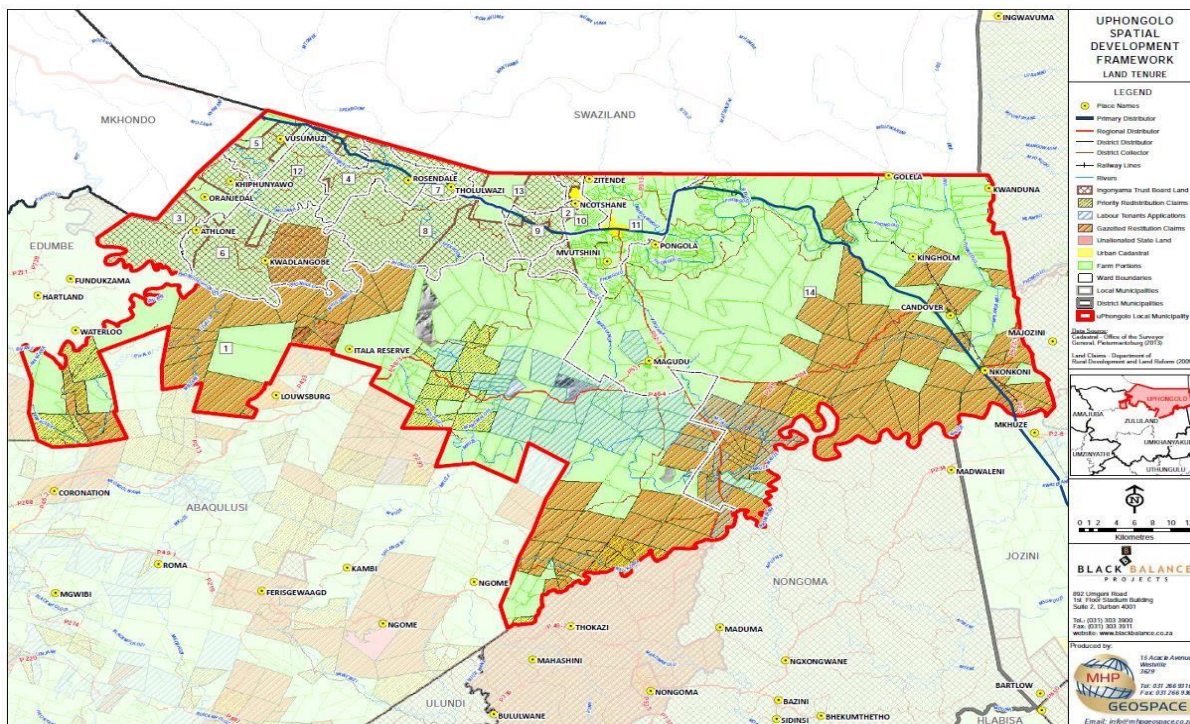
**CONSERVATION AND TOURISM :** The N2 National road corridor passes through uPhongolo municipal area as a national link between Gauteng, Richards Bay and Durban. It also connects with Swaziland just to the north of the municipal area.

Natural beauty, existence of tourism related development, and future tourism development potential within the municipal area are the main attributes. These attributes are putting the municipal area at an excellent position to reap the benefits of an intensive tourism programme.

**LAND OWNERSHIP :**The larger north western part of uPhongolo Municipality is managed by Tribal Authorities, whilst the eastern part of the Municipality consists of privately owned farms. Only a few areas have official cadastral boundaries and include Pongola Town and Ncotshane. The settlements not situated within the area of a Tribal Council include Magudu, Candover, Nkonkoni, Kingholm and Ithala Reserve.

## UPHONGOLO LAND TENURE

**Map: 5 uPhongolo Land Tenure**



**LAND REFORM:** Much of the land in the municipality is in the ownership of three categories of land owners, i.e. state, private individuals and Ingonyama Trust.

State-owned land consists of land in the ownership of the local municipality and various provincial and national departments. The extent and location of formal nature conservation areas are in this context of significance. Much of the traditional settlement areas are in the ownership of the Ingonyama Trust and this has, in particular in the past, limited external investment in the areas.

The majority of the land is held by private companies and individuals being used for agricultural purposes and nature and game experiences. Various trusts and traditional authorities have benefited from the land restitution process and green fund by both Department of Rural Development & Land Reform and Dept. Agriculture & environmental affairs especially in ward 1, ward 14 and part of ward 10 e.g. Inkunzana Trust, Somkhanda game reserve, Ntshangase Traditional authorities to name but few.

**LAND CAPABILITY:** Large areas of the municipality have land which falls in the high to moderate potential class. The soil quality and climate lends itself to intensive agricultural practices in most of these areas. The overall soil pattern in the study area has been strongly influenced by two dominant soil forming factors namely climate and parent material.

In the higher rainfall areas above 800 mm per annum like the Elandsberg scarp and the Makateoskop plateau the soils tend to be deep, well-drained, fine-textured and leached with somewhat sandier textures where derived from sandstone or granite but more clayey where formed from dolerite. In terms of the South African Soil Classification system the most common soils are those of the Clovelly and Hutton forms in gently-sloping upland areas with Glenrosa soils on steeper slopes and Katspruit or Cartref soils in wetlands and depressions.

Most upland soils on the Makateoskop plateau and the upper Pongola and bivane valleys are high potential arable soils being generally deep and well-drained with good physical properties. Chemically, however, these soils tend to be leached, due to the high rainfall, and therefore acid and low in plant nutrients. They may consequently need to be limed and to have their nutrient status built up by appropriate fertilizer treatments. When this is done they are highly productive cropping soils. In the drier areas, where mean annual rainfall is below 800 mm, the soils are generally shallower and less leached, often with strongly structured subsoils of poor permeability.

### **1.3. SERVICE DELIVERY OVERVIEW**

#### **1.3.1. BASIS SERVICES**

One of the objects of local government is to ensure the provision of services to communities in a sustainable manner. Basic services rendered to the communities of uPhongolo Municipality is electricity, waste management, roads and stormwater. Water and sanitation services are provided by the Zululand District Municipality. Other services are development and spatial planning, local economic development, environmental, housing, library, cemeteries, community, sports and recreation, traffic as well as fire and disaster services. These services are discussed in detail in Chapter 3 of the Annual Report.

The Municipality has two basic services that it provides to the Pongola community, namely, refuse removal and electricity. Due to low urban settlement area when compared to the Farmland and Tribal settlement area, the refuse removal services is only provided to the urban settlement area. This effectively translates to 15% or 4 364 of the Pongola households.

The Municipality managed to complete a Sport field and a Sub-Taxi Rank while good progress was made in the connection of 270 households to the electricity grid in the 2019/2020 financial year.

#### **1.3.2. SERVICE DELIVERY PERFORMANCE HIGHLIGHTS FOR 2020/2021**

The Council of uPhongolo Municipality adopted an Organisational Scorecard and Service Delivery and departmental Basic Implementation Plans (SDBIP's) for implementation in 2020/2021 financial year. The Municipality resolved to focus on key tangible deliverables that yield outstanding results. Therefore, it meant that the number of indicators and targets had to be reduced drastically in each KPA so that the Organisational Scorecard reports become more focused and strategic. It is against this background that the actual performance for the year under review decreased comparatively (82% for 2018/19 and 63% in 2019/20).

The actual deliverables for the 2020/2021 organizational scorecard, the Municipality had a total number of 97 targets and 61 were fully achieved, this translates to 63% of the archived targets. Only 37% of the targets were not fully achieved in the year under review and therefore some were rolled over to the 2021/2022 financial year. However, this performance is lower as compared to the previous financial year (2018/19) which was at 82%. This performance must be viewed within the context of the fact that the Municipality adopted a new paradigm ship in the Municipal performance management



where emphasis is not on chasing numbers but on tangible and concrete results that add value on service delivery. Furthermore, there were many lessons learnt and lessons produce better people that make better organizations.

The municipal performance management system is a tool legislated to assist in implementing the IDP of the Municipality and the annual budget (operational and Capital). It is essentially a summary of all the needs of the community and organisation as well as other compliance requirements for the year under review which have been prioritised.

The Municipal Finance Management Act defines the Services Delivery and Budget Implementation plan (SDBIP) as the including the following components.

a) projections for each month of: -

(i) revenue to be collected, by source; and

(ii) operational and capital expenditure by, vote

b) service delivery targets and performance indicators for each quarter; and

c) any other matters that may be prescribed, and includes any revisions of such plan by the mayor in terms of section 54(1)(c).

This Annual Performance Report therefore is prepared in terms of Section 46 of the Municipal Systems Act and it seeks to report on the implementation of the SDBIP or the IDP priorities for the year under review.

## **PERFORMANCE MANAGEMENT PROCESS**

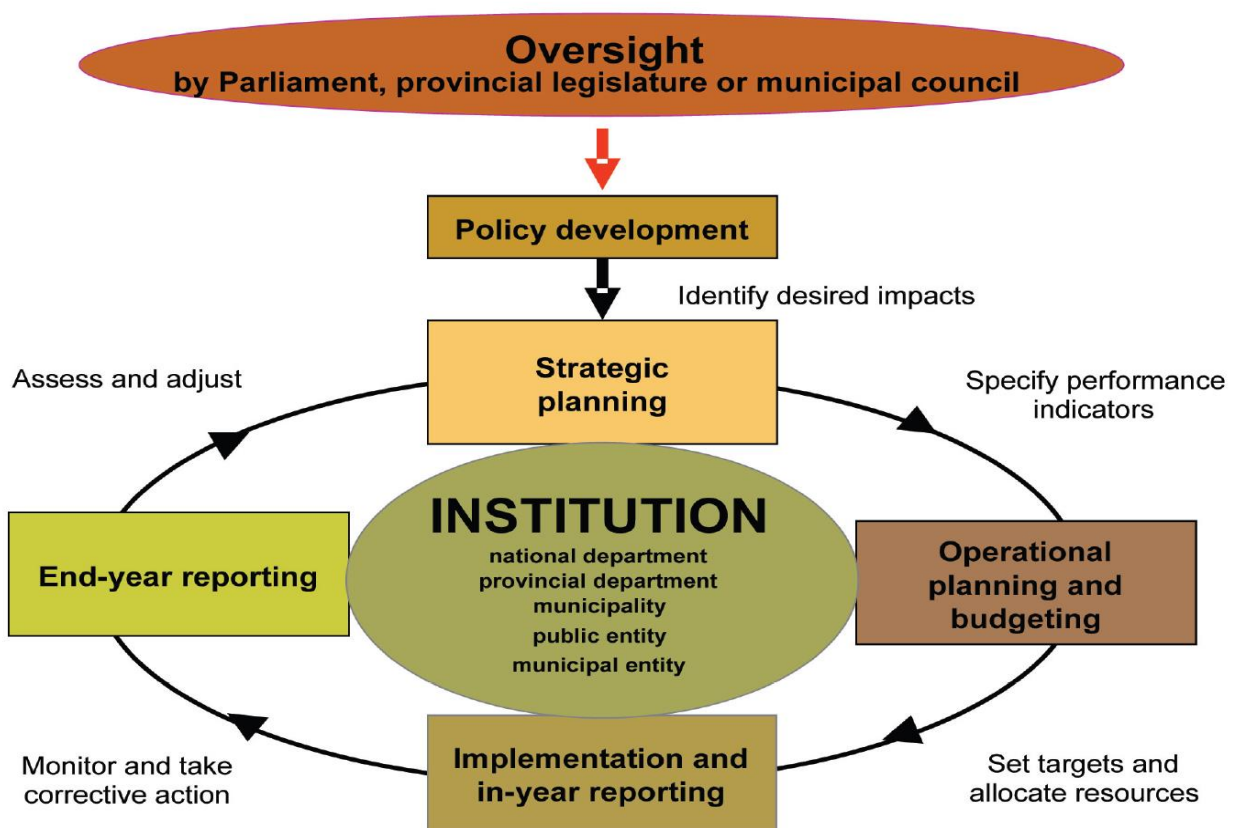
The guiding document in the Performance Management System (PMS) process is the approved PMS framework and Policy which are aligned to the Planning and Performance Management Regulations as well as the Appointment and Conditions of Employment of Senior Managers Regulation. The MFMA circular number 13 issued by National Treasury in January 2005 is also used as a guiding document in the planning and development of the service delivery and budget implementation plan.

The PMS processes implemented are meant to give a clear picture to all stakeholders on how the strategic objective of the organisation and resources allocated were able to yield the desired output which will improve the lives of community. Key to the PMS process is the monitoring and reporting on shortcomings and making public, service delivery achievement.

The report on financial performance and non-financial performance that are make public include the following:

- Quarterly Performance (Non-financial) Reports
- S71 & S72 Reports (financial)
- Annual Performance Report
- Annual Financial Statements
- Annual Report

The high-level process cycle of the Performance Management System can be summarised in a form of the diagram that follows:



### ADMINISTRATION OF THE MUNICIPAL PERFORMANCE MANAGEMENT SYSTEM

The Municipality has a PMS unit which acts as the support structure for the 6 Departments (Municipal Manager’s office, Budget and Treasury Unit, Technical Services, Corporate Services, Community Services and Planning Development & Local Economic Development) by collecting, verifying, and reporting on their performance against targets prior to sending the performance report to Internal Audit section to be audited.



It is a norm to hold quarterly Performance Audit Committee meetings after the internal audit had finalised their reports. For the year under review, only 2 Performance Audit Committee meeting took place due to resignation of an audit committee chairperson and the effects of the lockdown. Similarly, the audit of performance information by the Internal Audit was for two quarters by 30 June 2020 due to the effects of the lockdown.

The performance report is prepared and audited on the quarterly basis as per the requirement of section 45 of the Municipal Systems Act. The Annual Performance report is also prepared and is audited by the Auditor General as part of their year-end audit.

## **PERFORMANCE AND SUPPORTING INFORMATION**

The Municipal Scorecard (**Appendix 1**) approach reflects the 6 National Key Performance Areas (KPA) and local priorities and enables a wider assessment of how the municipality is performing. The performance report is based on the measures included in the Municipal Scorecard.

The performance targets contained in the Service Delivery and Budget Implementation Plan were approved by the Mayor and also adopted by Council for implementation. During the year, the performance targets were revised as part of the adjustment budget and Mid-year review and all such changes to the performance targets were also approved by Council.

**Table 11: The Traffic Light System used in the report of performance is as follows:**

| COLOUR | REPORT OF PERFORMANCE  |
|--------|--|
| Blue   | Performance above expectation (10% & more from target)         |
| Green  | Performance target meet  |
| Amber  | Performance target below (50% of target achieved)              |
| Red    | Performance target below (less than 50% of target an achieved) |

## **PERFORMANCE SUMMARY FOR 2020/2021**

For the year ended 30 June 2021, the municipality has managed to achieve 51% of the performance target for that year. This is an improvement of 2% when comparing the performance of the previous year. The indicators with good progress of above or equal to 50% of the target was 24% for the year. Performance targets that were not met and of which more work still has to be done were 25%% of the targets for the year.

### **POSITIVE CONTRIBUTORS:**

- The Basic Services KPA had a 9% improvement overall
- Good Governance KPA had at 8% improvement overall
- Cross Cutting KPA had a 18% improvement overall
- Financial Viability has achieved a 0% movement

### **NEGATIVE CONTRIBUTORS:**

- Municipal Transformation KPA had an overall decline of 18%
- Local Economic Development had an overall decline of 28%

### Overall Performance Highlights for the 2020/2021:

- The municipality was able to deliver key infrastructure project including but not limited to 578 electricity connections, 17 water boreholes, 2 crèche projects, 2 sport fields, storm water system and new tar road of 2 km. Good progress was made on a number of infrastructure projects.
- Job opportunities was also created under the EPWP program including other capital project.
- Revenue generation exceeded the targets for the year as growth was around 29%.
- The municipality was able to engage communities through community meetings conducted by ward councillor where a total of 108 meeting were held.
- The municipality was able to complete 335 RDB house
- An unqualified audit opinion was received the third time in a row.
- Title deeds were also given to 46 house owners
- Special groups like elderly and people living with disability were provided with basic necessities like food parcels and more.

### KEY PERFORMANCE AREA 1: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

The contributor to this KPA is the Corporate Services Department and mostly deals with Human Resource indicators, Performance Management indicators and IDP indicators. This KPA had an overall achieved of 36%. This a big drop of 18% when comparing to the previous financial year where an achievement of 54% was recorded.

**Table 13: Comparative Analysis for the Municipal Transformation & Institutional Development Over 4 Years**

| KPI Status                                   | Municipal Transformation & Institutional Development |           |           |           |
|--|--|-----------|-----------|-----------|
|  | 2017/2018  | 2018/2019 | 2019/2020 | 2020/2021 |
| Target Exceeded                              | 5  | 2         | 3         | 2         |
| Target Met ( as planned)                     | 5  | 3         | 4         | 3         |
| Target Not Met (with 50% progress)           | 2  | 4         | 4         | 7         |
| Target Not Met (with less than 50% progress) | 2  | 5         | 2         | 2         |
| <b>Total</b>                                 | <b>14</b>  | <b>14</b> | <b>13</b> | <b>14</b> |

|                          |            |            |            |            |
|--------------------------|------------|------------|------------|------------|
| <b>% Targets met</b>     | <b>71%</b> | <b>36%</b> | <b>54%</b> | <b>36%</b> |
| <b>% Targets not met</b> | <b>29%</b> | <b>64%</b> | <b>46%</b> | <b>64%</b> |

### **Performance Highlights for the 2020/2021**

- A number of Councillors were able to complete their qualifications with the assistance of the Municipality
- The annual report was table as legislated
- Backing-up of critical data was always done as expected throughout the year

### **Challenges**

- Time lost due to extended office closure in January 2021 and July 2020 due to Covid-19 cases
- The representation of women in the middle to senior management is still below the target.
- Delays in filling posts
- Fewer than target HR appointments leaving some critical posts not filled
- Bursaries budgeted not fully spent at year end
- Performance Audit Committee did not seat in Q4 due to delay in filling the vacancy in the audit committee
- Performance report not all submitted to Council
- Staff trainings not all completed as per the target

### **Measures Taken to Improve Performance**

- Intern posts in the Human Resource and Development to be filled during the year to enable the Department to fulfil its mandate within the Municipal Transformation KPA.
- An Audit Committee Chairperson was appointed in August of 2021
- Critical posts were filled in Q1 of 2021/2021
- Turnaround time to fill post in Q4 was far shorter

## **KEY PERFORMANCE AREA 2: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT**

The overall score for this KPA is 24% for the year under review, which showed an increase of 9%. The overall performance of this KPA is not at the acceptable level.

**Table 14: Comparative Analysis for Local Economic Development Over 4 Year**

| KPI Status                                   | BASIC SERVICE DELIVERY & INFRASTRUCTURE |            |            |            |
|--|---|------------|------------|------------|
|  | 2017/2018                               | 2018/2019  | 2019/2020  | 2020/2021  |
| Target Exceeded                              | 5                                       | 3          | 1          | 3          |
| Target Met ( as planned)                     | 1                                       | 1          | 1          | 1          |
| Target Not Met (with 50% progress)           | 1                                       | 1          | 8          | 9          |
| Target Not Met (with less than 50% progress) | 2                                       | 6          | 3          | 4          |
|  |   |            |            |            |
| <b>Total</b>                                 | <b>8</b>                                | <b>11</b>  | <b>13</b>  | <b>17</b>  |
|  |   |            |            |            |
| <b>% Targets met</b>                         | <b>75%</b>                              | <b>36%</b> | <b>15%</b> | <b>24%</b> |
| <b>% Targets not met</b>                     | <b>25%</b>                              | <b>64%</b> | <b>85%</b> | <b>76%</b> |

**Performance Highlights for the 2020/2021:**

- The electricity connection improved to 578 connections this year.
- The total of 335 RDP houses were completed
- A total of 46 house owner were provided with title deeds whole more are being processed.
- Two crèche were completed and ready to benefit the community
- A total of 19 water boreholes were drilled in an effort to make water accessible to communities with no water infrastructure.
- The storm water project in Ncotshane was competed which will improve the flooding that normally happens during rainy season.
- New tar road with more than 2 km was completed

**Challenges:**

- The impact of the lockdown was felt in the projects, as most were not completed by end of the financial year.
- The municipality relies more on contractors and consultants in delivering the projects and where the said service provider's performance is poor, the whole project gets delayed.

- Time lost due to extended office closure in January (Covid-19)
- Delays in appointing the PMU Manager
- Director on suspension \_ Acting by CFO
- Delays in implementation of the indigent register resulted in the non-achievement of two indicators for FBS and Rebates provided to households
- Lower than expected title deeds finalised at year end.
- Delays in the start and finishing of the capital project which included, Tar road , ward 1 crèche, 3 sport fields, Community hall.

#### **Measures Taken to Improve Performance**

- The post of the Manager: Project Management Unit has been filled.
- The out-sourced PMU support will continue to assist in the monitoring of infrastructure projects implementation.
- The post of the Director Technical Services to be filled
- The implementation of the indigent register will be fast tracked as the service provider has been appointed to assist.

### KEY PERFORMANCE AREA 3: LOCAL ECONOMIC DEVELOPMENT

The overall score for the Local Economic Development KPA is at 36%. This is a big decrease of 28% in the overall performance when comparing to the previous year where 64% of targets were achieved.

**Table 12: Comparative Analysis for Local Economic Development for Over 4 Years**

| KPI Status                                   | LOCAL ECONOMIC DEVELOPMENT |            |            |            |
|--|----------------------------|------------|------------|------------|
|  | 2017/2018                  | 2018/2019  | 2019/2020  | 2020/2021  |
| Target Exceeded                              | 6                          | 8          | 6          | 4          |
| Target Met ( as planned)                     | 2                          | 1          | 3          | 1          |
| Target Not Met (with 50% progress)           | 2                          | 3          | 3          | 4          |
| Target Not Met (with less than 50% progress) | 3                          | 1          | 2          | 5          |
|  |                            |            |            |            |
| <b>Total</b>                                 | <b>13</b>                  | <b>13</b>  | <b>14</b>  | <b>14</b>  |
| <b>% Targets met</b>                         | <b>61%</b>                 | <b>69%</b> | <b>64%</b> | <b>36%</b> |
| <b>% Targets not met</b>                     | <b>39%</b>                 | <b>31%</b> | <b>36%</b> | <b>64%</b> |

#### Performance Highlights for the 2020/2021

- More jobs were created under the EPWP and other labor-intensive capital projects during the year
- The elderly, people living with disability and more special groups were assisted with food parcels and more
- The youth program was able to assist a number of young people with needed tools other assistance to equip them in life
- The number of people who were examined for learners' license was higher than planned for the year.

#### Challenges:

- Time lost due to extended office closure in January 2021 and July 2020 due to Covid-19 cases
- Limitation on gathering imposed by the Disaster Management regulation Covid-19 limited the execution of planned events and other programs

- Resignation of the LED Manager
- Transfer of the Tourism function to Community Services
- Training for SMMEs, Co-ops and unemployed people was put on hold due to limitations on gathering
- Cultural events did not take place
- CSF meetings lower than the targeted
- Roadblocks lower than targeted

**Measures Taken to Improve Performance**

- Post of the LED Manager has been advertised and to be filled in Q1 of 21/22
- A different approach is proposed for all special programmes that will have a direct impact on targeted people.

**KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT**

The overall score for this KPA is 53%. This shows that the same level of performance in the current year as prior year achievement.

**Table 13: Comparative Analysis for Municipal Financial Viability and Management Over 4 Years**

| KPI Status                                   | MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT |            |            |            |
|--|--|------------|------------|------------|
|  | 2017/2018                                    | 2018/2019  | 2019/2020  | 2020/2021  |
| Target Exceeded                              | 1  | 0          | 1          | 1          |
| Target Met ( as planned)                     | 6  | 7          | 7          | 7          |
| Target Not Met (with 50% progress)           | 2  | 5          | 7          | 5          |
| Target Not Met (with less than 50% progress) | 3  | 3          | 0          | 2          |
|  |  |            |            |            |
| <b>Total</b>                                 | <b>11</b>                                    | <b>15</b>  | <b>15</b>  | <b>15</b>  |
| <b>% Targets met</b>                         | <b>63%</b>                                   | <b>47%</b> | <b>53%</b> | <b>53%</b> |
| <b>% Targets not met</b>                     | <b>37%</b>                                   | <b>53%</b> | <b>47%</b> | <b>47%</b> |



### **Performance Highlights for the 2020/2021**

- Spending on INEP grant budget was at 100% by year end.
- Spending on MIG grant was also at 100%
- Spending on Operational Expenditure was within the norm and target for the year.
- The Municipality managed to pass the 20/21 budget in June 2020 despite the challenges posed by Covid-19.

### **Challenges:**

- Collection of debtors is still a challenge as outstanding service debtors was at 140% by 30 June 2021 and collection rate is only 56.%
- Cost coverage ratio was at 0 months by end of financial year while a norm is 1 to 3 months.
- CAPEX for the year were below the target and the general norm due to challenges posed by Covid-19 and the shortage of building materials after the easing of lockdown.

### **Measures Taken to Improve Performance**

- Cogta and Provincial Treasury have been assisting the Municipality on Debt Collection challenges
- The indigent register will be updated and implemented, where necessary, a write-off of irrecoverable debtors will be done
- To appoint a debt collector, assist with recovering the long outstanding debt.

### **KEY PERFORMANCE AREA 5: Good Governance and Public Participation**

The overall score is 75%. This KPA indicates an increase of 8% in the over-all performance when comparing to the previous financial year.

**Table 14: Comparative Analysis for Good Governance and Public Participation**

| KPI Status                                   | GOOD GOVERNANCE, COMMUNITY PARTICIPATION AND WARD COMMITTEE SYSTEMS |            |            |            |
|--|---|------------|------------|------------|
|  | 2017/2018   | 2018/2019  | 2019/2020  | 2020/2021  |
| Target Exceeded                              | 2   | 4          | 3          | 5          |
| Target Met ( as planned)                     | 6   | 6          | 5          | 4          |
| Target Not Met (with 50% progress)           | 1   | 1          | 2          | 1          |
| Target Not Met (with less than 50% progress) | 2   | 1          | 2          | 2          |
|  |   |            |            |            |
| <b>Total</b>                                 | <b>11</b>   | <b>12</b>  | <b>12</b>  | <b>12</b>  |
| <b>% Targets met</b>                         | <b>73%</b>  | <b>83%</b> | <b>67%</b> | <b>75%</b> |
| <b>% Targets not met</b>                     | <b>27%</b>  | <b>17%</b> | <b>33%</b> | <b>25%</b> |

**Performance Highlights for the 2020/2021**

- Ward committees appointed and fully functioning in all 15 wards
- Community meetings conducted by the ward Councillor exceeds the quarterly projections which totalled 108
- Council is meeting as planned and as required by Legislation
- The Annual Risk Assessment was conducted
- IDP credibility was one of the top one in the Province and recognised by Cogta as such.
- The Municipality was able to maintain unqualified audit opinion.

**Challenges:**

- The functioning of the Internal Audit Unit for the year was below expectation due to delay in filling the vacant post of the internal auditor.
- The effect of the lockdown was also felt as the internal audit plan was not fully implemented by year end.
- The printing of newsletter was not implemented during the year as more focus was on real-time news via Facebook and other digital media platforms.
- The holding of Inter-Governmental Relations (IGR) meeting was a challenge also during the year

- Measures taken to improve Performance
- The post of the Senior Internal Auditor was filled
- To use more digital new platforms to inform the community of relevant news in a timely manner.

## KEY PERFORMANCE AREA 6 : CROSS-CUTTING INTERVENTIONS

The KPA showed an achievement of 43% of the targets for the year. This shows a significant increase of 10% when comparing to the previous year.

**Table 15: Comparative Analysis for Cross-Cutting Interventions**

| KPI Status                                   | CROSS CUTTING INTERVENTIONS |            |            |            |
|--|-----------------------------|------------|------------|------------|
|  | 2017/2018                   | 2018/2019  | 2019/2020  | 2020/2021  |
| Target Exceeded                              | 1                           | 1          | 0          | 1          |
| Target Met ( as planned)                     | 0                           | 0          | 2          | 3          |
| Target Not Met (with 50% progress)           | 0                           | 1          | 1          | 0          |
| Target Not Met (with less than 50% progress) | 2                           | 4          | 3          | 3          |
|  |                             |            |            |            |
| <b>Total</b>                                 | <b>3</b>                    | <b>6</b>   | <b>6</b>   | <b>7</b>   |
| <b>% Targets met</b>                         | <b>33%</b>                  | <b>17%</b> | <b>33%</b> | <b>43%</b> |
| <b>% Targets not met</b>                     | <b>67%</b>                  | <b>83%</b> | <b>67%</b> | <b>57%</b> |

### Performance Highlights for the 2020/2021

- The municipality managed to perform Covid-19 disinfection at a number of public spaces
- The inspection at buildings for compliance with fire and other by-laws or regulation was above target

### Challenges:

- The Environmental Management Plan and other were not finalised in 2020/2021 year.

- The Environmental Management By-law and related Environment Management Plan were also not done.

**Measures Taken to Improve Performance**

- To fill the post of the Director: Development Planning and Local Economic Development
- To Engage Cogta for assistance with the development of the Environmental management by-law

1.3.3. SERVICE DELIVERY SHORTFALLS-2020/2021

**Table 16: Service Delivery Shortfalls**

| MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT |  |   |
|--|--|---|
| NO.  | CHALLENGES   | INTERVENTION  |
| 1  | No off-site information backup done (site/storage)                                   | Budget and identify site for back-up purposes   |
| 2  | Inadequate office space  | To budget for planning and designs.<br>To re-submit the plans to Treasury.                |
| 3  | No back-up power generator   | It is budgeted for in the 2022/2023 financial year  |
| BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT  |  |   |
| 1  | Budget for repairs and maintenance is below 8% norm and affects the service delivery | More budget is needed to clear the backlog and compliance to National Treasury guidelines |
| 2  | Shortage of staff  | Prioritise filling of critical positions in the technical services department             |
| 3  | No depot for Technical Services staff and equipment                                  | Budget needed   |
| 4  | No Integrated Local Transport plan (ILTP) in place                                   | To develop and adopt ILTP   |
| 5  | Insufficient yellow machine  | Lease/buy yellow machine  |
| 6  | Electricity distribution losses  | Phase out old analog meters with digital prepaid meters provided                          |
| 7  | No Truck Stop and weigh bridge   | To engage provincial DOT regarding weigh bridge   |
|  |  | To identify land and build a truck stop   |
| 8  | No traffic related by-laws   | Development and/or formulation and passing of applicable traffic by-laws                  |

| MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT |  |   |
|--|--|---|
| 1  | Lack of office space                                       | Prepare item on Circular 51 (extension of office building) and submit                                 |
|  |  | Provide budget in 2021/2022 subject to approval of building plans and cost analysis                   |
| 2  | Increasing consumer debts                                  | Intensify the methods or ways to collect monies that are due and payable to municipality              |
|  |  | Review, implement and monitor the revenue enhancement strategy  |
| 3  | SCM Challenges   | Implement the consequence management and recommends to Council writing off old UIFW.                  |
| SOCIAL DEVELOPMENT                           |  |   |
| 1  | Ward upliftment not changing beneficiaries economic status | Ward upliftment budget to increase (20 000 P/W),  |
| 2  | Inadequate support for SMMEs and Co-Ops                    | Identify and support sustainable concepts to be funded,   |
|  |  | Conduct workshops on projects development and concepts for small businesses, SMMEs and Co-ops         |
| 3  | No information centre                                      | To draft Information Centre Business Plan and source funding and land for its development             |
| 4  | Lack of job opportunities                                  | To create job opportunities through EPWP, CWP,<br><br>Capital projects and other municipal programmes |
| 5  | Tourism products not well marketed                         | To engage stakeholders in the hospitality industry,   |
|  |  | Support local events  |
|  |  | Develop/link tourism website and brochures  |
| 6  | Lack of green economy initiatives                          | Identification and implementation of green economy initiatives  |
| 7  | Lack of strategies for tuck/spaza shops South              | Engage the tuck/spaza shop owners and assist where possible   |

|                           |   |   |
|---------------------------|---|---|
|                           | African owners and potential investors  |   |
| 8                         | Unsuitable merchandise traded in undemarcated areas   | Identify all small businesses and type of business operating illegal                                  |
|                           |   | Conduct a meeting with all businesses about illegal trading business                                  |
|                           |   | Issue notices   |
|                           |   | Law Enforcement   |
| 9                         | Inadequate provision of bulk infrastructure<br><br>(water, electricity, and roads) hamper investors                     | Engage DWA and ZDM, Application for License,<br><br>Engage DME, Eskom and DOT                         |
| 10                        | Slow processes/delays in obtaining zoning certificate, EIAs, Building plans and other specialists reports and approvals | Appointment a panel for planning consultants  |
| 11                        | Unfavorable/lack of policies, bylaws and lease agreements between the municipality and tenants                          | Correct lease agreements  |
| <b>SOCIAL DEVELOPMENT</b> |   |   |
| 1                         | Ward upliftment not changing beneficiaries economic status  | Ward upliftment budget to increase (20 000 P/W),  |
| 2                         | Inadequate support for SMMEs and Co-Ops   | Identify and support sustainable concepts to be funded,   |
|                           |   | Conduct workshops on projects development and concepts for small businesses, SMMEs and Co-ops         |
| 3                         | No information centre   | To draft Information Centre Business Plan and source funding and land for its development             |
| 4                         | Lack of job opportunities   | To create job opportunities through EPWP, CWP,<br><br>Capital projects and other municipal programmes |

|   |   |  |
|---|---|--|
| 5                                       | Tourism products not well marketed  | To engage stakeholders in the hospitality industry,                  |
|   |   | Support local events   |
|   |   | Develop/link tourism website and brochures                           |
| 6                                       | Lack of green economy initiatives   | Identification and implementation of green economy initiatives       |
| 7                                       | Lack of strategies for tuck/spaza shops South   | Engage the tuck/spaza shop owners and assist where possible          |
|   | African owners and potential investors  |  |
| 8                                       | Unsuitable merchandise traded in undemarcated areas   | Identify all small businesses and type of business operating illegal |
|   |   | Conduct a meeting with all businesses about illegal trading business |
|   |   | Issue notices  |
|   |   | Law Enforcement  |
| 9                                       | Inadequate provision of bulk infrastructure   | Engage DWA and ZDM, Application for License,                         |
|   | (water, electricity and roads) hamper investors   | Engage DME, Eskom and DOT  |
| 10                                      | Slow processes/delays in obtaining zoning certificate, EIAs, Building plans and other specialists reports and approvals               | Appointment a panel for planning consultants                         |
| 11                                      | Unfavourable/lack of policies, bylaws and lease agreements between the municipality and tenants                                       | Correct lease agreements   |
| <b>LOCAL ECONOMIC DEVELOPMENT (LED)</b> |   |  |
| 1                                       | Beneficiaries particularly cooperatives misusing funding and support from the municipality through ward upliftment programme (Grants) | Ward upliftment budget to increase for sustainability                |

|   |   |   |
|---|---|---|
|   |   | Only creative concepts should be funded   |
| 2 | Inadequate support for SMMEs and Co-Ops due to limited resources  | Increase accessibility of funds and support on sustainable concepts.  |
|   |   | Conduct workshops on projects development and concepts for small businesses, SMMEs and Co-ops   |
| 3 | No local business support centres   | Sister departments and Government entities should set up satellite offices to service the municipality  |
| 4 | Unemployment is still high despite commitment from the Municipality on infrastructure investments and skills development. | Increase funding on infrastructure projects and promote black industrialists to ensure labour intensive job opportunities. This includes EPWP, CWP, Capital projects etc. |
| 5 | Tourism products lack value chain exchange between emerging producers and developed tourism facilities.                   | To engage stakeholders in the hospitality industry,   |
|   |   | Support emerging locals in tourism and promote value chain.   |
|   |   | Develop/link tourism website and brochures  |
| 6 | Green economy initiatives/concepts lack funding   | Funding of green economy initiatives and concepts   |
| 7 | Tuck/spaza shops previously owned by locals have been taken over by foreign nationals                                     | Engage tuck/spaza shop owners and assist where possible   |
| 8 | Unsuitable merchandise traded in un-demarcated areas  | Identify all small businesses and type of business operating illegal  |
|   |   | Conduct a meeting with all businesses about illegal trading business  |



|   |  |   |
|---|--|---|
|   |  | Issue notices and appoint business compliance personnel   |
|   |  | Law Enforcement   |
| 9   | Inadequate provision of bulk infrastructure<br><br>(water, electricity and roads) hamper investors                             | Engage DWA and ZDM, for bulk infrastructure provision and Application for License for infrastructure proposed projects. |
| 10  | Slow processes/delays in obtaining zoning certificate, EIAs and other specialists reports and approvals                        | Appointment a panel for planning consultants  |
| 11  | Unfavorable/long term land lease agreements between the municipality and previous tenants disadvantage locals from production. | Legal team to approach courts in order to correct lease agreements  |
| <b>GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b> |  |   |
| 1   | Shortage of personnel to monitor the operation and functioning of ward committees  | Prioritise appointment of Personnel   |
| 2   | Lack of skills/training to capture ward community minutes and reporting  | To provide training workshops for ward community meetings   |
| 3   | Chamber has no public gallery  | To be budgeted for extension  |
| 4   | Lack of commitment of Ward Champions   | The Municipal champion to encourage war room champions to attend war room meetings                                      |
| 5   | IGR Meetings not convened (as per IGR sectors between ZDM and LMs)   | ZDM to review the TORs for the IGR Sectors  |
|   |  | Develop an annual schedule of meetings  |
|   |  | Submission of an annual schedule to LMs   |
| 6   | Lack of stakeholder participation at IDP/Budget Meetings   | Strengthen a working relationship with stakeholders/sector departments  |

| CROSS CUTTING INTERVENTIONS |  |   |
|-----------------------------|--|---|
| 1                           | Land Claims                                      | Undertake Land Audit (Participation of Sector Departments in the process) |
| 2                           | Land invasion, Illegal development/encroachments | Implementation of land audits outcomes including prosecution/eviction     |
| 3                           | Illegal dumping                                  | Conduct community awareness campaigns pertaining to illegal dumping       |
| 4                           | No emergency centre / fire station               | Land has been secured, in the process of securing funding for development |

#### 1.3.4. PROPORTION OF HOUSEHOLDS WITH ACCESS TO WATER

**Table 17: Distribution of households by access to piped (tap) water for 1996, 2001 and 2011**

| Municipality | Piped (tap) Water inside Dwelling/Yard |  |  | Piped (tap) Water on a Communal Stand |  |  | No Access to Piped (tap) Water |  |  |
|--------------|--|--|--|---------------------------------------|--|--|--------------------------------|--|--|
|              |  |  |  |                                       |  |  |                                |  |  |
| uPhongolo    |  |  |  |                                       |  |  |                                |  |  |

(Stats SA: Census)

#### 1.3.5. PROPORTION OF HOUSEHOLDS WITH ACCESS TO SANITATION

**Table 18: Distribution of households by type of toilet facility for 1996, 2001 and 2011**

| Municipality | Flush or Chemical Toilet |  |  | Pit Latrine |  |  | Bucket Latrine |  |  | None |  |  |
|--------------|--------------------------|--|--|-------------|--|--|----------------|--|--|------|--|--|
|              |                          |  |  |             |  |  |                |  |  |      |  |  |
| uPhongolo    |                          |  |  |             |  |  |                |  |  |      |  |  |

(Stats SA: Census)

### 1.3.6. ELECTRICITY

#### **1.4. FINANCIAL HEALTH OVERVIEW**

The municipality is highly dependent on grant funding for the financial year ended 30 June 2021. The grant funding equated to 62.6% of the municipal revenue. During 2020/2021 financial year, the grant expenditure was at 99.7% which represents an increase of 30% in grant funding. The service charges such as refuse as well as property rates contributed 34.86% to the total revenue of the Municipality during 2020/2021 financial year.

The Municipality has a Council approved Revenue Enhancement Strategy which is being implemented. The implementation of the Revenue Enhancement Strategy improves the Municipality's revenue. The Customer Care, Credit Control and Debt Collection Policy is being implemented in order to compel rate payers to pay for municipal services.

uPhongolo Municipality's budget reflects sound financial strategies in respect of expenditure and, in particular, cost containment measures that are being implemented. The Budget covers sound financial strategies since the cash inflow is based on an estimated collection rate.

**BUDGET RELATED-POLICIES:** The uPhongolo Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies. The purpose of budget-related and financial purposes is to provide a sound environment to manage the financial actions of the municipality with relevant legislation framework. The previous year's adopted policies were reviewed as part of the budget compilation process and was approved by Council in June 2020. The following are key budget-related policies:

**CUSTOMER CARE, CREDIT CONTROL AND DEBT COLLECTION POLICY:** is required in terms of section 96 of the Municipal Systems Act, 32 of 2000 to provide for credit and debt collection procedures and mechanisms to ensure that all consumers pay for services provided. The adopted policy is credible, sustainable, manageable and informed by affordability and value for money.

**ASSET MANAGEMENT, INFRASTRUCTURE INVESTMENT AND FUNDING POLICY:** The purpose of the policy is to ensure that municipal assets are managed and accounted for in terms of relevant legislation and frameworks.

**BUDGET POLICY:** This policy prescribes principles which must be complied with in preparing, monitoring and reporting a medium-term revenue and expenditure framework budget. It further ensures that the budget reflects the strategic outcomes embodied in the IDP and related strategic policies.

**BUDGET AND VIREMENT POLICY:** The Budget and Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the Municipality's system of delegations.

**BORROWING POLICY:** The purpose of the policy is to establish a borrowing framework for the Municipality and to set out the objectives, policies, statutory requirements and guidelines for the borrowing of funds to:

- Manage interest rate and credit risk exposure.
- Maintain debt within specified limits and ensure adequate provision for the repayment of debt; and
- Ensure compliance with all legislation and Council policy governing borrowing of funds.

**CASH MANAGEMENT AND INVESTMENT POLICY:** The aim of the policy is to ensure that the Municipality's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves.

**PETTY CASH POLICY:** This policy governs the issuing of petty cash in terms of the supply chain management policy and the effective utilisation of petty cash according to authorised processes only.

**SUPPLY CHAIN MANAGEMENT POLICY:** sets out principles to ensure that the procurement of goods and services are fair, transparent, equitable and competitive as well as cost-effective to comply with applicable regulation and frameworks for Supply Chain management.

**TARIFF POLICY:** provides a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery.

All the above policies are available on the Municipality's website.

The Sustainability and **Liquidity of the Municipality:** *Current ratio* is a measure of the current assets divided by the current liabilities. The norm is 2:1 and ratio should not decrease below 1 otherwise the municipality will be at risk to finance operations. For the 2019/20 MTREF the current ratio was 4:1 in 2019/20; 4:1 in 2020/21 and 3:1 in 2021/22. The norm range is between 1 and 3. The ratio for the 2019/20 MTREF indicated that the municipality will be able to meet its current obligations when they fall due.

*The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to settle current liabilities immediately. The municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. This needs to be considered a pertinent risk for the municipality as any under collection of revenue will translate into serious financial challenges for the Municipality. As part of the longer-term financial planning objectives this ratio will have to be maintained at a minimum of 1.

**LOANS/ BORROWINGS :** The Municipality's strategy is to borrow only long-term funds at the lowest possible interest rates at minimum risk within the parameters of authorised borrowing as stated in section 46 of the Municipal Finance Management Act No. 56 of 2003. This permits municipal borrowing in respect of financial capital expenditure on infrastructure, property, plant and equipment. The Municipality is mindful that the borrowing of long-term loans has to be sustainable. The total loans outstanding as at 30 June 2021 amounted to R2,4 million. The purpose of the loans/borrowings are indicated. The following two tables show uPhongolo Municipality's loan profile for 2019/2020 and 2020/2021 is as follows:

**Table 19: Loans / Borrowings and Grant Dependency for the Financial Year 2019/2020**

| Lender                 | Nature | Loan Number | Original Amount   | Amount Outstanding | Purpose                  | Expiry Date |
|------------------------|--------|-------------|-------------------|--------------------|--------------------------|-------------|
| Fleet Horizon Solution | Loan   | Various     | 8 760 426         | 3 356 452          | Financing motor vehicles | 31/05/2020  |
| Wesbank                | Loan   | Various     | 3 290 363         | 1 782 298          | Financing motor vehicles | 01/10/2021  |
| <b>Total</b>           |        |             | <b>12 050 789</b> | <b>5 138 751</b>   |                          |             |

**Table 20: Loans / Borrowings and Grant Dependency for the Financial Year 2020/2021**

| Lender        | Nature         | Loan Number | Original Amount     | Amount Outstanding  | Purpose                     | Expiry Date |
|---------------|----------------|-------------|---------------------|---------------------|-----------------------------|-------------|
| Standard Bank | Loan Agreement | 00038548    | 3 452 108.62        | 2 383 760.13        | Financing 2 X Tipper Trucks | 30/06/2023  |
| <b>Total</b>  |                |             | <b>3 452 108.62</b> | <b>2 383 760.13</b> |                             |             |

None of the loans are in arrears and no new loan facilities were raised during the first half of 2020/2021 financial year.

**GRANT DEPENDENCY:** Grants from National Treasury are received in tranches during the year. Government grants have been recognized as income over the periods necessary to match them with the related costs. For grants received this year see Table ..... in Chapter 5 for ease of reference.

**PAYMENT OF CREDITORS:** The Municipality has not defaulted on payment of its creditors, i.e. Eskom (bulk electricity purchases), SARS (VAT and PAYE), third party payments (pension and medical aid funds) and any other trade creditors.

The Municipality's own revenue in 2020/2021 financial year reflects 37.41% and this is largely due to decrease in licensing income by 36% decrease in interest received from bank accounts by 3% interest received from outstanding debtors decreased by 56% and fine decreased by 44%. The main reason for

these decreases was COVID-19 pandemic which forced the country to be under lock down for almost 5 months.

**Table 21:Current Ratio's Over 3 Years**

|                                    | 2018/2019 | 2019/2020 | 2020/2021 |
|------------------------------------|-----------|-----------|-----------|
| Current assets/Current liabilities |           |           |           |

This ratio is used to assess the ability of the municipality to pay back its short-term liabilities with its short-term assets which is cash, inventory and receivables. The norm ranges between 1.5 to 2:1. The ratio indicates that the municipality is still capable of paying back its short-term obligations although the ratios has decreased when compared to the prior year ratios from 1.92 to 1.64.

**Table 22:Cash/Cost Coverage Ratio's Over 3 Years**

|   | 2018/2019 | 2019/2020 | 2020/2021 |
|---|-----------|-----------|-----------|
| Cash and cash equivalents-unspent conditional grants-overdraft+ short –term investments/monthly fixed operational expenditure excluding depreciation, provision for bad debts, impairments and loss on disposal of assets | 3 months  | 3 months  | 3 months  |

This ratio indicates the municipality's ability to meet at least its monthly fixed operating commitments from cash and short-term investments without collecting any additional revenue during that month. The ratio has not changed when compared to the prior years it has remained 3 months meaning that the municipality is currently not in the risk of not being able to meet its obligations to provide basic services or meet is financial commitments.

## DEBTOR'S COLLECTION

**Table 23:Collection Rate**

|   | 2018/2019 | 2019/2020 | 2020/2021 |
|---|-----------|-----------|-----------|
| Gross debtors closing balance + Billed revenue - Gross debtors opening balance - Bad debts written off/Billed revenue x 100 | 96%       | 59%       | 68%       |



This ratio indicates level of payments received from debtors, and it measures increase or decrease in debtors relative to annual billed revenue. Collection rate has improved when compared to the prior years although debtors balance has slightly decreased in the current financial year when compared to the prior year.

## **REVENUE MANAGEMENT, EXPENDITURE MANAGEMENT AND COST CONTAINMENT**

**MEASURES:** The Municipality has introduced a revenue management, expenditure management and cost containment programme to raise and collect all revenue due to the Municipality. Included in the programme is a focus on expenditure management and cost containment to ensure that available resources are optimised for quality service delivery.

The municipality has managed to implement the MSCOA as per the National Treasury requirements by the 1<sup>st</sup> of July 2017. The financial system being used by the municipality is MSCOA compliant, since the municipal IDP and SDBIP has been captured onto the system and successfully managed to develop the budget chart on the system. On the 1<sup>st</sup> of July 2017 the municipality managed to go live on MSCOA and is able to transact on the financial system.

The Municipality's own revenue in 2020/2021 financial year reflects 37.41% as compared to 2019/2020 which was 40.11% which signifies a 2.7% decrease. The operating expenditure for current year has increased by 12.69% in comparison to 2019/2020 financial year.

**Table 24: Financial Overview**

| Financial Overview 2020/2021 |                        |                          |               |
|------------------------------|------------------------|--------------------------|---------------|
|                              | <b>Original budget</b> | <b>Adjustment budget</b> | <b>Actual</b> |
| <b>Income</b>                |                        |                          |               |
| Grants                       |                        |                          |               |
| Taxes, levies and tariffs    |                        |                          |               |
| Other income                 |                        |                          |               |
| <b>sub-total</b>             |                        |                          |               |
| <b>Expenditure</b>           |                        |                          |               |

|           |  |  |  |
|-----------|--|--|--|
| Net total |  |  |  |
|-----------|--|--|--|

Sources: uPhongolo Municipality

Employee costs represent 37% of the total operating expenditure, which is relatively within the norm. The Repairs and Maintenance 3% of property plant and equipment book value and Finance charges 1% of the total operating expenditure.

**Table 25: Operating Ratios**

| Operating Ratios             | 2018/2019 | 2019/2020 | 2020/2021 |
|------------------------------|-----------|-----------|-----------|
| Detail                       | %         | %         |           |
| Employee Cost                |           |           |           |
| Repairs & Maintenance        |           |           |           |
| Finance Charges & Impairment |           |           |           |

Sources: uPhongolo Municipality

The employee related cost to total operational cost amount to 41%, which is slightly above the norm of 40%. The key contributor to the higher-than-normal staff cost is overtime for essential services during the period of lockdown. The repairs and maintenance cost are at 4.6% of OPEX and this appears to be lower than the norm of 8% due to the fact that this figure is for the materials only and the labour component is included in the employee cost line item.

The finance cost shows a 0.8% of OPEX which is within the acceptable norm and remains the same from prior year.

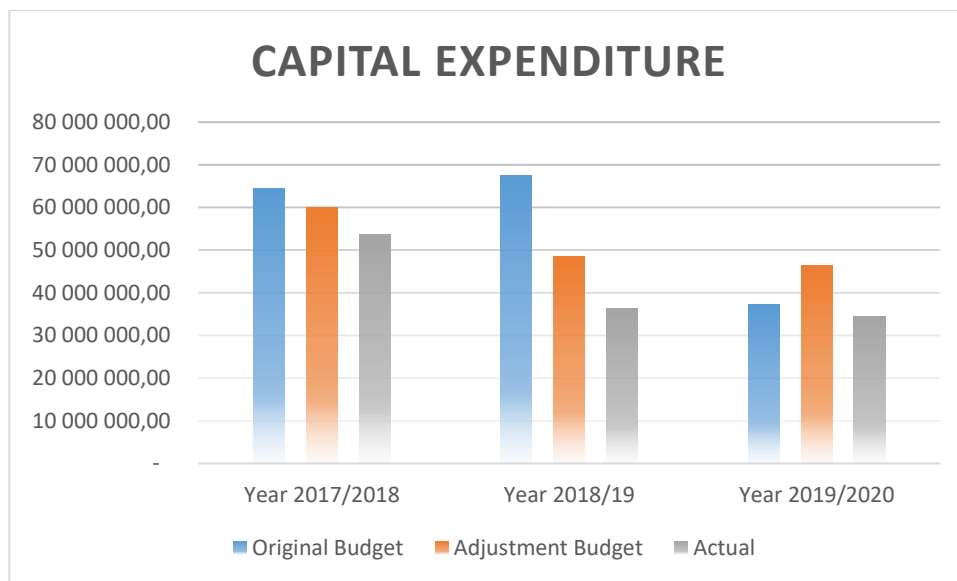
Capital expenditure: Capital budget in the current year appears to have decreased when comparing to prior mainly due to the change in the way INEP (electrification grant) budge is accounted. From 19/20, Electrification grant was not treated at Capital budget. The main contributors to the drop to expenditure in 19/20 was the lockdown restrictions which stopped all construction activities for +/- 3 months.

**Table 26: Total Capital Expenditure: Year 2018/2019 to Year 2020/2021**

| Total Capital Expenditure: Year 2018/2019 to Year 2020/2021 |                |              |                |
|---|----------------|--------------|----------------|
|   |                |              | R              |
| m Detail  | Year 2017/2018 | Year 2018/19 | Year 2019/2020 |

|                   |  |  |  |
|-------------------|--|--|--|
| Original Budget   |  |  |  |
| Adjustment Budget |  |  |  |
| Actual            |  |  |  |

**Graph 4: Capital Expenditure**



**Table 30: Total Capital Expenditure**

| Total Capital Expenditure Over 3 Years |           |           |           |
|--|-----------|-----------|-----------|
|  | R' 000    |           |           |
|  | 2018/2019 | 2019/2020 | 2020/2021 |
| Original Budget                        |           |           |           |
| Adjustment Budget                      |           |           |           |
| Actual                                 |           |           |           |

**Source: uPhongolo Municipality**

The variance between the Original Budget vs the Actual expenditure is 69% and the variance between the Adjustment budget vs the Actual expenditure is 67% which means there was an under expenditure in Capital Budget. Under expenditure was caused by various factors one of them was community strikes that happened in October 2019 and in February 2020 as well as COVID 19 virus outbreak in March 2020, which led to the country being placed under National Lockdown from March 2020.

Grants funding from National Departments is received in 3 tranches during the year. Government grants have been recognized as income over the periods necessary to match them with the related costs. The following grants have been received from national government over the last three years.

## **1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW**

During 2020/2021 financial year, the municipality filled all the critical senior management vacancies. There has been an improvement in the overall municipality vacancy rate as it was at 9.22% by end of the financial year. This improvement means more human resources have been added to assist the municipality to improve efficiency in service delivery to communities.

The training and development of employees and Councillors was prioritized for implementation during 2020/2021 financial year and were implemented in accordance the approved Council's Workplace Skills Plan (WSP). This translates to the overall development of the Municipality.

The organogram which was approved by the Council during the 2020/2021 shows an overview of the municipal administrative structure. The organogram presented immediately here-in below indicates the vacancy rate, structures, powers and functions of the municipality and is aligned to the long-term development plans of the municipality.

## **1.6. AUDITOR GENERAL REPORT**

The municipality received an unqualified audit opinion in the 2019/2020 and 2020/2021 financial years. These results are indicative of the internal controls that management has implemented and are working effectively.

The issues that the Auditor General has highlighted in their Audit Report will be prioritized for correction in a form of an Audit Action Plan. Monitoring of the Audit Action Plan by Council is key to eliminating the risk of a negative audit opinion in future.

## 1.7. STATUTORY ANNUAL REPORT PROCESS

**Table 31: Statutory Annual Report Process**

| No | Activity   | Timeframe           |
|----|--|---------------------|
| 1  | Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period | July                |
| 2  | Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).  |                     |
| 3  | Finalise the 4th quarter Report for previous financial year  |                     |
| 4  | Submit draft year 0 Annual Report to Internal Audit and Auditor-General  |                     |
| 5  | Municipal entities submit draft annual reports to MM   |                     |
| 6  | Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)  | August              |
| 8  | Mayor tables the unaudited Annual Report   |                     |
| 9  | Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General  |                     |
| 10 | Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase  |                     |
| 11 | Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data   | September - October |
| 12 | Municipalities receive and start to address the Auditor General's comments   | November            |
| 13 | Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report   |                     |
| 14 | Audited Annual Report is made public and representation is invited   |                     |
| 15 | Oversight Committee assesses Annual Report   |                     |
| 16 | Council adopts Oversight report  | December            |
| 17 | Oversight report is made public  |                     |
| 18 | Oversight report is submitted to relevant provincial councils  |                     |
| 19 | Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input  | January             |

# CHAPTER 2

## GOVERNANCE

**2. POLITICAL GOVERNANCE**

**2.1. INTRODUCTION TO POLITICAL GOVERNANCE**

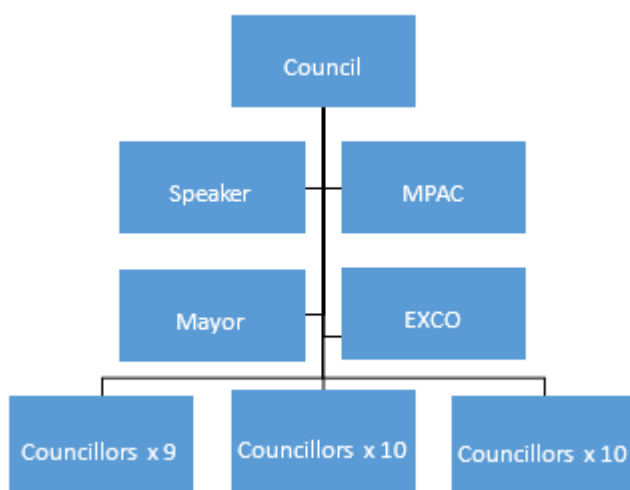
An accountable government is one that is transparent and accessible. This chapter reports on governance by uPhongolo Local Municipality and provides an overview of the framework of the institutional management and governance structures through which the municipality implements its strategies using the appropriate resources.

The following key aspects are reported on:

- Mechanisms for political and administrative governance
- Intergovernmental relations
- Public accountability and participation
- Corporate governance

uPhongolo Municipality political governance structure consists of the Portfolio Committees, Executive Committee (EXCO), MPAC and Council.

**Figure 1: Political Structure**



The Council meets quarterly while the EXCO meets on a monthly basis. The Council plays an oversight role through established committees, which meet on a monthly basis for the purpose of checking whether or not departments are implementing resolutions taken by Council. There are six (6)



administrative departments comprising five Portfolio Committees established in terms of section 80, of the Municipal Structures Act 117 of 1998 the purpose is to ensure transparency and accountability. In its endeavour to fulfil legislated functions, the uPhongolo Municipality has convened Council committees as per delegations, roles and responsibilities as follows:

**Table 32: Council Committees, Roles and Responsibilities**

|                               |   |
|-------------------------------|---|
| Council                       | The Municipality Councillors are allocated to different portfolios where they serve in accordance with internal departments and functions. The Council meets quarterly in line with legislative prescripts. This reflects 100% functionality.   |
| Exco                          | Executive Committee meetings are held monthly for the purposes of considering reports submitted by the respective portfolio committees prior to same being presented to Council.  |
| Portfolio Committees          | Members of municipal departments hold meetings monthly wherein they deliberate on issues and make recommendations to EXCO and to Council for approval. Essentially Portfolio Committees exercise political oversight on such meetings. The arrangement of the portfolio committees is as follows:<br>1) Budget & Treasury, (2) Corporate Services, (3) Technical Services, (4) Planning & LED and Tourism and (5) Community Services.                                 |
| Municipal Oversight Committee | The oversight committee is in place and meets quarterly. These are MPAC, Manco, Risk Committee and Audit Committee.   |
| Audit /Performance Committee  | The Audit/Performance Committee was appointed to assist Council in strengthening its role. The Committee comprises four (4) members who are highly qualified and are all external. The Committee met in the last financial year and is set to meet on a quarterly basis as-and-when required to attend to matters at hand. The Audit Committee is chaired by one chairperson who is responsible for all regulated matters that are to be considered by the committee. |

uPhongolo Municipality Council is constituted by 5 political parties in a form of public representation, which is as follows:

**Table 33: Representation of Political Parties**

| <b>POLITICAL PARTY</b>             | <b>NUMBER OF REPRESENTATIVES/COUNCILLORS</b> |
|------------------------------------|--|
| African National Congress          | 15   |
| Inkatha Freedom Party              | 10   |
| Democratic Alliance                | 2  |
| Economic Freedom Fighters          | 1  |
| Independent                        | 1  |
| <b>TOTAL NUMBER OF COUNCILLORS</b> | <b>29</b>                                    |

The Municipality has 15 wards and 29 Councillors who were elected to serve the Council on 03 August 2016 and in 2020 through the bi-elections process. The Councillors are presented below:

**UPHONGOLO LOCAL MUNICIPALITY WARD COUNCILLORS 2016-2021**



**HONOURABLE MAYOR  
CLLR. SR MHLONGO**



**HONOURABLE DEPUTY  
MAYOR CLLR. B MVELASE**



**HONOURABLE SPEAKER  
CLLR. VG MASUKU**



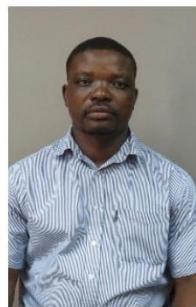
**CLLR. FF SIMELANE  
WARD 1**



**CLLR. NJ MKHWANANZI  
WARD 2**



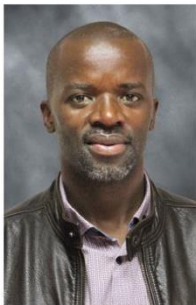
**CLLR. PS NTSHANGASE  
WARD 3**



**CLLR. WM MOTH A  
WARD 4**



**CLLR. NT MAVIMBELA  
WARD 5**



**CLLR. NP MAVUSO  
WARD 6**



**CLLR. TA NTSHANGASE  
WARD 7**



**CLLR. CB NDLANGAMANDLA  
WARD 8**



**CLLR. BC GUMBI  
WARD 9**



**CLLR. B MVELASE  
WARD 10**



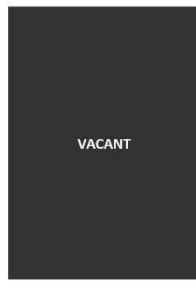
**CLLR. IA STOKFEER  
WARD 11**



**CLLR. SV NDLANGAMANDLA  
WARD 12**



**CLLR. D NYAWO  
WARD 13**

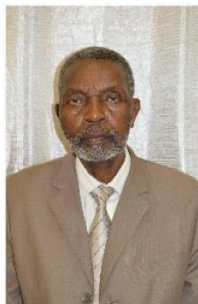


**WARD 14**



**CLLR. JS MYENI  
WARD 15**

## UPHONGOLO LOCAL MUNICIPALITY PR COUNCILLORS 2016-2021



CLLR. AZ THABEDE



CLLR. BR SHONGWE



CLLR. DM NKANJABANGA



CLLR. GH MPANZA



CLLR. JC THERON



CLLR. JW BUTHELEZI



CLLR. KE NXUMALO



CLLR. MS MASUKU



CLLR. BC NHLABATHI



CLLR. SR NTSHANGASE



CLLR. PS SIBEKO



CLLR. VM SIKHOSANA

## 2.2. ADMINISTRATIVE GOVERNANCE

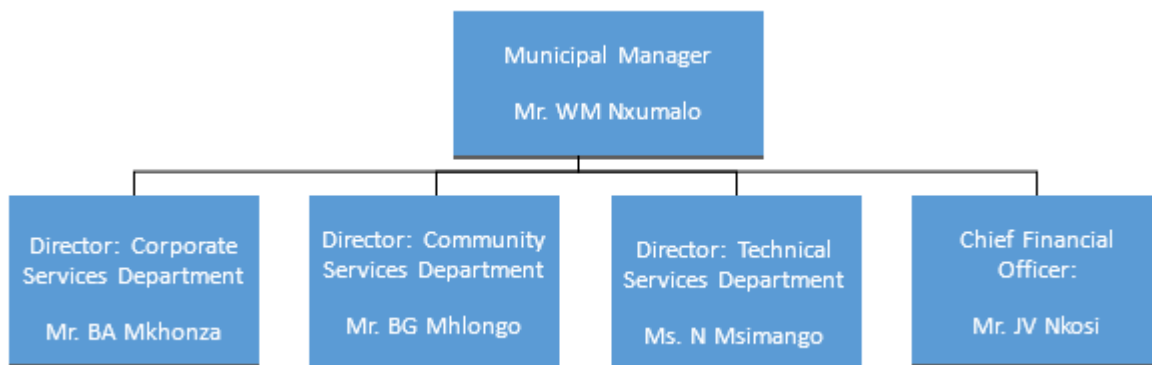
The Municipal Manager heads the administration of uPhongolo Municipality and is assisted by 4 (four) Heads of Departments who are known as Directors. His primary role is to serve as a chief custodian of service delivery and implementation of political priorities. The municipality has six departments namely:

**Table 34: Management**

| No. | Department                                    | Position                             |
|-----|---|--------------------------------------|
| 1.  | Office of the Municipal Manager               | Municipal Manager: Mr WM Nxumalo     |
| 2.  | Corporate Services                            | Director: Mr BA Mkhonza              |
| 3.  | Budget and Treasury                           | Chief Financial Officer: Mr JV Nkosi |
| 4.  | Community Services                            | Mr B.G. Mhlongo                      |
| 5.  | Technical Services, Planning and LED Services | Director: Ms N. Msimango             |
| 6.  | Planning and LED Services                     | Post vacant and is advertised.       |

Each department is structured into different sections which are run by Section Managers. Management meetings are held regularly to discuss current priorities, strategic interventions to improve service delivery and new initiatives based on feedback from political leadership, government departments and local community. Through various structured committees, reports are generated and submitted to the Mayor and the Mayoral Committee in order to comply with applicable legislation, to seek and provide updates on service delivery, as well as to explore new and innovative ways to provide services to the community.

**Figure 2: Top Administrative Structure**



## COMPONENT B: INTERGOVERNMENTAL RELATIONS

### 2.3. INTERGOVERNMENTAL RELATIONS

**NATIONAL INTER-GOVERNMENTAL RELATIONS:** uPhongolo Municipality participates in a range of intergovernmental activities, both formally and informally. Key staff members participate in professional institutes that govern the interests of various fields of work. Examples of such interaction and co-operation are:

#### NATIONAL INTERGOVERNMENTAL STRUCTURES

- National Government Departments
- Accounting Standards Board (ASB) – Public Sector Accounting Forum
- Electricity Distribution Regulation and Tariff Setting (NERSA)
- Chartered Institute of Government Finance Audit and Risk Officers (CIGFARO)
- Institute of Fire and Emergency Safety of South Africa
- Institute of Internal Auditors
- Institute of Municipal and Licensing Officers of South Africa
- Institute of South African Municipal Accounting Officers (ISAMAO)
- National Government SETA Skills Development Forum
- National Municipal Managers Forum
- South African Local Government Association (SALGA)
- South African Tourism Services Association (SATSA)

**PROVINCIAL INTER-GOVERNMENTAL STRUCTURES:** Interaction with KwaZulu-Natal Government Departments and municipalities plays a pivotal role by ensuring better co-ordination and co-operation between the Departments and the Municipality. It is at these sessions that lots of information and best practices is shared. These structures provide important support and guidance to staff in maintaining and enhancement of professional work standards. Whereas issues pertaining to service delivery and matters of common interest are discussed at the following forums:

- Accounting Standards Board (ASB) – Public Sector Accounting Forum
- CFO Forum
- KwaZulu-Natal Government Departments
- Disaster Management Forum/s

- EPWP coordinating meetings
- Provincial IDP Managers' Forum
- MIG coordinating meetings
- Ministerial Mayors' Forum
- Municipal Governance Review and Outlook (MGRO)
- Municipal Managers' Forum
- Municipal Planning Forum
- Premier's Coordinating Forum
- Provincial Local Government SETA Skills Development Forum
- Provincial Speakers' Forum
- Public Participation and Communications Forum
- Records Management Forum
- SALGA Working Groups

It is observed that the Municipality relations with all government entities is generally healthy. Hence, most Government structures are always ready to assist as-and-when required. COGTA provides the most valuable support to uPhongolo Municipality through regular meetings, finance projects, training of personnel and placements of critical personnel when necessary. also engages with the district Municipality especially on sanitation and water services. Currently, the Municipality has a huge backlog with regard to the water and sanitation services and the Municipality has initiated talks with the District Municipality to resolve this challenge as a matter of urgency.

**DISTRICT INTER-GOVERNMENTAL STRUCTURES:** All service delivery matters involving other government departments, private sector, development agencies, etc. are co-ordinated through the District IGR-Forum. Other Forums that are established at District Level are Mayors Forum, Municipal Managers Forum, Planners Forum, Finance Forum, Technical Services Forum, Corporate Services Forum and so forth. These fora are already established and to this end, an annual calendar for forum meetings is prepared by the District. uPhongolo Municipality has its own IGR Forum that addresses local service delivery matters with the relevant sectors.



## COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

### OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

In terms of Section 6 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) the administration of a municipality must:

- (a) *be responsive to the needs of the local community;*
- (b) *facilitate a culture of public service and accountability amongst staff;*
- (c) *take measures to prevent corruption;*
- (d) *establish clear relationships, and facilitate cooperation and communication between itself and the local community;*
- (e) *give members of the local community full and accurate information about the level and standard of municipal services they are entitled to receive; and*
- (f) *inform the local community how the municipality is managed, of the costs involved and the persons in charge.”*

For the purposes of adherence and/or compliance with the aforesaid, the Municipality has established the legislatively required structures such as Section 80 Portfolio Committees advising the Mayor as well as Council Committees such as the Municipal Public Accounts Committee (MPAC), and Special (Disciplinary) Committee dealing with the Code of Conduct for Councillors, as well as a Fraud and Risk Management Committee. In addition thereto, an Audit Committee comprising independent external professionals also advises Council. The Audit Committee also serves as the Municipality’s Performance Audit Committee and meets quarterly. A quarterly report reflecting the Audit Committee’s recommendations relating to the areas of financial management and control, performance management, internal control, risk management and governance matters is tabled in Council.

These structures represent a separation of duties amongst public representatives and staff to ensure accountability, oversight, transparency and good governance and assist the Municipality to discharge the necessary public accountability responsibilities.



## 2.4. PUBLIC MEETINGS

**COMMUNICATION, PARTICIPATION AND FORUMS:** Chapter 4 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) compels municipalities to establish appropriate mechanisms, processes and procedures to enable the local community to participate in the affairs of a municipality. During the year under review, the Municipality used the following mechanisms to comply with this legislative requirement:

- Ward committee meetings (discussed in more detail below)
- Public notices in local, regional and national newspapers
- Newsletters
- Press releases as and when required
- Public IDP and consultative meetings
- General Municipal Programmes
- Functioning of a municipal website, regularly updated with recent news.

The stakeholder and community engagement meetings are held to determine and undertake development priorities that form the cornerstone of the IDP. Needs are dynamic and by virtue of their changing nature, they require frequent reviewing. The annual review of the IDP is a process which assists the Municipality to further enhance its service delivery outputs and outcomes. This is effected through the Performance Management System, implemented by the Municipality, it ensures that the Municipality remains accountable to the local community, the various stakeholders such as formal and informal businesses, NGO,s, NPO,s and community based organisations.

The Municipal Council ensures that its oversight role is sufficiently mandated by the populace voice of its local community, through fully embracing the principles of participatory democracy. This is being achieved through a well-functioning Ward Committee System, robust public participation through its various development planning processes and regular communication with the community through public meetings, newsletters, radio and various other print and electronic media including the Municipal Website.

The IDP structures/forums are listed below the role players that participate in the municipal IDP programmes. The involvement and participation of these role-players is crucial to the accomplishment of a participatory review process:

- All Municipal Councillors

- The Municipal Council
- The Executive Committee
- The IDP Manager
- Municipal Manager
- The IDP/ Budget Steering Committee
- The IDP Representative Forum
- The District IDP Steering Committee
- Organized business structures
- Traditional Councils
- Sector Departments
- Ward Committees
- Municipal Officials
- Neighbouring Provinces
- NGOs and CBOs
- Local Farmers Association
- Organized Farm-workers structures
- Private sector

**UPHONGOLO MUNICIPALITY COUNCIL:** The Council is responsible for the following:

- Adoption of the IDP Process Plan;
- Adoption and approval of the reviewed IDP;
- Amendment of the IDP in accordance with the comments by sector departments and MEC;
- Approval of the various review phases; and
- Ensuring that the IDP is linked to the PMS and Municipal Budget.

**THE EXECUTIVE COMMITTEE** has the following responsibilities:

- Recommend to Council the adoption of the IDP Process Plan and reviewed IDP.
- Overall management of the IDP Review process,
- Monitoring the IDP review process

**THE IDP MANAGER** is assigned the following responsibilities:

- Management and Co-ordination of the IDP process;
- Ensure that there's vertical and horizontal alignment;

- Management of the consultants;
- Ensuring all stakeholders are informed of the process and their involvement;
- Create a conducive environment for public participation.

**THE IDP STEERING COMMITTEE** is assigned the following responsibilities:

- Ensuring the gathering and collating of information while the IDP implementation is proceeding;
- Support the IDP Manager in the management and co-ordination of the IDP;
- Discussion of input and information for the IDP review;
- Ensuring the monitoring and evaluation of the gathered information;
- Attending to MEC's comments.

**THE IDP REPRESENTATIVE FORUM** is assigned the following responsibilities:

- Recommend reports for approval / adoption;
- Representing interests of the constituents;
- Present a forum for communication and participation for all stakeholders; and
- Monitoring the IDP review process.

The IDP Representative Forum is the structure that institutionalizes and ensures a participatory IDP review process. It represents the interests of the constituents of the municipality in the review process. It is envisaged that all organizations, stakeholders, or interest groups are represented in the forum. The composition of the IDP Representative Forum is as follows:

|             |   |
|-------------|---|
| Chairperson | : The Mayor   |
| Secretariat | : uPhongolo Municipality IDP Steering Committee                 |
| Members     | : All Municipal Councillors                                     |
|             | : The Executive Committee                                       |
|             | : Councillors and Officials from Zululand District Municipality |
|             | : Municipal Manager and Municipal Officials                     |
|             | : Traditional Leaders within uPhongolo Municipality             |
|             | : Ward Committees Representatives                               |
|             | : Community Development Workers (CDWs)                          |
|             | : Parastatals and Service Providers                             |
|             | : NGOs and CBOs   |

- : Sector Departments
- : Neighbouring Municipalities
- : Neighbouring Countries
- : Farmers Associations
- : Traditional Healers
- : Churches
- : Private sector

**The Zululand District Municipality forms a district-wide Planning and Development Forum** for the purpose of alignment with all the local municipalities within the district:

**THE MUNICIPAL OFFICIALS** are responsible for the implementation of the IDP and in the process gather information on changes in the circumstances. They must provide budgetary information and any information on the performance evaluation. They provide technical expertise during the planning process. Municipal Officials also interact with the Ward Councillors and Ward Committees and provide guidance and advice that is crucial during the IDP process.

**Participation of Amakhosi in Council Meetings and Traditional Councils:** Amakhosi in uPhongolo Municipality participate in the Council meetings, strategic planning sessions and in general municipal programmes in line with Section 81 of Municipal Structures Act. The Traditional Councils work as a link between the community and Ward Councillors and matters of service delivery and needs of the people. This could assist in providing information about the land rights and possible available areas for future development.

**THE SECTOR DEPARTMENTS** have the following responsibilities:

- Assist in the IDP formulation and review process,
- Provide budget information and sector plans,
- Provide data and information,
- Ensure programme and project alignment between the Municipality and province,
- Ensure budgetary alignment between provincial programmes and projects and the municipality's IDP.

**WARD COUNCILLORS** are an important link between the Municipality and the constituents. They are the first to know of any community needs or service delivery gaps. The Councillors are responsible for forwarding this information to the municipal officials. They are also responsible for organizing community meetings and ensuring maximum participation of residents in the IDP review process.

**THE WARD COMMITTEES** have a crucial role of identifying the needs and service delivery gaps in the community and meet monthly, submit their sectorial reports and report to the Ward Councillor. uPhongolo Municipality has embraced and enrolled the government initiative of ward committees to ensure that service delivery is effective in all wards.

The functioning and operation of the ward committees in uPhongolo Municipality is through an approved municipal policy that is congruent to the provisions of Section 59 of the Municipal Systems Act. The Council approved policy is being implemented and contains the roles and responsibilities listed below:

- To serve as an official specialized participatory structure in the municipality;
- To create formal unbiased communication channels as well as cooperative partnerships between the community and the council. This may be achieved as follows:
  - Advise and make recommendations to the ward councillor on matters and policy affecting the ward;
  - Assist the ward Councillor in identifying challenges and needs of residents;
  - Disseminate information in the ward concerning municipal affairs such as the budget, integrated development planning, performance management system (PMS), service delivery options and municipal properties;
  - Receive queries and complaints from residents concerning municipal service delivery, communicate it to council and provide feedback to the community on council's response;
  - Ensure constructive and harmonious interaction between the municipality and community through the use and co-ordination of ward residents meetings and other community development forums; and Interact with other forums and organizations on matters affecting the ward.

To serve as a mobilizing agent for community action within the ward. This may be achieved as follows:

- Attending to all matters that affect and benefit the community;

- Acting in the best interest of the community;
- Ensure the active participation of the community in:
  - » Service payment campaigns;
  - » The integrated development planning process;
  - » The Municipality's budgetary process;
  - » Decisions about the provision of municipal services; and
  - » Decisions about by-laws.
- Decisions relating to implementation of Municipal Property Rates Act (MPRA)
- Delimitate and chair zonal meetings.

#### Composition of Ward Committees:

- A Ward Committee consists of the Councillor representing that ward in the Council who is also the chairperson of the committee, and not more than ten other persons.
- In the process of election of Ward Committee and also consider the need for women to be equitably represented in a Ward Committee and for a diversity of interests in the ward to be represented.
- Gender equity was also pursued by ensuring that there is an even spread of men and women in a Ward Committee.

**PUBLIC MEETINGS:** The Implementation of the Communication Strategy to have effective public participation:

- Newsletter – is utilised for the purposes of communicating the projects, programmes and development.
- Suggestion boxes in all the municipal facilities
- Local and National Newspapers - This medium is used to communicate various messages that concerns the Municipality especially service delivery.
- Local and National Radio
- Ward Community Meetings – they are used to effectively promote maximum community participation in municipal affairs.
- Public meetings (*Izimbizo*) - These meetings are conducted to provide a platform for the Municipality to communicate the level of projects and programmes undertaken by Council and further solicit input from communities and their (communities) buy-in thereof.

- Annual Report - The annual report is distributed to the stakeholders and community organizations that we have on our database and will be distributed to the community at large. This will also maximize the culture of community participation and access to information.
- Website - through this tool various stakeholders such as business community, foreign investors, NGO's and community at large will more access to information regarding the municipality and its area.
- IDP Structures are used for public participation and implementation of uPhongolo Municipality Communication Strategy.

A communication plan for public participation is developed and circulated to all councillors and IDP Structures. The IDP Structures meet as per the Council Approved IDP Process Plan Schedule.

**Table 35: Public Meetings Held**

| Financial cycle             |             | Activities   | Date           | Responsible official     |
|-----------------------------|-------------|--|----------------|--------------------------|
| 1st Quarter: Analysis Phase | July/August | Start of budget preparations and IDP.  | July 2020      | IDPO/CFO                 |
|                             |             | Submission of Draft Process Plan to CoGTA  | 30 July 2020   | IDPO                     |
|                             |             | <b>SDF Review</b> <ul style="list-style-type: none"> <li>• Credible Status Quo</li> </ul>  | November 2020  | uPhongolo Planning Dept. |
|                             |             | <b>IDP Steering Committee</b> <ul style="list-style-type: none"> <li>▪ Process plan; and</li> <li>▪ Performance Management System.</li> </ul>  | August 2020    | IDPO/PMSS                |
|                             |             | <b>Special Council meeting</b> <ul style="list-style-type: none"> <li>• Council consider, adopt and approve the Process Plan</li> <li>• Submission of the Annual Financial Statements to Council for approval</li> <li>• Adopt 1<sup>st</sup> Draft: Urban Scheme</li> </ul> | August 2020    | MM                       |
|                             |             | Submission of the Annual Financial Statements  | 31 August 2020 | CFO and MM               |

|                               |                        |   |                               |                             |
|-------------------------------|------------------------|---|-------------------------------|-----------------------------|
|                               |                        | to Auditor General.   |                               |                             |
|                               |                        | Submission of Final Process Plan to DTLGTA  | 31 August 2020                | IDPO                        |
|                               |                        | <b>Urban LUMS Workshop with Community</b>   | September 2019                | uPhongolo Planning Dept.    |
|                               |                        | <b>SDF Review</b><br><ul style="list-style-type: none"> <li>Synthesis of Issues and Vision Document</li> </ul>  | September 2020 – October 2020 | uPhongolo Planning Dept     |
|                               |                        | <b>IDP Steering Committee Meeting</b><br><ul style="list-style-type: none"> <li>(Prepare for IDP Rep Forum)</li> <li>(Prepare for Strat Plan Session)</li> </ul>  | September 2020                | IDPO                        |
|                               |                        | <b>1<sup>st</sup> IDP Rep Forum</b><br><ul style="list-style-type: none"> <li>IDP Process Plan</li> <li>Project Status Update</li> <li>MEC Feedback on 2017/2018 IDP</li> <li>Development Strategies</li> <li>Final LUMS</li> </ul>                       | September 2020                | All                         |
|                               |                        | <b>KZN Planning Indaba</b><br><ul style="list-style-type: none"> <li>MEC Feedback and Adoption of IDP Management Plan</li> </ul>  | September 2020                | CoGTA                       |
|                               |                        | Chief Financial Officer of the Municipality to determine revenue projections and proposed rate and service charges and drafts initial allocations to functions and departments for the next financial year after taking into account strategic objectives | September 2020                | CFO                         |
|                               |                        | <b>Special Council Meeting</b><br><ul style="list-style-type: none"> <li>Adoption of Final Urban LUMS</li> </ul>  | September 2020                | MM                          |
|                               | <b>Financial cycle</b> | <b>Activities</b>   | <b>Date</b>                   | <b>Responsible official</b> |
| <b>2<sup>nd</sup> Quarter</b> |                        | <b>SDF Review</b><br><ul style="list-style-type: none"> <li>Draft SDF Document</li> </ul>   | October 2020– December        | uPhongolo Planning Dept     |



|                 |   |  |                              |                      |
|-----------------|---|--|------------------------------|----------------------|
|                 |   |  | 2020                         |                      |
| <b>October</b>  | <b>uPhongolo Strategic Planning Session</b>   | Review of KPA's, KPI's, Objectives, Strategies and Projects) | January 2021 - February 2021 | PMSS/All             |
|                 | <ul style="list-style-type: none"> <li>▪ S 57 Managers Quarterly Performance Assessments; and (First performance quarterly report.)</li> </ul>  |  | October 2020                 | MM                   |
| <b>November</b> | IDP and Budget Road shows   |  | October 2020– November 2020  | Mayor and CS         |
|                 | IDP Municipal Alignment Processes   |  | November 2020                | CoGTA                |
|                 | <b>IDP Steering Committee Meeting</b><br>(Registration of New Projects into IDP)  |  | November 2020                | IDPO                 |
|                 | <b>2<sup>nd</sup> IDP Representative Forum (Public)</b> <ul style="list-style-type: none"> <li>▪ 1<sup>st</sup> quarter report;</li> <li>▪ Objectives, strategies and projects;</li> <li>▪ Sector plans;</li> <li>▪ Submission of new projects (capital)</li> <li>▪ (Presentation by sector dept's. and service providers)</li> <li>▪ Status of current projects</li> </ul> |  | November 2020                | All                  |
|                 | <b>Review of SDF</b> <ul style="list-style-type: none"> <li>• Achieving Support for the SDF</li> </ul>  |  | December 2020 – January 2021 | eDumbe Planning Dept |
|                 | IDP Best Practice Conference  |  | December 2020                | CoGTA                |
|                 | Departmental heads to finalise detailed estimates of capital and operational expenditure and income and submit to Budget  |  | December 2020                | All                  |

|  |                 |  |                              |                             |
|--|-----------------|--|------------------------------|-----------------------------|
|  |                 | and Treasury Office  |                              |                             |
|  | <b>December</b> | Chief Financial Officer does initial review of national policies and budget plans and potential price increases of bulk resources with function and department officials<br><br>MFMA s 35, 36, 42; MTBPS   | December 2020                | CFO                         |
|  |                 | Submission of Draft Annual Report by MM to Mayor   | August 2020                  | CFO/MM/Mayor                |
| <b>Financial cycle</b>                         |                 | <b>Activities</b>  | <b>Date</b>                  | <b>Responsible official</b> |
| <b>3<sup>rd</sup> Quarter : Drafting Phase</b> | <b>January</b>  | <ul style="list-style-type: none"> <li>▪ S 57 Managers Quarterly Performance Assessments<br/>(Second performance quarterly report)</li> </ul>  | January 2021                 | MM                          |
|  |                 | <b>IDP Steering Committee Meeting</b>  | January 2021                 | IDPO                        |
|  |                 | <b>SDF Review</b> <ul style="list-style-type: none"> <li>• Finalisation and Approval</li> </ul>  | January 2021 – February 2021 | eDumbe Planning Dept        |
|  |                 | Accounting officer, Chief Financial Officer and senior officials consolidate and prepare proposed budget and plans for next financial year considering previous year's performance as per audited financial statements   | January 2021                 | MANCO                       |
|  |                 | Chief Financial Officer combines various departmental estimates and calculates total income and expenditure of the municipality.<br><br>Chief Financial Officer reviews proposed national and provincial allocations to municipality for incorporation into the draft budget for tabling. (Proposed national and provincial allocations for three years must be available by 20 January) | January 2021                 | CFO                         |

|          |  |  |               |                           |
|----------|--|--|---------------|---------------------------|
|          |  |  |               |                           |
|          |  | <p><b>Special Council Meeting</b></p> <p>Submission of Auditor General's report to Council for consideration.</p> <p>Annual report and Action Plan tabled to Council.</p> <p>Make public annual report and invite local community to submit representations in connection with the annual report.</p> <p>Submission of mid-year assessment report and budget</p> | January 2021  | MM<br><br>Mayor<br><br>MM |
| February |  | Submit the annual report to the Auditor General, the KZN provincial treasury and provincial departments relevant to local government.  | February 2021 | MM                        |
|          |  | Meeting with CoGTA: IDP Submission and Assessment Process  | February 2021 | CoGTA                     |
|          |  | <p><b>IDP SC Meeting</b></p> <p>(Budget structure and submission for consideration)</p>  | February 2021 | CFO/ IDPO                 |
|          |  | <p><b>SDF Review</b></p> <ul style="list-style-type: none"> <li>Implementation, Monitoring and Evaluation</li> </ul>   | February 2021 | uPhongolo Planning Dept   |
|          |  | Accounting officer finalises and submits to Mayor proposed budgets and plans for next three-year budgets taking into account the recent mid-year review and any corrective measures proposed as part of the oversight report for the previous year's audited financial   | February 2021 | CFO                       |

|  |              |   |               |                            |
|--|--------------|---|---------------|----------------------------|
|  |              | statements and annual report<br><br>Chief Financial Officer to notify relevant municipalities of projected allocations for next three budget years 120 days prior to start of budget year<br><br>MFMA s 37(2)   | February 2021 | CFO                        |
|  |              | <b>SDF Review</b><br><br>• Close Out  | February 2021 | uPhongolo<br>Planning Dept |
|  | <b>March</b> | <b>3<sup>rd</sup> IDP Rep Forum (Closed)</b><br><br><ul style="list-style-type: none"> <li>▪ 2<sup>nd</sup> quarter report;</li> <li>▪ Sector plans;</li> <li>▪ Submission of new projects (capital)</li> <li>▪ (Presentation by sector dept's. and service providers)</li> <li>▪ Recommend to Council the approval of the IDP draft document.</li> <li>▪ Status of current projects</li> </ul> | March 2021    | All                        |
|  |              | <b>Special Council Meeting</b><br><br>Draft budget and revised IDP are tabled together in council for consideration.<br><br><b>Council Adopt Draft IDP / Budget</b>   | March 2021    | Mayor<br><br>CFO & IDPO    |
|  |              | Draft budget and revised IDP together with all related documents to be posted onto the municipal website so that the budget is accessible to the public.  | March 2021    | BTO and MM<br><br>IDPM     |
|  |              | Publish Draft IDP/Budget for comments (21 days)<br><br>Hard copies of IDP/Budget to be made available to the Public   | March 2021    | IDPO                       |
|  |              |   |               |                            |

|  |              | <b>Submission of Draft 2018/2019 Reviewed IDP</b>  | March 2021         | IDPO                        |
|--|--------------|--|--------------------|-----------------------------|
| <b>Financial cycle</b>   |              | <b>Activities</b>  | <b>Date</b>        | <b>Responsible official</b> |
| <b>4th Quarter : Final Adoption Phase</b>  | <b>April</b> | Hard Copies of IDP/Budget submitted to the following:<br><br>National Treasury<br><br>Provincial Treasury<br><br>Zululand District Municipality  | April – April 2021 | IDPO and CFO                |
|  |              | <ul style="list-style-type: none"> <li>▪ Publicise an Annual Report with oversight report.</li> <li>▪ Submit an Annual Report with oversight report to Provincial Legislature/MEC of Local Government</li> </ul> | April 2021         | CS                          |
|  |              | <b>IDP Assessment / Engagement Meeting with DLGTA</b>  | April 2021         | CoGTA                       |
|  |              | S 57 Managers Quarterly Performance Assessments<br><br>(Third quarterly report)  | April 2021         | MM                          |
|  |              | IDP and Budget Roadshows   | April 2021         | CS                          |
|  |              | <b>IDP Steering Committee</b>  | April 2021         | IDPO                        |
|  |              | <ul style="list-style-type: none"> <li>▪ 3<sup>rd</sup> quarter report;</li> <li>▪ Draft budget 208/19; and</li> <li>▪ Consider comments from DLGTA assessment</li> </ul>  |                    |                             |
|  |              | Due date for budget written comments   | April 2021         | Mayor/MM                    |
| Consultation with national and provincial treasuries and finalise sector plans for water, sanitation, electricity etc<br><br>MFMA s 21<br><br>Accounting officer assists the Mayor in revising budget documentation in accordance with consultative processes and taking into account the results from the third quarterly |              |  |                    |                             |

|  |   |            |                    |
|--|---|------------|--------------------|
|  | review of the current year  |            |                    |
|  | Council to consider all the submissions and representations received during its hearing process.  | April 2021 | CS                 |
| <b>May</b>                                     | Update IDP projects based on final DORA allocations and Public Consultation<br><br>Complete financial plan (Draft SDBIP)  | May 2021   | IDPO and CFO       |
|  | <b>IDP Steering Committee</b><br><br><ul style="list-style-type: none"> <li>• Prepare for IDP Rep Forum</li> <li>• Finalise IDP and Budget</li> </ul>   | May 2021   | All                |
|  | <b>CoGTA Draft IDP Feedback Assessment</b>  | May 2021   | CoGTA              |
|  | <b>IDP Representative Forum</b><br><br><ul style="list-style-type: none"> <li>• 2018/2019 Budget Overview</li> <li>• 2018/2019 MIG Projects</li> <li>• Finalisation of Sector Department Projects</li> <li>• Status of current projects</li> <li>• Recommend to Council Adoption of Final IDP and Budget</li> </ul> | May 2021   | IDP<br>MM<br>Mayor |
|  | <b>Council Meeting</b><br><br>Final 2018/2019 IDP is tabled in council for consideration.<br><br><b>Council Adopt Final IDP &amp; Budget</b><br><br>Council Consider Adoption of Final IDP & Budget for 2018 / 2019   | May 2021   | CFO                |
|  | -Advertise Final IDP and advertise on Municipal Website<br><br><b>-Submit Final IDP to CoGTA</b>  | June 2021  | IDP,/ITM           |
| Council must finalise a system of delegations. |   |            |                    |

|  |                  |   |           |          |
|--|------------------|---|-----------|----------|
|  | <b>June/July</b> | MFMA s 59, 79, 82; MSA s 59-65  | June 2021 | IDPM     |
|  |                  | Submit adopted Budget and Budget return forms to <ul style="list-style-type: none"> <li>• National Treasury;</li> <li>• Provincial Treasury</li> </ul>  |           |          |
|  |                  | Mayor must approve SDBIP within 28 days after approval of the budget and ensure that annual performance contracts are concluded in accordance with s 57(2) of the MSA. Mayor to ensure that the annual performance agreements are linked to the measurable performance objectives approved with the budget and SDBIP. The mayor submits the approved SDBIP and performance agreements to council, MEC for local government and makes public within 14 days after approval.<br><br>MFMA s 53; MSA s 38-45, 57(2) | June 2021 | Mayor/MM |
|  |                  | <b>Submission of Final 2017/2018 Reviewed IDP<br/>(Can be submitted before this date)</b>   | July 2021 | IDPM     |
|  |                  | <ul style="list-style-type: none"> <li>▪ S 57 Managers Quarterly Performance Assessments<br/>(Fourth performance quarterly report)</li> </ul>   | July 2021 | MM       |
|  |                  | <ul style="list-style-type: none"> <li>▪ Signing of Performance Agreements and Performance Plans</li> </ul>   | July 2021 | MM       |

## 2.5. IDP PARTICIPATION AND ALIGNMENT

**Table 36: IDP Participation and Alignment**

| IDP Participation and Alignment Criteria*                                      | Yes/No |
|--|--------|
| Does the Municipality have impact, outcome, input, output indicators?          | Yes    |
| Does the IDP have priorities, objectives, KPIs, development strategies?        | Yes    |
| Does the IDP have multi-year targets?  | Yes    |
| Are the above aligned and can they calculate into a score?                     | Yes    |
| Does the budget align directly to the KPIs in the strategic plan?              | Yes    |
| Do the IDP KPIs align to the Section 57 Managers                               | Yes    |
| Do the IDP KPIs lead to functional area KPIs as per the SDBIP?                 | Yes    |
| Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes              | Yes    |
| Were the indicators communicated to the public?                                | Yes    |
| Were the four quarter aligned reports submitted within stipulated time frames? | Yes    |
| * Section 26 Municipal Systems Act 2000  |        |

## COMPONENT D: CORPORATE GOVERNANCE

Governance in uPhongolo Municipality encompasses line functions that pertain to political and administrative governance, audit, risk management, organisational and individual performance management, public participation and IDP, intergovernmental relations, public communication, human resource management, organisational development and legal services. The governance function is supported by an independent Audit Committee, comprising external specialists who boast the necessary skills to provide effective oversight of the Municipality's systems of internal control, risk management and governance processes. The Audit Committee is supported in its role by the Internal Audit function which performs audits in terms of an approved audit plan and reports to the Audit Committee on a quarterly basis. The Municipal Public Accounts Committee (MPAC) comprises independent Councillors.



## **OVERVIEW OF CORPORATE GOVERNANCE**

**uPhongolo Municipality Council** comprised of 29 Councillors during the 2020/2021 financial year. The Councillors are allocated to different portfolios where they serve in accordance with internal departments and functions. The Council has quarterly meetings as legislated which reflects 100% functionality.

**Executive Committee (EXCO)** meets on a monthly basis and considers reports from respective portfolio committees prior to same and items being presented to Council.

**Portfolio Committees (Representatives and Functionalities)** exercise political oversight on respective departments within the municipality where departmentally the members have monthly meetings where issues are tabled, discussed and recommendations are made to EXCO and to Council for approval. The portfolio committees have been arranged as per Table 27 (above).

**Municipal Public Accounts Committee (MPAC)** was established in terms of Section 79 of the Structures Act, convenes on a quarterly basis as prescribed to consider matter related to exercising oversight on financial and governance matters, as promulgated in Council adopted Terms of Reference.

The MPAC is a committee of the Municipal Council, appointed in accordance with section 79 of the Structures Act. The main purpose of the MPAC is to exercise oversight over the executive functionaries of Council and to ensure good governance within the Municipality. This would include oversight over the municipal entity. This committee is functional, but still needs to improve on its functionality as its meetings do not take place as per approved municipal calendar.

The MPAC may engage directly with the public and consider public comments when received and will be entitled to request for documents or evidence from the Accounting Officer of a municipality or municipal entity.

The primary functions of the Municipal Public Accounts Committees are as follows:

- to consider and evaluate the content of the Annual Report and to make recommendations to Council when adopting an oversight report on the Annual Report;
- in order to assist with the conclusion of matters that may not be finalized, information relating to past recommendations made on the Annual Report, must also be reviewed.

This relates to current in-year reports, including the quarterly, mid-year and Annual Reports;

- to examine the financial statements and audit reports of the municipality and municipal entities, and in doing so, the committee must consider improvements from previous statements and reports and must evaluate the extent to which the Audit Committee's and the Auditor General's recommendations have been implemented;
- to promote good governance, transparency and accountability on the use of municipal resources;
- to recommend or undertake any investigation in its area of responsibility, after reviewing any investigation report already undertaken by the Municipality or the Audit Committee; and
- to perform any other functions assigned to it through a resolution of Council within its area of responsibility.
- the MPAC reports to Council, at least quarterly, on the activities of the Committee which includes a report detailing its activities of the preceding and current financial years, the number of meetings held, the membership of the committee and key resolutions taken in the annual report.

**Table 37: Members of the MPAC, their Gender and Political Affiliation**

| MEMBERS OF THE MPAC | GENDER               | POLITICAL AFFILIATION |
|---------------------|----------------------|-----------------------|
| Miss BC Nhlabathi   | Female (Chairperson) | ANC                   |
| Mr D. Nyawo         | Member               | ANC                   |
| Mr J.C. Theron      | Member               | DA                    |
| Mr M.P. Mavuso      | Member               | IFP                   |
| Mr S.R. Ntshangase  | Member               | EFF                   |
| Mr J.S. Myeni       | Member               | ANC                   |

**The Internal Audit Committee** is an independent advisory body that advises Council and the Executive on financial and risk matters and also acts as an advisory body to the MPAC. The Finance Portfolio Committee deals with financial management issues such as budgetary, revenue and expenditure management as well as Supply Chain Management (SCM).

The primary function of the MPAC is to assist Council to hold the Executive and the municipal administration accountable and to ensure the efficient and effective use of municipal resources. It does this by reviewing public accounts and exercising oversight for and on behalf of Council. The committee must:

- Examine financial statements of all executive organs of council and any audit reports issued on those statements;
- Examine reports issued by the AG on the affairs of the municipal entities;
- Any other financial statements or reports referred to the committee by council;
- The Annual report on behalf of council and must make recommendations to council thereafter;
- Initiate and develop the annual oversight report based on the annual report;
- Initiate any investigation in its area of competence; and
- Perform any other function assigned by resolution of Council.

When the Committee examines the financial statements and audit reports of a municipality or municipal entity, it must take into account the previous statements and reports of the entity and report on the degree to which shortcomings have been rectified. The outcomes and deliberations of the Committee must be reported to Council and the public to allow for public participation.

**Audit Committee / Performance Audit Committee:** Section 166 (1) of the MFMA No. 56 of 2003 requires every municipality and entity to have an audit committee. To this end, the Audit and Performance Committee was appointed to assist Council in strengthening its role. The committee meets on quarterly basis and as at and when required to deal with matters at hand. The Committee has Chairperson for Audit Committee and a Chairperson for Performance which covers all regulated matters to be considered by the committee.

The primary objective of this committee is to advise the municipal Council, the political office –bearers, the accounting officer and the management staff of the municipality on matters relating to:

- Internal financial control ;
- The safeguarding of assets ;
- The maintenance of an adequate control environment and systems of internal control;

- The successful implementation of the council’s risk management Strategy and effective operation of risk management processes;
- The preparation of accurate financial reporting in compliance with all legal requirements and accounting policies and standards;
- Effective corporate governance;
- The effectiveness of the Municipality’s performance management system in ensuring the achievements of objectives set as per the Municipality’s IDP;
- Any other issues referred to it by the Municipality;
- The detailed Internal Audit Chapter which clearly defined the roles and responsibilities; and
- Composition of the committee as well as meetings has been adopted.

The Audit and Performance Committee meets on a quarterly basis for each financial year to consider the reported quarterly performance achievements reported on the OPMS scorecard as well as the performance achievements reported in terms of the Service Delivery and Budget Implementation Plans. In terms Section 166 of the MFMA the Audit Committee must comprise at least three (3) members. The audit committee’s chairperson’s position was vacant in the fourth quarter of 2020/2021 financial year which resulted only three meetings being held during the 2020/2021 financial year. The meetings were held as follows:

**Table 38: Audit and Performance Committee Meetings Held**

| Meetings Held | Dates   |
|---------------|---|
| Quarter 1     | 17 July 2020  |
| Quarter 2     | 26 October 2020   |
| Quarter 3     | 26 January 2021   |
| Quarter 4     | Did not sit due to the resignation of the chairperson in the third quarter. |

**Table 39: Current Audit Committee/Performance Committee Members**

| MEMBERS OF THE AUDIT/PERFORMANCE COMMITTEE | DESIGNATION | GENDER |
|--|-------------|--------|
| Vacant                                     | Chairperson |        |
| Mr M.N. Ngubane                            | Member      | Male   |
| Mrs G.B. Sithole-Sikhosana                 | Member      | Female |

The chairperson’s position that became vacant in the fourth quarter was filled in the first quarter of 2021/2022 financial year.

**2.6. RISK MANAGEMENT**

All managers and employees are responsible for risk management in their own areas. The Municipality has established a MANCO Risk Management Committee that reports to the Audit Committee on a quarterly basis. The Municipality has appointed an independent and external chairperson of the Risk Management Committee.

The MANCO Risk Management Committee, in terms of its authority delegated by Council, facilitates the development of a formal Risk Management Framework and Strategy as well as the implementation thereof. The results of the risk assessments are used to direct internal audit efforts and priorities, and to determine the skills required by managers and staff to improve controls and to manage these risks. The Risk Management Committee is made up of MANCO members whose names are listed herein-below:

**Table 40: MANCO Risk Committee Members**

| <b>MANCO RISK COMMITTEE</b> | <b>MEMBER</b>           |
|-----------------------------|-------------------------|
| <b>Mr J.V. Nkosi</b>        | Chairperson             |
| <b>Mr W.M. Nxumalo</b>      | Member                  |
| <b>Mr B.A. Mkhonza</b>      | Member                  |
| <b>Mr B.G. Mhlongo</b>      | Member                  |
| <b>Mr M.C. Mdluli</b>       | Risk Management Support |

The annual risk assessment was successfully completed in June 2020 to give effect to the MFMA requirement that the municipality “has and maintains effective, efficient and transparent system of financial and risk management and internal control”. This process was of critical importance as the Internal Audit is required by the MFMA to plan the audit coverage to address the risks identified through the risk management processes developed and maintained by management. Therefore, the risk assessment process and the internal audit planning processes are aligned so that timely and relevant risk information is available to internal audit when they are devising their audit coverage plans.

**Table 41: Risk Assessment**

| NO | DESCRIPTION  | RATING     |
|----|--|------------|
| 1  | Failure to monitor and put corrective measure to improve employee performance  | Priority 1 |
| 2  | Inability to collect debt due within a reasonable time Inability to support the acceleration of sustainable human settlement | Priority 1 |
| 3  | Inability to budget & fund the municipal priorities  | Priority 2 |
| 4  | Poor documentation of accurate and complete Council and Committee decision   | Priority 2 |
| 5  | Failure to safeguard and account for municipal assets  | Priority 2 |

## **2.7. ANTI-CORRUPTION AND FRAUD**

The Municipality has an Anti-Corruption Policy and Fraud Prevention Strategy already approved by council and is being implemented. The strategy has been developed in accordance with the expressed commitment of government to fight corruption. Accordingly, the risk register includes fraud risk. Fraud and corruption represent potential risks to the uPhongolo municipality's assets and reputation. The municipality is committed to protecting its funds and other assets from the effects of fraud, corruption and any other irregularity. The municipality has adopted a zero-tolerance attitude about fraud, corruption or any other irregularities, whether perpetrated by internal or external parties, and will vigorously pursue and prosecute any parties, which engage in such practices or attempt to do so, in accordance with applicable legislative provisions.

The Municipality has developed a strategy to detects corrupt and fraudulent activities and has managed to implement this strategy effectively this financial year. The public is encouraged to report suspected corrupt activities by using the hotline number **0800 701 701** which is monitored by independent parties.

On all other matters reported by Internal Audit and the AGSA as audit findings, the municipality has developed an Audit Action Plan to address all issues. MPAC is also meeting as required and carrying out an oversight role and assisting Council by investigating all cases referred to it. The Audit Committee is also in place and comprises of four members who are highly qualified and all of them are external. The committee met six times in this financial year.

The Fraud prevention strategy was approved by Council and is being implemented. We also have instituted an enterprise risk management framework which also includes the risk management policy.

The strategy covers the following areas:

- Surprise audits by the internal audit unit;
- Post transactions review;
- Forensic data analysis performed by the KZN forensic services were necessary.
- Management Accounting report review
- Fraud Risk Assessment

## 2.8. SUPPLY CHAIN MANAGEMENT

The Supply Chain Management (SCM) Unit is in place to address delays of tender awards and execution thereof. A procurement plan with timeframes for the 2020/2021 financial year was developed and implemented. The procurement plan is aligned with the departmental service delivery plans (SDBIP's) to ensure that projects are executed in accordance with the expectation created. An annual schedule for the bid committee meetings was developed.

The SCM Unit is fully functional, and the bid committees meet as per the procurement plan. Previously, the SCM unit was faced by the shortage of staff which led to the delays in the processes and hampered the segregation of duties. The recruitment of staff to ensure the full functionality of the unit was addressed in 2020/2021 financial year. The tables below contain the members of the bid committees in 2020/2021 financial year.

**Table 42: Members of the Bid Specification Committee**

| BID SPECIFICATION COMMITTEE | MEMBERS     |
|-----------------------------|-------------|
| Mr T.S. Dlamini             | Chairperson |
| Mr S.N.Nkosi                | Secretary   |
| Ms T.Mwandla                | Member      |
| Mr A.F.Lushaba              | Member      |
| Mr S.T. Mtshali             | Member      |

**Table 283: Members of the Bid Evaluation Committee**

| <b>BID EVALUATION COMMITTEE</b> | <b>MEMBERS</b> |
|---------------------------------|----------------|
| Mr T.I.Khanye                   | Chairperson    |
| Mr Y.Z.M.Myeni                  | Secretary      |
| Mr S.C. Mavimbela               | Member         |
| Mr G.M.Simelane                 | Member         |
| Mrs A.Maree                     | Member         |

**Table 44: Members of the Bid Adjudication Committee**

| <b>BID ADJUDICATION COMMITTEE</b> | <b>MEMBERS</b> |
|-----------------------------------|----------------|
| Mr J.V. Nkosi                     | Chairperson    |
| Mrs M. Villet Smit                | Secretary      |
| Mr B.A. Mkhonza                   | Member         |
| Mr B.G.Mhlongo                    | Member         |
| Ms N. Msimango                    | Member         |
| Mr T.P.Masinga                    | Member         |

The reviewed SCM Policy for 2020/2021 has made a provision for the disabled to qualify for tenders. The Municipality applies strict supply chain management principles in advertising and awarding of tenders. There are strict controls in place that ensure that the Municipal Financial Management Act is adhered to and complied with so as to prevent or avert the potential of any fraudulent activities from occurring.

The Municipality will ensure that business will not be conducted with entities owned by people that are employed by the state, because doing the contrary is tantamount to contravening the provisions of the Municipal Financial Management Act. Furthermore, it is incumbent upon all staff members who work outside of the Finance Department to be constantly educated on the policy and procedures of the Municipal Financial Management Act and Supply Chain Management Policy to stay abreast with new changes and developments in this regard.



## 2.9. BY-LAWS

The municipality has developed and adopted several municipal by-laws, but most were never gazetted due to lack of funds to effect this requirement.

- SPLUMA By-laws (Adopted by Council and Gazetted)
- Building Regulations By-Laws (Adopted by Council and Gazetted)
- Emergency By-Laws (Approved by Council to be Gazetted)

## 2.10. WEBSITES

The municipal website is in place and operational.

**Table 45: Municipal Website**

| <b>Municipal Website: Content and Currency of Material</b>  |   |
|---|---|
| Documents published on the Municipality's/ Entity's Website   | <b>Yes/No</b>                                   |
| Current annual and adjustments budgets and all budget-related documents   | <b>Yes</b>                                      |
| All current budget-related policies   | <b>Yes</b>                                      |
| The previous annual report (Year – 1)   | <b>Yes</b>                                      |
| The annual Report (Year 0) published/ to be published   | <b>Yes</b>                                      |
| All current performance agreements required in terms of section 57 (1) (b) of the Municipal Systems Act (Year 0) and resulting scorecards   | <b>Yes</b>                                      |
| All service delivery agreements (Year 0)  | <b>Yes<br/>(Community/Technical Agreements)</b> |
| All long-term borrowing contracts (Year 0)  | <b>N/A</b>                                      |
| All supply chain management contracts above a prescribed value (give value) for Year 0  | <b>Yes</b>                                      |
| An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1   | <b>Yes</b>                                      |
| Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section   | <b>N/A</b>                                      |
| Public private partnership agreements referred to in section 120 made in Year 0   | <b>N/A</b>                                      |
| All quarterly reports tabled in the council in terms of section 52 (d) during Year 0  | <b>Yes</b>                                      |
| *Note: MFMA s75 sets out the information that a municipality must include in its website as detailed above. Municipalities are, of course encouraged to use their websites more extensively than this to keep their Community and stakeholders abreast of service delivery arrangements and municipal developments. |   |

The municipal website has been well maintained and features municipal documentation required in terms of legislation, including public policies, bylaws, supply chain documents, notices, press releases and other documents. The purpose is to inform uPhongolo Municipality residents about the affairs, achievements and initiatives of the Municipality. The website is user-friendly, well received and earned positive feedback from the community for the Municipality than before.

## 2.11. PUBLIC SATISFACTION ON MUNICIPAL SERVICE

**Table 46: Public Satisfaction on Municipal Service**

| Satisfaction Surveys Undertaken during: Year – 1 and Year 0 |  |             |                                  |  |
|---|--|-------------|----------------------------------|--|
| Subject matter of survey                                    | Survey method  | Survey date | No. of people included in survey | Survey results indicating satisfaction or better (%) * |
| Overall satisfaction with:                                  |  |             |                                  |  |
| (a) Municipality  | Complaints/<br>Compliments<br>Register                               | 2020/2021   | All municipal wards              | Satisfaction   |
| (b) Municipal Service Delivery                              | IDP Public Participations and Ward Committee Meetings                | 2020/2021   | All municipal wards              | Satisfaction   |
| (c) Mayor   | IDP Public Participations/<br>Complaints/<br>Compliments<br>Register | 2020/2021   | All municipal wards              | Satisfaction   |
| Satisfaction with:  |  |             |                                  |  |
| (a) Refuse Collection                                       | None   | N/A         | None                             | None   |
| (b) Road Maintenance  | IDP Public Participations/<br>Complaints/<br>Compliments<br>Register | 2020/2021   | All municipal wards              | Satisfaction   |
| (c) Electricity Supply                                      | IDP Public Participations/   | 2020/2021   | All municipal wards              | Better   |

|   |   |           |                        |              |
|---|---|-----------|------------------------|--------------|
|   | Complaints/<br>Compliments<br>Register                                  |           |                        |              |
| (d) Water Supply  | IDP Public<br>Participations/<br>Complaints/<br>Compliments<br>Register | 2020/2021 | All municipal<br>wards | Better       |
| (e) Information supplied by<br>municipality to the public   | IDP Public<br>Participations/<br>Complaints/<br>Compliments<br>Register | 2020/2021 | All municipal<br>wards | Satisfaction |
| (f) Opportunities for<br>consultation on municipal<br>affairs   | IDP Public<br>Participations  | 2020/2021 | All municipal<br>wards | Satisfaction |
| *The percentage indicates the proportion of those surveyed that believed that relevant<br>Performance was at least satisfactory |   |           |                        |              |

# CHAPTER 3

## SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART-1)

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

### COMPONENT A: OVERVIEW OF PERFORMANCE WITHIN THE ORGANISATION

#### 3. INTRODUCTION

Performance management is a process that measures the implementation of the organisation's strategic objectives. It is also a management tool to plan, monitor, measure and review performance indicators to ensure efficiency, effectiveness and the impact of service delivery by the Municipality.

At local government level, performance management is institutionalised through the legislative requirements of the performance management process. Performance management provides the mechanism to measure whether targets are met in line with the strategic objectives as set by the organisation.

Section 152 of the Constitution of the Republic of South Africa, 1996, deals with the objectives of local government and paves the way for performance management. The idea of a government that is accountable is important to meet the needs of uPhongolo Municipality. The democratic values and principles in terms of section 195(1) are also linked with the concept of performance management, with reference to the principles of the following, among others to:

- Promote the effective, efficient and economic use of resources;
- Ensure accountable public administration;
- Be transparent by providing information;
- Be responsive to the needs of the community; and
- Facilitate a culture of public service and accountability.

The Local Government: Municipal Systems Act (MSA) of 2000 requires municipalities to establish a performance management system. Further, the MSA and the Municipal Finance Management Act (MFMA) require the Integrated Development Plan (IDP) to be aligned to the municipal budget. The monitoring of organisational performance of the budget must be done against the IDP on a quarterly basis via the Service Delivery and Budget Implementation Plan (SDBIP). The report is made public after the Council has been informed of the quarterly progress against set targets.

In addition, Regulation 7(1) of the Local Government: Municipal Planning and Performance Management Regulations of 2001 states that *"A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players."*

Performance management is not only relevant to the organisation as a whole, but also to the individuals employed in the organisation, as well as the external service providers and the municipal entities. This framework, *inter alia*, reflects the linkage between the IDP, the Budget and the SDBIP.

### **3.1. Legislative Requirements**

In terms of section 46(1)(a) of the Local Government: Municipal Systems Act, a municipality must prepare an Annual Performance Report (APR) for each financial year that reflects the municipality's and any service provider's performance during the financial year. The APR must furthermore indicate the development and service delivery priorities and the performance targets set by the municipality for the financial year and based on the results indicate what corrective measures were or are to be taken to improve performance. The 2020/2021 APR is attached to this Annual Report as Annexure K

### **3.2. Organisational Performance**

Strategic performance assessment indicates how well the Municipality is meeting its objectives and which policies and processes are working. All government institutions must report on strategic performance to ensure that service delivery is effective, efficient and economical. Municipalities must develop strategic plans and allocate resources for implementation. Implementation must be monitored on an ongoing basis and the results must be reported on during the financial year to various role players to enable them to implement corrective measures timeously as and when required.

The APR highlights the strategic performance in terms of the Municipality's Scorecard as well as the Service Delivery and Budget Implementation Plans (SDBIP's) high-level performance in terms of the strategic objectives of the Municipality and performance on the National Key Performance Indicators prescribed in terms of section 43 of the Municipal Systems Act of 2000.

### **3.3. Performance Management Policy**

The Municipality adopted an Organisational Performance Management Framework and Policy and is being implemented. The policy review is conducted on an annual basis. The PM Policy articulates the Municipality's objectives in order to promote accountability and the overall strategy of the Municipality. Accordingly, the main principles of the PM Policy are that it must be feasible in terms of the available resources to the Municipality and that the PM Policy must serve as an enabling mechanism for employees to achieve their performance objectives and targets.

Performance management has been introduced in the Local Government: Municipal Systems Act, Act 32 of 2000 (hereafter referred to as the MSA). The MSA is specific with regards to performance management. Each municipality must develop a performance management system (PMS) in order

to enhance service delivery inputs in order to maximise outputs to the community. The MSA emphasise the amplified role of Council in performance management.

Legislative enactments which govern performance management in municipalities are found in various documents. As outlined in Section 40 of the MSA, uPhongolo Municipality must establish mechanisms to monitor and review its Performance Management System (PMS) so as to measure, monitor, review, evaluate and improve performance at organisational, departmental and lower levels.

### **3.4. IDP and Budget**

The Municipality has developed a 5-year (2016/2017 for uPhongolo to realise a vision thus:

“uPhongolo Municipality will ensure an inclusive socio- economy by providing quality services that yield a better life for all by 2035”.

The IDP 2016/2017 to 2021 provides a comprehensive needs analysis and bold intentions, key initiatives, programmes and projects in order to address challenges working in conjunction with its partners such as sector departments as well as the private sector and civil society.

The IDP, together with its long-term trajectory, is subject to annual review to accommodate changes in the municipal environment, including community priorities. In turn, the revised IDP informs changes to the budget, key performance indicators and targets of the Municipality.

The Municipal IDP is reviewed every year to ensure that:

- Municipalities and communities keep track of progress in implementing development projects and spending the municipal budget; and
- Communities are provided with an opportunity to review their needs and make possible changes to the priorities listed in the municipal IDP.

The IDP is the principal planning instrument that guides and informs the municipal budget. The uPhongolo Municipality’s PMS is the primary mechanism to monitor, review and improve the implementation of its IDP and to measure the progress made in achieving the objectives as set out in the IDP.

The Five-Year Performance Framework reflects the connection between the strategic framework of the Municipality, as detailed in the previous chapter and IDP implementation through Key Performance Indicators and Targets to measure performance of the IDP for the five years.

These are annually revised in line with Section 34 of the Local Government: Municipal Systems Act, No. 32 of 2000 which compels a municipal council to review its integrated development plan annually in accordance with an assessment of its performance measurements in terms of section 41 to the extent that changing circumstances so demand.

A conducive performance management culture will ensure that the developmental objectives as construed in the IDP gets relevance in the performance agreements of senior managers and consequence implementation thereof.

### **3.5. Municipal Scorecard and Service Delivery and Budget Implementation Plan**

The organisational performance is evaluated by means of a municipal scorecard (Top-Layer SDBIP). Performance objectives, as reflected in the municipal scorecard, are required to be practical, measurable and based on the key performance indicators.

The SDBIP is a tool that converts the IDP and budget into measurable criteria of how, where and when the strategies, objectives and normal business processes of the Municipality are implemented.

It also allocates responsibility to directorates to deliver the services in terms of the IDP and the budget.

MFMA Circular No. 13 is a clarification of the Municipal Budget and Reporting Regulations, Schedule A1, General Notice 393 in Government Gazette 32141 and prescribes that:

- The IDP and Budget must be aligned;
- The Budget must address the strategic priorities;
- the SDBIP should indicate what the Municipality is going to do during the next 12 months; and
- The SDBIP should form the basis for measuring the performance against goals set during the Budget/IDP processes.

The Scorecard and Departmental SDBPI's were prepared as described in the paragraphs below and approved by the Mayor in 2020 in terms of section 53(1)(c)(ii) of the Local Government: Municipal Finance Management Act of 2003. It was made public on the municipal website in due course after approval by the Mayor.

### **3.6. The Municipal Scorecard**

The municipal scorecard consolidates service delivery targets set by Council/Exco and provides an overall picture of the performance of the Municipality in its entirety, reflecting performance in its strategic priorities for the 2020/2021 financial year. The scorecard is the performance evaluation tool and is used during the informal and formal performance assessment of the Municipal Manager and directors/senior managers reporting to the Municipal Manager. Components of the Scorecard include:

#### ***3.6.1 One-year detailed plan with the following components:***

- Monthly projections of revenue to be collected for each source;
- Expected revenue to be collected;
- Monthly projections of expenditure (operating and capital) and revenue for each vote;
- Quarterly projections of service delivery targets and performance indicators for each vote;
- Non-financial, measurable performance objectives in the form of targets and indicators;



- Output management objectives; and
- Level and standard of service being provided to the community.

### **3.6.2 Scorecard KPI's were prepared based on the following:**

- Key performance indicators (KPIs) for the programmes/activities identified to address the strategic objectives as documented in the IDP in co-operation with the community who identifies developmental priorities;
- KPIs identified during the IDP public participation process and KPIs that need to be reported to key municipal stakeholders; and
- KPIs to address the required national minimum reporting requirements.

## **3.7. Amendment of the Scorecard**

The Scorecard was amended during the mid-year review through Council Resolution approved Council.

### **3.7.1 Actual Performance**

The Municipality utilises an electronic performance management template on which the Municipal Manager and Senior Managers update actual performance on a monthly basis and report on the results of the KPI by documenting the following information on the performance system:

- The actual result in terms of the set target;
- A performance comment; and
- Actions to improve the performance by the submission of corrective measures to meet the set target for the reporting interval in question, if the target was not achieved.

It is the responsibility of every senior manager to maintain a portfolio of evidence to support actual performance results updated and provide same to the Internal Auditor and Auditor General upon request during the quarterly and annual audit testing.

### **3.7.2 Monitoring of the Scorecard**

Municipal performance is measured as follows:

- Mid-year assessment and submission of the mid-year report to the Mayor in terms of Section 72(1)(a) and 52(d) of the Local Government Municipal Finance Management Act to assess the performance of the Municipality during the first half of the financial year;
- Quarterly performance was subjected to an internal audit and the results of their findings were submitted to the Audit Committee; and
- Quarterly performance reports are submitted to Council for information.

### **3.8. Individual Performance**

The Human Resources Management Unit under Corporate Services Department is responsible for the Individual Performance Management System that is rolled out to municipal staff. The purpose of the Individual Performance Management System is to manage and enhance efficiency by enabling a higher level of staff participation and involvement in planning, delivery and evaluation of work performance.

The Individual Performance Management System ensures integrated work planning, target setting, performance reporting and feedback.

The Municipality is in the process of cascading the PMS to all employees that will be rolled out in phases (Phase One: All managers reporting to the Directors/Senior Managers), (Phase Two: Supervisors), (Phase Three: all outstanding levels of employees). The employees and their respective supervisors are expected to complete and agree to the KPIs and targets based on the individuals job description.

The individual PMS encourages supervisor and employee engagement, coaching and mentoring, skills transfer and also enhances communication between managers, supervisors and employees. Managers are able to identify skills gaps of employees through this tool. Employee Monitoring will take place on a quarterly basis.

#### **3.8.1 Directors and Managers Directly Accountable to the Municipal Manager**

The Municipal Systems Act (MSA), 2000 (Act 32 of 2000) prescribes that the Municipality must enter into performance-based agreements with all section 57-employees and that performance agreements must be reviewed annually and published for public interest. This process and the format are further regulated by Regulation 805 (August 2006), MSA.

The performance agreements for the section 57 appointments for the 2020/2021 financial year were signed during 2020 as prescribed. They include performance agreements for the:

- Municipal Manager;
- Chief Financial Officer;
- Director: Corporate Services;
- Director: Community Services; and
- Director: Technical Services, Planning and LED.

The appraisal of the actual performance in terms of the signed agreements takes place twice per annum as regulated. The mid-year performance assessment for the Municipal Manager and senior managers for the 2020/2021 financial year was conducted . The final evaluations of the Municipal Manager and Senior Managers for the 2020/2021 financial year was also conducted

### 3.8.2 Other Municipal Officials

The roll-out of the Individual Performance Management Policy (IPMP) to the rest of the employees has not yet been introduced. However, processes in this regard are underway. In an endeavour to implement the IPMP the Municipality will introduce Performance Agreements as a means to ensure that all employees commit to what is expected of them in respect of their performance of their functions and duties and also as a means to encourage continuous employee and supervisor engagement. The PMS monitoring tool will be introduced as intended for all employees who do not undergo formal performance evaluation. Each department is required to conduct the above exercise on a quarterly basis. The PMS Unit is responsible for the top three reporting levels of management.

### 3.9. The Municipal Scorecard

The Scorecard results for the year under review are reflected in the Annual Performance Report attached as Component K to the Annual Report.

## COMPONENT B: BASIC SERVICES

Water, electricity, waste water and refuse removal services are fundamentally important basic services to ensure a healthy and safe environment for all uPhongolo inhabitants. These basic services sections play a very important part in the planning and implementation of basic services in all formally established township developments as well as informal settlements in the uPhongolo Area over which the Municipality has control.

### 3.10. Water Services

uPhongolo Municipality is a local municipality forming part of the Zululand District and **it is, therefore not a Water Services Authority**. Instead, the Zululand District Municipality is the one mandated by the Water Services Act to be the Water Services Authority in respect of all areas under its jurisdiction in this regard.

#### 3.10.1 The Status of Water Infrastructure and Asset Management Plan

The table below provides a brief overview of the schemes in the district that have been captured on the MANZI system and a summary of the infrastructure under consideration, as well as a rough estimate of the value of assets. These figures will be refined over time once the asset management system has been rolled out.

**Table 47: Summary of Schemes in the District**

| Summary Data             | LOS                  | Total      |
|--------------------------|----------------------|------------|
| <b>Number of Schemes</b> | Above RDP – Urban    | 13         |
|                          | Above RDP – Rural    | 25         |
|                          | RDP                  | 105        |
|                          | Rudimentary          | 173        |
|                          | <b>TOTAL SCHEMES</b> | <b>316</b> |

The table below shows examples of infrastructure data that is currently available on the GIS system and MANZI. Some gaps still exist in the infrastructure information, ZDM has been systematically updating its infrastructure details and eliminating data gaps where possible within its capability and resources.

**Table 48: Summary of Infrastructure Components to ZDM -GIS**

| Summary Data             | Description                  | Total              |
|--------------------------|------------------------------|--------------------|
| <b>Pipelines</b>         | Bulk                         | 1264 km            |
|                          | Reticulation                 | 5745 km            |
| <b>Installations</b>     | Yard Connection              | 27 831             |
|                          | StandPipe – Barrel           | 302                |
|                          | StandPipe – Communal         | 5 681              |
|                          | Electrical Point             | 72                 |
|                          | Valve                        | 14 820             |
|                          | Meter                        | 1 274              |
|                          | Bulk Metering Points         | 253                |
|                          | Handpump                     | 486                |
|                          | Pump                         | 25                 |
|                          | Pump Station                 | 119                |
|                          | Source / Abstraction         | 520                |
|                          | Break-pressure Tank          | 499                |
|                          | Storage – Jojo               | 228                |
|                          | Storage – Reservoir          | 744                |
|                          | Treatment (Sand filters etc) | 12                 |
|                          | Water Treatment Works        | 39                 |
| <b>Replacement Value</b> | Civil                        | R 2 187 465 532.77 |
|                          | Mechanical                   | R 638 857 590.23   |
|                          | Electrical                   | R 252 906 251.28   |
|                          | Telemetry                    | R 13 480 747.91    |

**Table 49: Summary of Schemes in the District**

| Summary Data      | LOS                  | Total |
|-------------------|----------------------|-------|
| Number of Schemes | Above RDP – Urban    | 13    |
|                   | Above RDP – Rural    | 25    |
|                   | RDP                  | 105   |
|                   | Rudimentary          | 173   |
|                   | <b>TOTAL SCHEMES</b> |       |

### 3.10.2 Provision of Portable Water

uPhongolo Municipality IDP has included a summary on how potable drinking water is provided. According to ZDM-IDP 2020/2021, the sources of raw water in the ZDM falls within the Mfolozi (W2), Mkuze (W3) and Pongola (W4) secondary catchments of the Usuthu/Mhlathuze Water Management Area (WMA).

**Table 50: Water Balance - Summary of the Water Available and Required within Zululand District Municipality for the Year 2000 (Million M3 (Kℓ) Per Annum)**

|                    |                          |                             | Mfolozi    | Mkuze      | Pongola    | Total      |
|--------------------|--------------------------|-----------------------------|------------|------------|------------|------------|
| Available water    | Natural resource         | surface water               | 36         | 15         | 616        | 667        |
|                    |                          | Groundwater                 | 5          | 12         | 8          | 25         |
|                    | Usable return flow       | Irrigation                  | 5          | 6          | 21         | 32         |
|                    |                          | Urban                       | 4          | 0          | 0          | 4          |
|                    |                          | Mining & bulk               | 1          | 0          | 0          | 1          |
|                    | Total local yield*       |                             | <b>51</b>  | <b>33</b>  | <b>645</b> | <b>729</b> |
|                    | Transfers in             |                             | 0          | 30         | 0          | 30         |
|                    | <b>Total available</b>   | <b>51</b>                   | <b>63</b>  | <b>645</b> | <b>759</b> |            |
| Water requirements | Consumer groups          | Irrigation                  | 51         | 61         | 213        | 325        |
|                    |                          | Urban**                     | 12         | 1          | 1          | 14         |
|                    |                          | Rural**                     | 11         | 10         | 6          | 27         |
|                    |                          | Mining & bulk industrial*** | 4          | 0          | 1          | 5          |
|                    |                          | Afforestation****           | 2          | 6          | 34         | 42         |
|                    | Total local requirements |                             | <b>80</b>  | <b>78</b>  | <b>255</b> | <b>413</b> |
|                    | Transfers out            |                             | 18         | 0          | 30         | 48         |
|                    | <b>Total used</b>        | <b>98</b>                   | <b>78</b>  | <b>285</b> | <b>461</b> |            |
| <b>Balance</b>     |                          |                             | <b>-47</b> | <b>-15</b> | <b>360</b> | <b>298</b> |

### **3.10.3 Bulk Regional Water Schemes**

#### **3.10.3.1 Hlahlindlela Regional Water Supply and Nkonjeni Regional Water Supply Area**

ZDM undertook a Water Resource Modelling of the upper White uMfolozi River System during 2011/2012. Areas served by this System are Vryheid Town and surrounding suburbs, Bhekuzulu, Lakeside, eMondlo Town and surrounding areas (Hlahlindlela Regional Water Supply Scheme), Mpumamhlope, Ulundi, Babanango (Nkonjeni Regional Water supply Scheme) and Nondweni (Umzimyathi District Municipality).

The model indicates that the yield from Mvunyane dam is insufficient to meet the water requirements at the desired levels of assurance and should be augmented very soon, to avoid the risk of restrictions occurring. The operating rules for Mvunyane should be implemented to protect higher assurance users.

- For the low growth scenario, the yield from Klipfontein combined with the other existing dams is sufficient to meet the water requirements of Vryheid and Ulundi as well as the link to eMondlo until at least 2030.
- For the median growth scenario, the yield from Klipfontein combined with the other existing dams is sufficient to meet the water requirements of Vryheid, Ulundi and eMondlo until 2024. After 2024, the existing water resource infrastructure of the White Mfolozi will need augmentation to meet the projected water requirements.

For the high growth scenario, the yield from Klipfontein combined with the other existing dams is sufficient to meet the water requirements of Vryheid, Ulundi and eMondlo until 2021. After 2021 the existing water resource infrastructure of the White Mfolozi will need augmentation to meet the projected water requirements.

It is therefore important that the required work to plan for the next water resource augmentation be undertaken, due to the long lead times required to implement a water resource development project.

During 2016 ZDM was declared a drought-restricted region, which led to emergency interventions. The town of Vryheid was forced to rely on water tankers and water points at designated borehole and water tank points. Since then dam levels have normalised again but it is clear that the greater Vryheid

region is in urgent need for major interventions in terms of sustainable water during dry winter months.

### **3.10.3.2 Usuthu Regional Water Supply**

ZDM investigated the available water resources in the upper Black Mfolozi River during 2011. The purpose of the investigation was two-fold:

- An assessment was undertaken to determine the available water resources of the upper Black Mfolozi River which involved quantifying the divertible flows at the existing weir on the river near Nongoma upstream of the Kwa Nkweme River confluence. This represents the situation prior to construction of the off-channel storage dam on the Kwa Nkweme River. Analyses were performed for 18.6 MI/day (2025 demand) and 25 MI/day (2035 demand).
- Detailed yield analyses were undertaken to determine the water resources capability of a proposed system on the upper Black Mfolozi River, which consists of a new off channel storage dam on the Kwa Nkweme River. Water for this off-channel storage dam will be supplied by diverting available flows from the existing weir on the Black Mfolozi River. The performance of the system was evaluated for a variety of possible configurations including a range of dam (storage) sizes, flow diversion capacities and downstream environmental flow requirements (EFR's).

Based on the results of the water resource assessment it was concluded that:

*Prior to the construction of the proposed off-channel storage dam on the Kwa Nkweme River, a run-of-river scheme on the upper Black Mfolozi River could supply a target abstraction of 18.6MI/day (or 6.8 million m<sup>3</sup>/a, the projected water requirement for the proposed scheme in 2025) with an annual risk of failure of 64% (recurrence interval of 1:1.6 years). This risk is well above accepted levels for schemes of this increase the supply capability (assurance of supply) of the system.*

A storage capacity of 7.9 million m<sup>3</sup> (30% of the maximum capacity) is adequate to meet the target abstraction of 6.8 million m<sup>3</sup>/a. This, however, requires a fairly large diversion works capacity of 0.6m<sup>3</sup>/s. For a larger dam of 10.6 million m<sup>3</sup> (40% of the maximum capacity) diversion works with a capacity of only 0.4m<sup>3</sup>/s would be adequate to meet the target abstraction.

The option recommended was the construction of a 75m high earth fill dam at estimated construction cost of R370m, but due to the limited geotechnical information available, the level of the dam options investigation (layouts and design) and related cost estimates can be classified as pre-feasibility.

### **3.10.3.3 Mandhlakazi, Mkuze and Simdlangentsha Regional Water Supply Area**

The Pongola catchment is currently under-utilised and the only catchment area not under stress. This catchment area supplies the Mandhlakazi Regional Water Supply Scheme from Senekal Boerdery via the Jozini Dam.

Due to the high cost involved for the construction of an off-storage Facility for the Usuthu Regional Scheme, the augmentation of the Mandhlakazi and Usuthu Regional Water Supply Schemes is currently investigated. The following items should be considered:

- Alternative sites for the off-channel storage facility should be investigated;
- The possibility to reduce the capacity of the off-channel storage dam on the Kwa Nkweme River should be investigated. The associated risk should be taken into account;
- The Operational cost should also be taken into account (including levies payable to Mr Senekal);
- ZDM will have to assess their agreement with Senekal and negotiate upgrading and extensions of the existing agreement if necessary for the Usuthu supply;
- Additional and future DWA water allocations and licences from Jozini Dam; and
- The existing abstraction works at Jozini Dam needs to be investigated.

### **3.10.4 Ground Water**

In general, the overall groundwater quality in the ZDM is good in the northern parts with the water quality in eDumbe, uPhongola and Abaqulusi LMs falling within Class 0 and 1 (Kempster Classification). In the southern parts the water quality is generally poor however, with most boreholes falling in Class 3. It is pertinent to note that a large number of the Traditional Authority areas are situated within these areas of poorer groundwater quality. The deterioration of groundwater quality from west to east, can be ascribed to:

- Declining rainfall from west to east.



- Concentration of dissolved solids from through flow below the Dwyka Formation and coal seams in the Vryheid Formation in the central and eastern regions of the catchments.

The sedimentary rocks that underlie the study area represent a secondary or fractured rock aquifer with negligible primary porosity or permeability. Groundwater storage and movement is therefore mainly confined to fractures and joints that occur within the rock mass and is therefore structurally controlled. The groundwater development potential within each of the quaternary catchments is adequate to meet the basic water demand of rural communities either through:

- Stand-alone basic levels of water supply by boreholes equipped with hand pumps; or
- Limited reticulation schemes through production boreholes that target structural features offering high groundwater development potential.

### **3.10.5 Water Quality**

ZDM has developed a water quality reporting system where all water quality test results are captured, and management reports drawn for immediate interventions where needed. ZDM also reports monthly to DWA on water quality results, as part of the DWA regulation process. Schemes that indicate inferior water quality results are then immediately acted upon to resolve such issues. The actual report for each month is available from the ZDM MANZI system on request.

The Blue Drop Assessment also serves to evaluate different aspects of water provision and quality within ZDM. The latest results can be reviewed further-on in this report.

### **3.10.6 Water Schemes to be Rehabilitated**

There are currently a number of investigations underway to determine the refurbishment requirements of water services infrastructure in the district. The refurbishment requirements at bulk plants are receiving first priority since it is perceived that the most urgent interventions are required at these assets. Investigations are also being commissioned to determine the condition of urban infrastructure and the refurbishment needs in the towns. Whilst new infrastructure has been rolled out in the rural areas to previously neglected communities, the infrastructure in towns have received very little attention and funding since 1994 and it can be

expected that most of the refurbishment requirements will be in these areas. The above-mentioned investigations have not yet been fully completed and the results will be included once available.

### 3.11 WASTEWATER (SANITATION) SERVICES

As mentioned at paragraph 3.5 above, the water and wastewater (sanitation) services function are provided by the Zululand District Municipality in terms of the Water Services Act. The basic functions are intended to upgrade existing sewerage infrastructure (so as to meet future requirements); to extend the wastewater/ sewerage network (provide higher level of service to consumers); to maintain the existing wastewater/sewerage network (ensure adequate rehabilitation and maintenance); to monitor water resources; and, to ensure the prevention of pollution thereof.

#### 3.11.3 Provision of Sanitation Services

The status of the infrastructural backlogs, needs and priorities for water and sanitation can be summarised as follows:

**Table 51: Table Showing Sanitation Backlogs (WSDP 2017)**

| SANITATION          | TOTAL HOUSEHOLDS | BACKLOGS      | % BACKLOGS    | % OF TOTAL BACKLOGS |
|---------------------|------------------|---------------|---------------|---------------------|
| AbaQulusi LM        | 46 529           | 11 718        | 25.18%        | 30.83%              |
| eDumbe LM           | 16 405           | 4 584         | 27.94%        | 12.06%              |
| Nongoma LM          | 45 713           | 11 086        | 24.25%        | 29.17%              |
| Ulundi LM           | 46 398           | 3 420         | 7.37%         | 47.51%              |
| <b>uPhongolo LM</b> | <b>28 132</b>    | <b>7 199</b>  | <b>25.59%</b> | <b>18.94%</b>       |
| <b>Total</b>        | <b>183 177</b>   | <b>38 007</b> | <b>20.75%</b> | <b>100.00%</b>      |

The table below sets out a comparison of community's access to sanitation facilities in 1996, 2001 and 2011 (as derived from STATSSA):

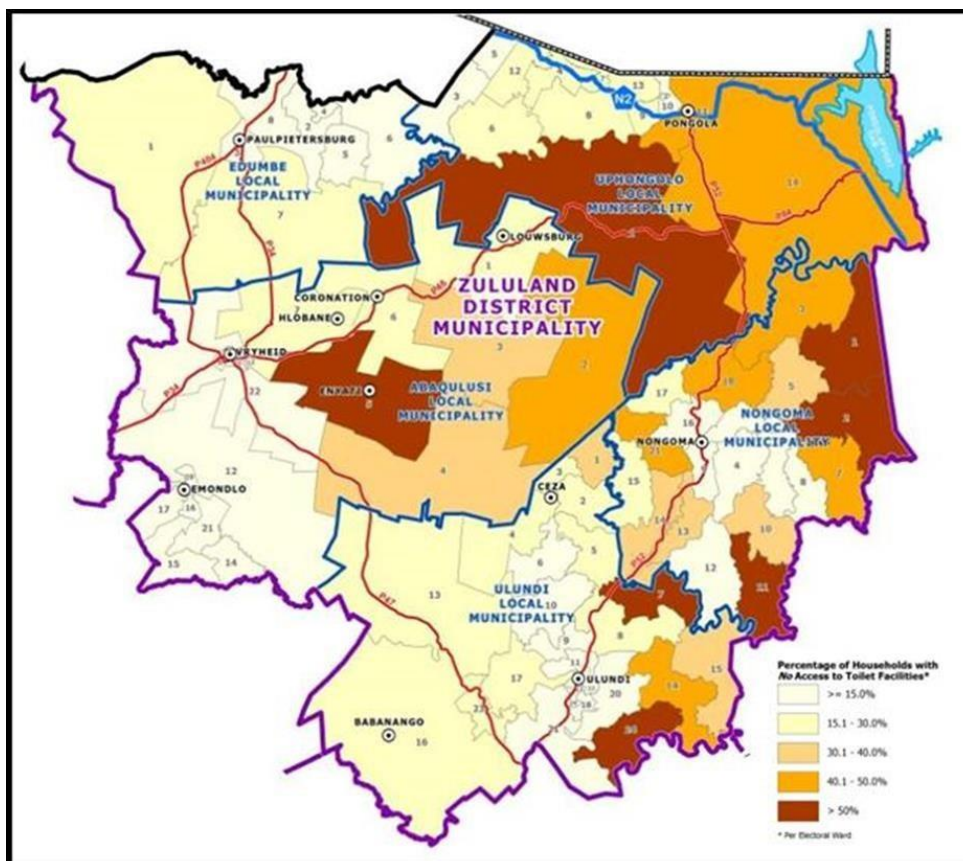
**Table 52: Community Access to Sanitation Facilities (STATSSA)**

| Sanitation Facilities    | Year   |        |        |
|--------------------------|--------|--------|--------|
|                          | 1996   | 2001   | 2011   |
| Flush or chemical toilet | 18 297 | 34 984 | 50 405 |
| Pit latrine              | 48 412 | 50 488 | 68 287 |
| Bucket latrine           | 1 523  | 1 002  | 1 572  |
| None                     | 35 023 | 54 718 | 31 272 |

There has been a dramatic increase between 1996 and 2001 and again between 2001 and 2011 in the number of households who had access to flush or chemical toilets or pit latrines. However, there were still some 31,272 households who indicated that it had no access to toilet facilities. This constituted some 19.8% of the total number of households within the District in 2011.

The larger urban areas do have sanitation systems whereas the rural areas rely on septic tanks or pit latrines or no system at all. This places tremendous strain on the environment. Meanwhile there has been an increase in the number of households with access to ablution facilities.

**Map 6: Percentage of Households with No Access to Toilets (2011)**



The table below shows the level of access by residential consumers to basic sanitation services. uPhongolo Municipality makes up 15.9% of households within the district that have access to sanitation services (WSDP 2016).

**Table 53: Level of Access by Residential Consumers to Basic Sanitation Services**

|                           | None or Inadequate (Excl. Infills/Replacements) | VIP           | Septic tank  | Waterborne    | TOTALS         |
|---------------------------|---|---------------|--------------|---------------|----------------|
|                           |   | RDP           | RDP          | >RDP          |                |
| AbaQulusi LM              | 0   | 0             | 0            | 15 283        | 15 283         |
| eDumbe LM                 | 0   | 0             | 498          | 4 859         | 5 157          |
| Nongoma LM                | 0   | 0             | 0            | 1 239         | 1 239          |
| Ulundi LM                 | 0   | 0             | 0            | 5 520         | 5 520          |
| uPhongolo LM              | 0   | 0             | 0            | 3 557         | 3 557          |
| <b>Total (urban)</b>      | -   | -             | <b>498</b>   | <b>30 258</b> | <b>30 756</b>  |
| AbaQulusi LM              | 8 838   | 15 914        | 267          | 0             | 25 019         |
| eDumbe LM                 | 0   | 11 272        | 199          | 0             | 11 723         |
| Nongoma LM                | 8 547   | 28 385        | 0            | 0             | 36 932         |
| Ulundi LM                 | 8 311   | 23 492        | 42           | 0             | 31 845         |
| uPhongolo LM              | 5 375   | 15 846        | 358          | 0             | 21 579         |
| <b>Total (rural)</b>      | <b>31 071</b>                                   | <b>94 909</b> | <b>866</b>   | <b>0</b>      | <b>127 098</b> |
| <b>Total (households)</b> | <b>31 071</b>                                   | <b>94 909</b> | <b>1 364</b> | <b>30 258</b> | <b>157 854</b> |

Source: Draft WSDP 2016/2017

#### Existing and Planned Infrastructure Capacity and Functional Evaluation

As a tertiary node within the province, uPhongolo Municipality functions as a centre providing for community needs at a sub-regional level. Key strategies targeted at the Pongola node and surrounding communities are:

- Promoting provision of sufficient bulk infrastructure services (demand and supply)
- Priority spending on infrastructural Upgrading Needs (new and maintain)

Pongola Poort bulk water scheme - Bulk Water Supply of new bulk water scheme under construction, at a cost of 1,100,000 as part of the long-term infrastructure plan (DWA, Revised Strategic Plan 2015/16 – 2019/20)

**Table 54: Summary of the status of service delivery to ZDM and its LMs (2016 Census Stats)**

| Municipalities   | No. of Households | Water             |            | Sanitation        |            | Refuse removal    |            | Electricity       |            |
|------------------|-------------------|-------------------|------------|-------------------|------------|-------------------|------------|-------------------|------------|
|                  |                   | Households Served | %          | Households Served | %          | Households Served | %          | Households Served | %          |
| Zululand         | 157748            | 83978             | 53%        | 82569             | 52%        | 32274             | 20%        | 110055            | 70%        |
| eDumbe           | 16138             | 10400             | 64%        | 11570             | 72%        | 3344              | 21%        | 10127             | 63%        |
| <b>uPhongolo</b> | <b>28772</b>      | <b>15026</b>      | <b>52%</b> | <b>12334</b>      | <b>43%</b> | <b>5563</b>       | <b>19%</b> | <b>21004</b>      | <b>73%</b> |
| Abaqulusi        | 43299             | 30604             | 71%        | 25590             | 59%        | 17985             | 42%        | 31223             | 72%        |
| Nongoma          | 34341             | 9435              | 27%        | 12088             | 35%        | 1461              | 4%         | 21851             | 64%        |
| uLundi           | 35198             | 18513             | 53%        | 20988             | 60%        | 6922              | 20%        | 25850             | 73%        |

## Regional Water Schemes

There are 10 regional water schemes that have been developed to roll-out water supply to the entire Zululand District Municipality). The schemes are listed hereunder and depicted in the map immediately below:

- Coronation ; Hlahlindlela ; Khambi ; Mandlakazi ; Nkonjeni ; Simdlangentsha East (uPhongolo); Simdlangentsha Central ; Simdlangentsha West; Usuthu ; Candover

Each regional scheme footprint has a sustainable water source from where infrastructure is being rolled out progressively to all households within the supply area. The supply footprints have been identified such that water can be provided to all households within the area in a sustainable manner and at the lowest possible cost (R/kl).

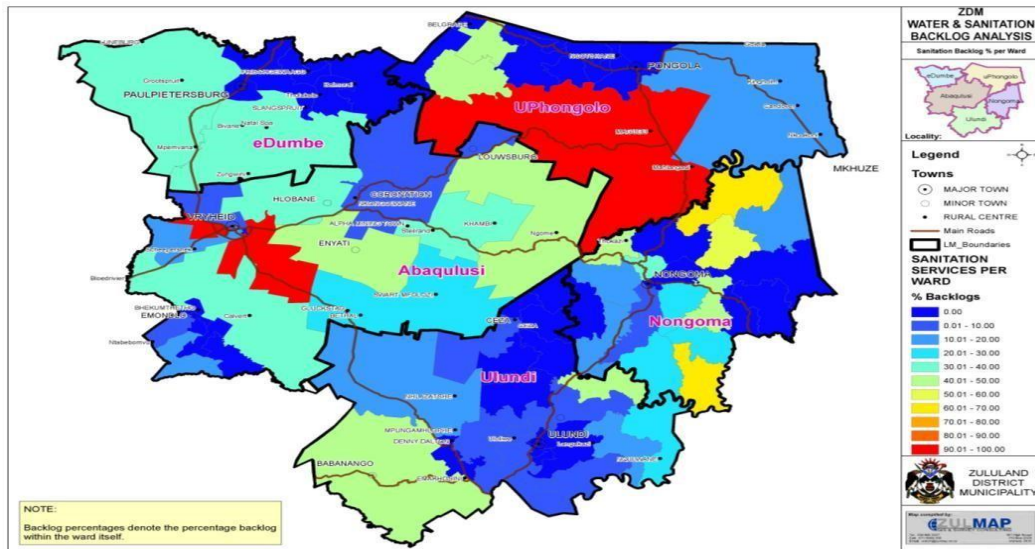
**Table 55: Sanitation Backlogs**

|                           | Inadequate (Excl. Infills/Replacements) | VIP            | Septic tank  | Waterborne    | TOTALS         |
|---------------------------|---|----------------|--------------|---------------|----------------|
|                           |   | RDP            | RDP          | >RDP          |                |
| AbaQulusi LM              | 0                                       | 0              | 1035         | 14 965        | 16 000         |
| eDumbe LM                 | 0                                       | 2981           | 498          | 1 979         | 5 458          |
| Nongoma LM                | 0                                       | 283            | 0            | 349           | 632            |
| Ulundi LM                 | 0                                       | 635            | 0            | 5 277         | 5 912          |
| uPhongolo LM              | 0                                       | 698            | 0            | 3 311         | 4 009          |
| <b>Total (urban)</b>      | -                                       | 4 597          | 1 533        | 25 881        | 32 011         |
| AbaQulusi LM              | 8 098                                   | 22 597         | 424          | 0             | 31 119         |
| eDumbe LM                 | 1 288                                   | 10 629         | 266          | 0             | 12 183         |
| Nongoma LM                | 10 755                                  | 32 989         | 0            | 0             | 43 744         |
| Ulundi LM                 | 3 222                                   | 35 801         | 52           | 0             | 39 075         |
| uPhongolo LM              | 7 223                                   | 17 951         | 336          | 0             | 25 510         |
| <b>Total (rural)</b>      | <b>30 586</b>                           | <b>119 967</b> | <b>1 078</b> | <b>0</b>      | <b>151 631</b> |
| <b>Total (households)</b> | <b>30 586</b>                           | <b>124 564</b> | <b>2 611</b> | <b>25 881</b> | <b>183 642</b> |

Source: ZDM WSDP, 2020

The table indicates sanitation backlog within the ZDM and in each of the local municipalities. While none of the urban settlements has inadequate access to sanitation, the situation in the rural areas is completely different. 30 586 rural households have inadequate access to sanitation. The majority of these are in Nongoma, Abaqulusi and uPhongolo Local Municipalities.

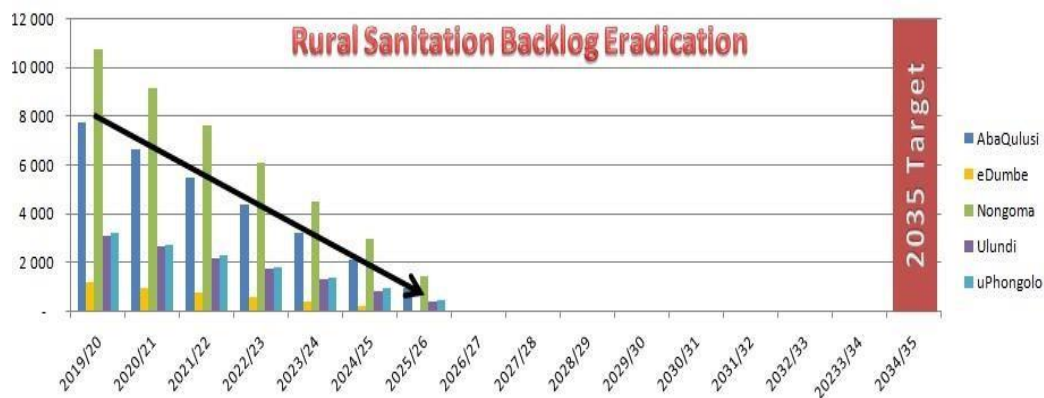
**Map 6: Sanitation Backlog**



Source: ZDM WSDP, 2020

The figure below depicts the estimated time it will take to eradicate all sanitation backlogs below RDP standard if current Municipal Infrastructure Grant (MIG) funding allocations remains constant. With the 2035 goals in mind, the backlogs in rural sanitation should be eradicated by 2026. However, settlements are continuously expanding, and household growth will maintain an increase in the future.

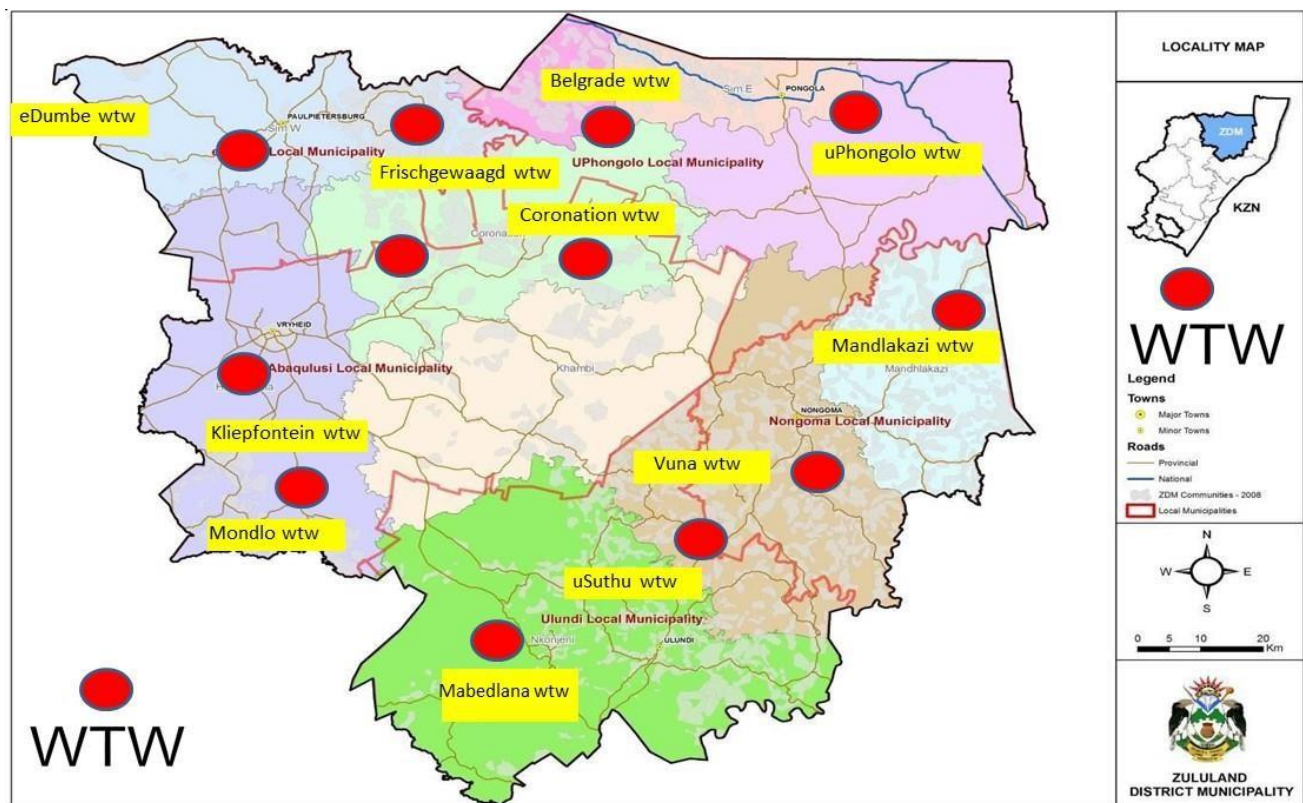
**Graph 5: Rural Sanitation Backlog Eradication**





### 3.11.4 Map Showing Wastewater Treatment Plants, Sewer Pipelines, Areas with VIP's and Conservancy Tanks.

**Map 7: The Spatial Distribution of Water Treatment Works in Zululand.**



The map above and the table below demonstrate the functional capacity of the water treatment works as a result of the protracted drought. It must be emphasised that these figures are as of November 2015.

**Table 56: The Functional Capacity of the Water Treatment Works**

| LOCAL MUNICIPALITY   | WATER TREATMENT FACILITY NAME | WATER SOURCE    |
|----------------------|-------------------------------|-----------------|
| eDumbe               | eDumbe                        | eDumbe Dam      |
| eDumbe               | Frischgewaagd                 | uPhongolo River |
| Abaqulusi            | Klipfontien                   | Klipfontein Dam |
| Abaqulusi            | Mondlo                        | Mvunyana Dam    |
| uPhongolo            | Belgrade                      | Monzana Weir    |
| Ulundi               | Mabelana                      | White Mfolozi   |
| Nongoma (Usuthu)     | Vuna/Vukwana                  | Vuna Dam        |
| Nongoma (Mandlakazi) | Mandlakazi                    | Jozini          |
| Nongoma              | Usuthu                        | Black Mfolozi   |
| uPhongolo            | uPhongolo                     | uPhongolo River |

|                      |                            |                      |
|----------------------|----------------------------|----------------------|
| Ulundi               | Mabedlana                  | White Mfolozi        |
| Abaqulusi            | Khambi                     | Khambi               |
| Abaqulusi            | Coronation                 | Coronation Dam       |
| Abaqulusi            | eNyathi                    | Spring               |
|                      |                            |                      |
| <b>RISK CATEGORY</b> | <b>MODERATE (25 – 50%)</b> | <b>LOW (&gt;50%)</b> |

### 3.12 ELECTRICITY SERVICES

uPhongolo Municipality applies GRAP 109 for the INEP projects and therefore acts as an agent. There are no income and expenses that are recognised. The Municipality is an electricity/energy provider to its communities. However, electricity within the uPhongolo Municipality is sourced through connection to the Eskom grid or non- grid electricity.

#### 3.12.1 Energy Sector Plan

The Municipality's energy/electricity plan was adopted by Council in 2020/2021 financial year and a reviewed project list for 2021/2022 financial year will be submitted to ESKOM in due course. The energy/electricity plan is being implemented in terms of the said plan taking into cognisance the approved budget.

#### 3.12.2 Operations and Maintenance Plan for Electricity

An Operations and Maintenance Plan for electrification has been drafted for implementation in 2021/2022.

#### 3.12.3 Schedule 5.B Projects (Doe Funding)

In line with the Electricity/Energy Plan, the Municipality received funding for the implementation of electricity projects from the Department of Energy.

#### 3.12.4 The Status, Backlogs, Needs and Priorities for Electricity/Energy Services

Whilst the rural areas within uPhongolo Municipality do not have adequate electricity, the urban areas enjoy abundant supply of electricity. This state of affairs has a negative bearing to the rural schools and healthcare facilities, for instance. However, new projects are being commissioned in uPhongolo. The projects are:



**Table 57: Electricity Projects**

| Project Name         |                      | Status                     | Construction Start Date | Completion Dates |
|----------------------|----------------------|----------------------------|-------------------------|------------------|
| 1 Pongola - Candover | 132 kV line          | EIAs expected in June 2018 | 2020                    | 2021             |
| 2 Golela Border post | 20 MVA 132 kV SS     | Conceptual Stage           | 2023                    | 2024             |
| 3 Tholulwazi         | 132/22 kV 20 MVA Est | Conceptual Stage           | 2023                    | 2024             |

**Table 58: INEP Projects**

| Electrification Projects (INEP)                                  | Adjusted Budget 2020/2021 | 2021/2022     | 2022/2023    |
|--|---------------------------|---------------|--------------|
|  | 7 000 000,00              | 15 000 000,00 | 8 000 000,00 |
| Ntshiyangibone & Ereyini Ward 11 & 05                            | 7 000 000,00              | -             | -            |
| Esigungwini Electrification Ward 11                              | -                         | 15 000 000,00 | -            |
| Madanyini, Mboloba, Sdakeni & Deckville Ward 09, 10, 02, 07 & 15 | -                         | -             | 8 000 000,00 |
| Klipwaal, emvunyaneni, Mavithi & Mdiyane Ward 04, 06, 11 & 03    | -                         | -             | -            |

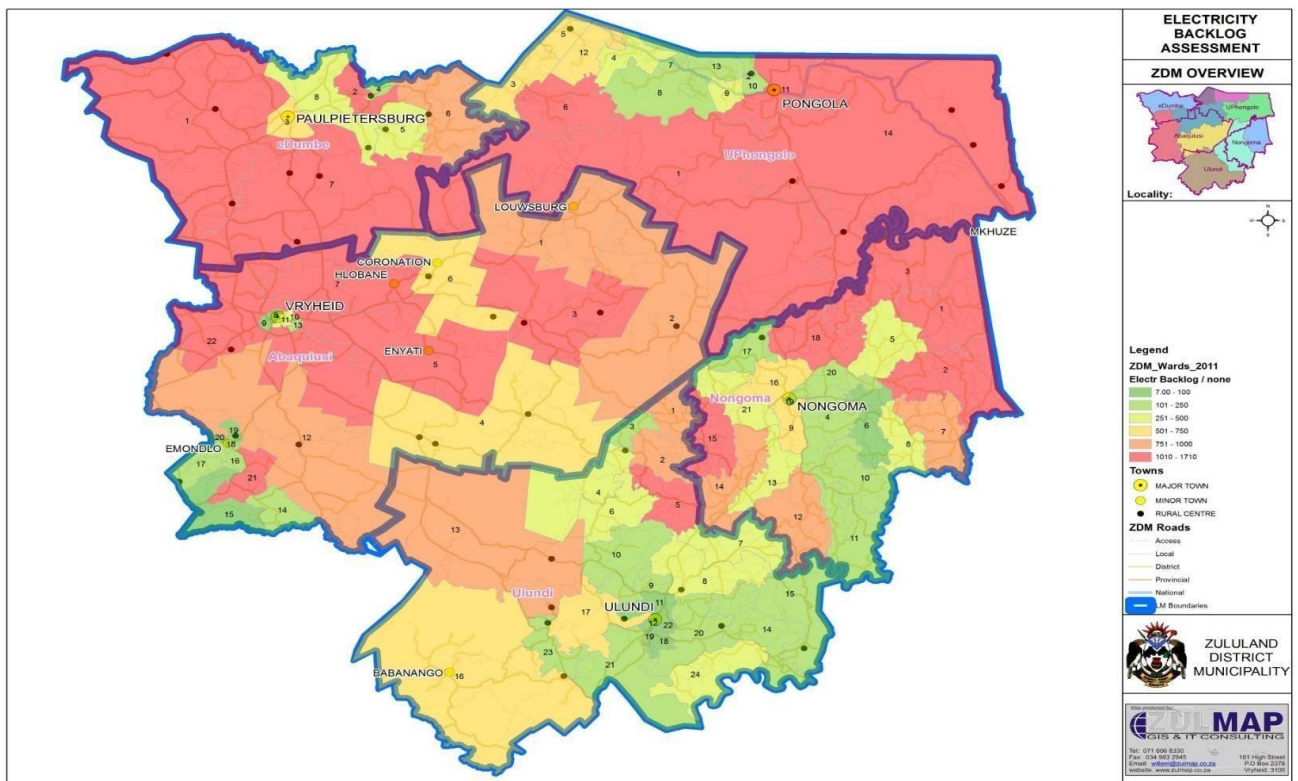
### 3.12.5 Electricity/Energy Backlogs

Energy provision focuses on rural backlogs as urban electricity is provided as part of municipal services. The details obtained for electricity provision and backlogs have been obtained from the Census 2011 figures, as can be seen in table below.

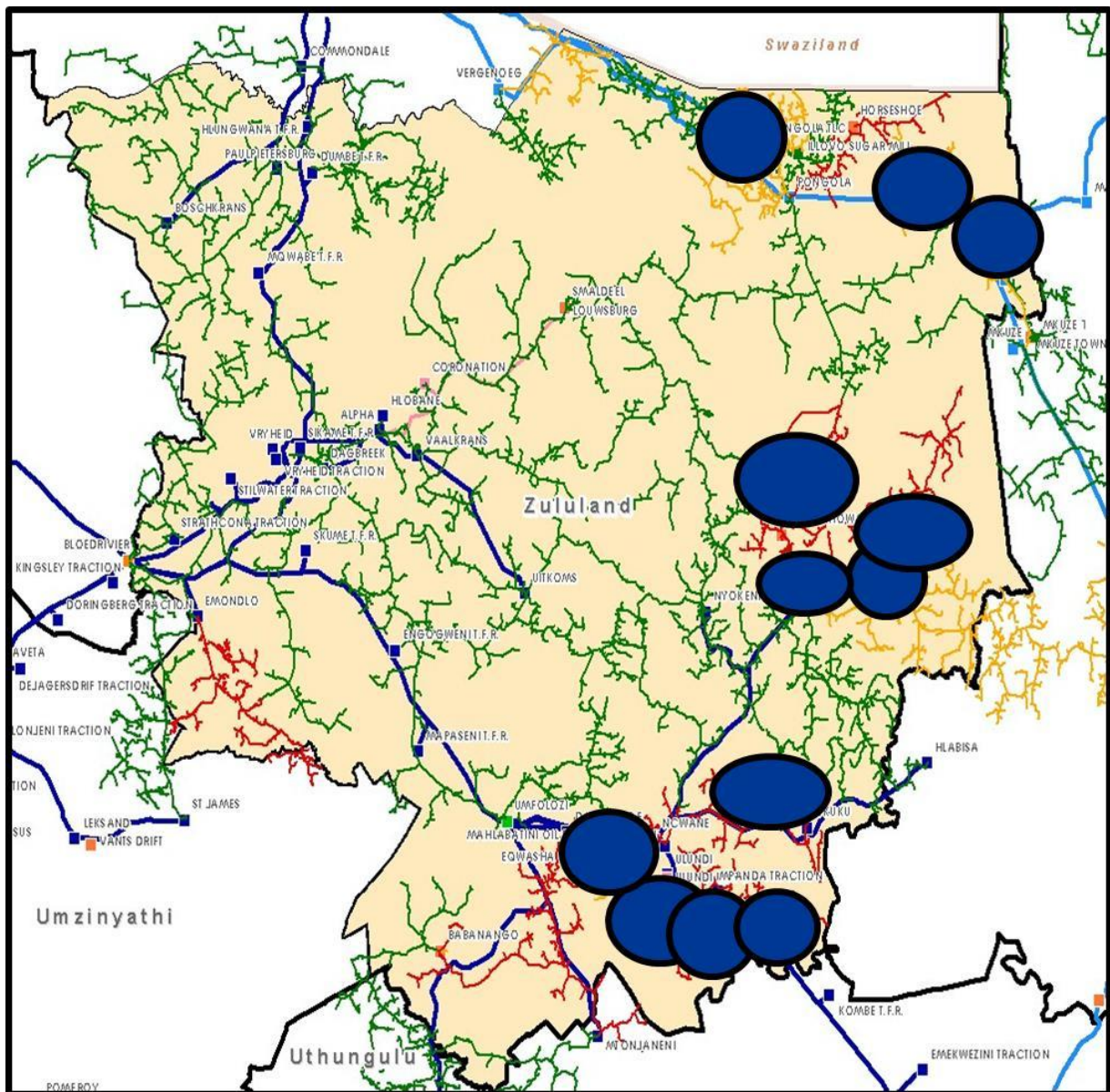
**Table 59: Energy Backlogs Per Municipality**

| Total Electricity | No. of Households | No of Households Electrified | Percentage Backlog | Backlog Per LM |
|-------------------|-------------------|------------------------------|--------------------|----------------|
| KZN263: Abaqulusi | 43,299            | 31,223                       | 12,076             | 28%            |
| KZN261: eDumbe    | 16,138            | 10,127                       | 6,011              | 37%            |
| KZN262: uPhongolo | 28,772            | 21,004                       | 7,768              | 27%            |
| KZN265: Nongoma   | 34,341            | 21,851                       | 12,490             | 36%            |
| KZN266: Ulundi    | 35,198            | 25,850                       | 9,348              | 27%            |
| <b>Total</b>      | <b>157,748</b>    | <b>110,055</b>               | <b>47,693</b>      | <b>30%</b>     |

**Map 8: Electricity Backlog Assessment**



**Map 9: Zululand District Municipality Electricity Network Constraints**



Source: Eskom (2019)

The projects set out by the Department of Energy have been implemented as follows:

- KwaMbhucu, Enkanjini and Emagiqweni – 304 connections;
- Ncontshane new RDP houses – 488 connections; and
- Ward 7 infills type 1 and 2 – 500 connections and will be completed in June 2018.

The Municipality has endured monetary losses due to the poor distribution of electricity through ageing infrastructure and poor maintenance. In an endeavour to mitigate this, the Municipality appointed service providers in 2017 to assist with metre reading and metre sweeps will be conducted to determine metres that have been bypassed or bridged illegally.

### **3.12.6 Municipal Co-ordination of Development Activities**

The Municipality has been successful in its endeavour to co-ordinate its developmental activities with relevant sector departments and service providers. The primary role of the Municipality is to facilitate the delivery of services to its communities. It is therefore imperative for the Municipality to understand the extent to which households in its area of jurisdiction have access to the various services that are essential for their livelihood including electricity.

### **3.13 WASTE MANAGEMENT (REFUSE COLLECTIONS, WASTE DISPOSAL AND RECYCLING)**

Sustainable waste management practises are more than often faced with challenges and need to be reviewed on a continuous basis to address these challenges and mitigate any risks. Waste minimisation and diversion initiatives are key to decrease the amount of waste being disposed at the waste disposal facility in Wellington. The main objective of this section is to manage the waste generated in the municipal area, in compliance to the license conditions of its facilities and the National Norms and Standards.

Public open spaces in high density areas are more than often used as illegal dumping sites. Although basic refuse collection services are delivered in these areas, the increase in informal structures and the presence of backyard dwellers, contribute to waste not being disposed of in the appropriate manner. A lack of environmental, sanitation and waste awareness often influence the way communities manage their waste.

The Wellington Disposal Facility has limited airspace available and methods to extend the lifespan of the facility is currently investigated. A waste characterization study was performed to analyse the municipal waste stream, which will assist in the strategic planning to implement the best suitable plans.

#### **3.13.1 Waste Collection Services**

The Integrated Waste Management Planning forms a critical part of the framework for local government and needs to be undertaken in accordance with the roles and responsibilities as prescribed for local government in the Constitution of the Republic of South Africa. The National Environmental Management: Waste Act 2008 (as amended by Act 26 of 2014) further describes the legal requirements for local government authorities to put in place Integrated Waste Management

Plans with a view to inform planning and budgeting in respect of waste management within a particular Municipality.

The over-arching purpose hereof is to ensure that Waste Management Planning within the local municipalities is aligned with National Policy and Standards. Furthermore, it must be sustainable, practical, implementable and acceptable to all key role players and parties expected to implement the plan and that appropriate management frameworks and capacity are in place for the local municipality to discharge its responsibilities for delivery of waste management services. It follows, therefore, that uPhongolo Municipality is thus responsible for solid waste management within the municipality.

### **3.13.2 The Status Backlogs, Needs and Priorities for Solid Waste Collection, Removal And Disposal**

Landfill sites are developed and managed by means of the Landfill Permit System, instituted in terms of the provisions of Section 20 of the Environment Conservation Act (ECA) (Act No. 73 of 1989), which requires that Minimum Requirements are implemented and enforced. The Act states that no person shall establish, provide or operate any disposal site without a permit issued by the Minister of Water and Environmental Affairs and subject to the conditions contained in such a permit. This applies to all new and operating sites. Un-permitted closed sites may be controlled in terms of Section 31A of the ECA.

The permit holder/landowner in the case of non-permitted sites is ultimately responsible and accountable for the landfill and any effect it may have on the receiving environment. He/she may appoint a Responsible Person to operate the site in accordance with the Minimum Requirements. The Responsible Person must be qualified to the satisfaction of the Department of Water and Environmental Affairs and must be capable of understanding and correctly applying the Minimum Requirements.

The Minimum Requirements for Waste Disposal by Landfill, second edition published by the Department of Water and Environmental Affairs in 1998, allows for different classes of landfill sites based on size, type and potential threat to the environment. uPhongolo Municipality has a registered waste disposal facility which complies with the standards of the Department of Water and

Environmental Affairs. There are 2 waste disposal/ landfill sites in the uPhongolo Municipality. uPhongolo Municipality's status and database of existing facilities is shown in the following table:

**Table 59: Status and Database of Existing Facilities in uPhongolo Municipality**

| uPhongolo Disposal site/ Landfill | DWAF Permit status | Monthly waste disposed | Description of wastes disposed                  | Expected Lifespan | Prioritised in the IDP |
|-----------------------------------|--------------------|------------------------|---|-------------------|------------------------|
| uPhongolo Landfill                | Permitted (GSB)    | 1058.8 tons            | Domestic refuse                                 | 15 years          | No                     |
| Belgrade Illegal Disposal Site    | Not Permitted      | 2 tons                 | Domestic and garden refuse and builder's rubble | Unknown           |                        |

**Table 60: Refuse Removal Backlogs Per Municipality**

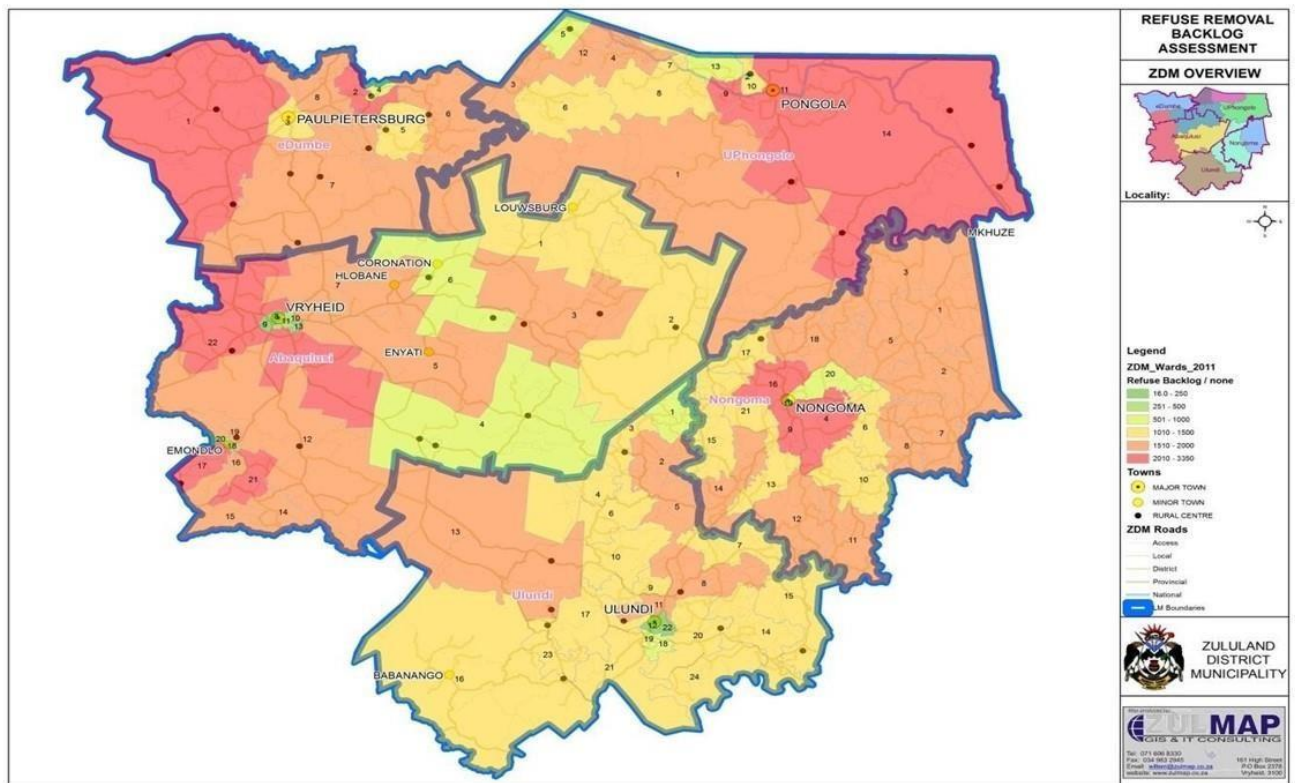
| REFUSE            | Total Households | No of H/H with refuse removal | No of H/H Backlog | % per LM      | Backlog |
|-------------------|------------------|-------------------------------|-------------------|---------------|---------|
| KZN263: Abaqulusi | 43,299           | 25,688                        | 8,255             | 59.33%        |         |
| KZN261: eDumbe    | 16,138           | 12,738                        | 3,640             | 78.93%        |         |
| KZN262: uPhongolo | 28,772           | 22,245                        | 3,868             | 77.31%        |         |
| KZN265: Nongoma   | 34,341           | 32,769                        | 4,021             | 95.42%        |         |
| KZN266: Ulundi    | 35,198           | 28,309                        | 8,367             | 80.43%        |         |
| <b>Total</b>      | <b>157,748</b>   | <b>121,749</b>                | <b>28,151</b>     | <b>77.18%</b> |         |

### 3.13.3 Refuse Removal Backlog Assessment

The Zululand District Municipality conducted a Waste Disposal Regionalisation Study in 2007 to investigate various options for resolving the issue illegal waste disposal sites that require closure owing to their illegality. Recommendations that emanate from the study include the regionalisation of waste disposal, which include regional waste disposal sites in Vryheid and Ulundi, with some sites being used as transfer stations. The map below indicates the solid waste refuse removal backlog spatially:



**Map 10: Refuse Removal Backlog Assessment**



**3.13.4 Ownership of Waste Disposal Sites**

uPhongolo Municipality owns two (2) waste disposal facilities namely: Mkhuze Disposal Site and uPhongolo Landfill Site. The former is utilised by Jozini Municipality whilst uPhongolo Municipality utilises the latter. There are discussions underway between Jozini and uPhongolo Municipalities with regard to the operation and lease agreement). In the circumstances, both landfill sites are operational and licensed accordingly.

**3.13.5 The State of Waste Disposal Site**

There are four important factors in this regard that have a direct impact on the state of waste disposal sites namely Engineering, Auditing, Lifespan and Licensing. Together these factors assist the Municipality to determine whether or not the state of the waste disposal site is conducive for and in compliant with the applicable legislation. It is worth noting that currently only the uPhongolo and Jozini Sites are operational and licensed to operate. However, uPhongolo Municipality only uses one of the two sites since the other one is used by Jozini Municipality, having leased same to the latter Municipality.

### 3.13.6 Collection of Solid Waste Management

uPhongolo Municipality currently collects waste in Ncotshane Township, Belgrade, Golela and Magudu residential areas (semi-urban areas) as well as the uPhongolo Town and industrial areas. Waste disposed on a monthly basis consists of garden refuse, domestic waste, builders' rubble and sawdust.

The following tons of waste are produced in the following areas per day/week.

**Table 61: Waste Produced and Collected**

| Area                   | Tons per Week |
|------------------------|---------------|
| Belgrade               | 6 tons/week   |
| uPhongolo              | 25 tons/day   |
| Townships & Sugar Mill | 4 tons/week   |

#### 3.13.6.1 Solid Waste Challenges

- A need for infrastructural support such as a good road network and waste transport system.

#### 3.13.6.2 Integrated Waste Management Plan

The municipality has a Draft Integrated Waste Management Plan in place. Currently, public participation process has started and will be tabled to Council when the public participation process has been concluded.

#### 3.13.6.3 Progress of Implementation: Integrated Waste Management Plan

The Draft Integrated Waste Management Plan has an implementation plan in place with projects such as (i.e. operation of landfill site/s, waste collection, provision of waste bins and skips at strategic locations, compactor trucks and tractors, waste recycling, refuse bags, illegal dumping, etc.) are being implemented. The Municipality has intentions to ensure that by-laws applicable to waste management shall be passed during 2020/2021 financial year.

#### 3.13.6.4 Waste Diversion

uPhongolo Municipality has considered and recognised the immense potential value that can be derived from waste diversion. The Municipality has then decided to explore this potential by, amongst others, entering into agreement with Hlanganisani Izibi Waste Recycling. The essence of the agreement is to oversee the waste diversion program within uPhongolo and create employment



opportunities for members of the local communities. It is envisaged that in line with the spirit of waste diversion, the following shall form part of the processes: waste recycling, waste reduction, waste reuse and separation of waste products. Waste diversion shall ensure a longer life term for the landfill site.

### **3.14 HOUSING**

The Housing and Human Settlements Division of the Municipality is located in the Department: Community Development. It consists of two sections, namely Housing Projects and Technical Support Services and Rental Stock and Housing Demand and Operations.

#### **3.14.1 Housing Administration**

The Housing Administration Section is responsible for the management and maintenance of over 3,000 rental units, the management of the housing demand data base (i.e. the waiting list for housing opportunities) and maintenance of basic services to informal settlements.

uPhongolo Municipality has completed its review for Housing Sector Plan dated March 2020. The Housing Sector Plan (HSP) is a policy framework that undertakes a strategic analysis of housing issues and introduces a number of objectives, strategies and programmes to facilitate the development of sustainable human settlements. It is meant to guide the municipality in performing its functions and implementing its role as articulated in the National Housing Act, No. 107 of 1998 and in Section. The purpose and objectives of the HSP are:

- To ensure that there is a definite focus on human settlements in the IDP and provide for a link between integrated development planning and the practical delivery of housing;
- To facilitate the reduction of the housing backlog in line with norms and standards in the human settlements sector;
- To facilitate the development of sustainable human settlements;
- To provide greater spatial linkages between the spatial development framework and the physical implementation of projects on the ground;
- To provide a formal and practical method of prioritizing housing projects;
- To ensure the effective allocation of limited resources (specifically financial and human) to a large pool of potential development interventions; and
- To facilitate rapid and cost-effective release of land for human settlement development purposes.

The reviewed uPhongolo Housing Sector Plan dated March 2020 will be used by the Department of Human Settlements to assess projects and allocate funds in the short to medium term, as well as monitor progress against national housing targets. In addition, it will inform planning at a strategic level and facilitate alignment between bulk infrastructure development and housing delivery. The HSP will provide information on the programmes of the Department of Human Settlements available for delivery in the context of uPhongolo Municipality. The aim is to move beyond the provision of basic shelter towards achieving the broader vision of sustainable human settlements and efficient spatial systems.

The plan will need to be reviewed periodically to identify emerging gaps, update information and take into account changes in the human settlements sector, emerging (new) human settlement needs in the uPhongolo Municipality, changes in development trends and progress made in the implementation of the plan.

#### **3.14.2 UPhongolo Municipality as Housing Developer for Human Settlements**

The constitutional responsibility for housing delivery lies with National and Provincial Government. However, section 9(2)(a) of the Housing Act provides for the participation by municipalities in national housing programmes by, amongst other things, acting as a developer in respect of the planning and execution of a housing development project, facilitating and supporting the participation of other role players in the housing development process, or administering any national housing programme in respect of its area of jurisdiction in accordance with section 10 of the Act. uPhongolo Municipality is thus the developer for human settlements in its area of jurisdiction and is dependent on bulk infrastructure that is planned, co-ordinated and implemented at the district level.

The uPhongolo Municipality intends to work towards capacitating itself to apply for Level 1 accreditation, to be able to inherit more functions with regards to housing and be provided with accreditation funding to administer those functions.

#### **3.14.3 Housing Sector Plan**

uPhongolo Municipality has completed its review for Housing Sector Plan dated March 2020.

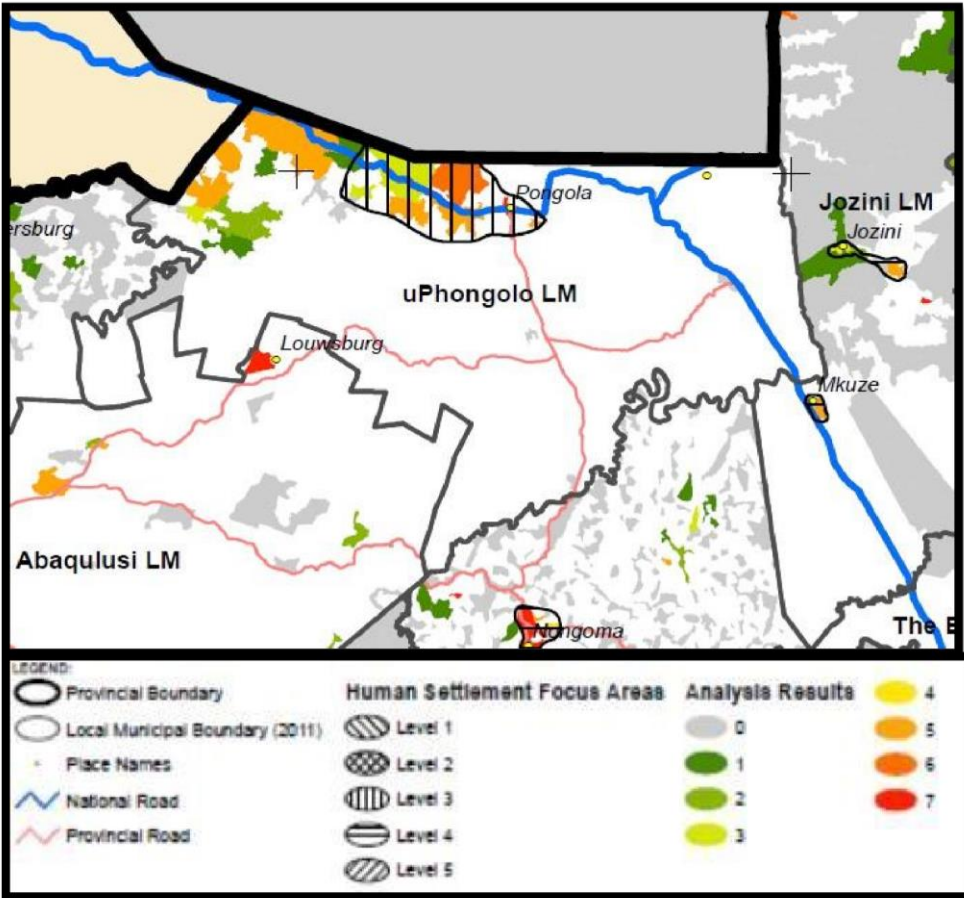
#### **3.14.4 Alignment of Housing Sector Plan to KZN Human Settlements Spatial Master Plan (2030)**

The reviewed uPhongolo Municipality Housing Sector Plan, March 2020 is aligned with the KZN Human Settlements Spatial Master Plan. The KZN Provincial Master Spatial Plan aims to translate the Provincial Growth and Development Plan into a detailed implementation plan for assisting

with the identification of suitable land for housing delivery in the province. It focuses on strategic goal 3 (Human and Community Development) and strategic objective 3.4 of the PGDP which talks to the promotion of sustainable human settlements. The plan broadly identifies focus areas for investment in human settlements in the province, in alignment with the Provincial Spatial Development Framework.

The plan identifies areas in and around Pongola Town and Ncotshane Township and areas located along the N2 from Pongola Town to Mkhwakhweni as provincial human settlement investment focus areas within uPhongolo municipality. These areas are identified as Level 3 provincial human settlement investment focus areas. Pongola town is identified as a tertiary node for human settlements investment in the province. It is noted that some areas within the municipality are not identified as provincial human settlement investment focus areas, but this does not mean that no human settlement development will be supported outside the identified focus areas. It is acknowledged that these areas also have communities in need of land for housing and that meet the norms and standards of the Department of Human Settlements.

**Map 11: KZN MSP HS Investment Focus Areas**



The KZN Human Settlements Master Spatial Plan identifies areas in and around Pongola Town and Ncotshane Township and areas located along the N2 from Pongola Town to Mkhwakhweni as provincial human settlement investment focus areas within UPhongolo municipality. These areas are identified as Level 3 provincial human settlement investment focus areas. Pongola town is identified as a tertiary node for human settlements investment in the province. The proposed human settlement investment focus areas are as indicated in the map aside.

Source: uPhongolo Municipality Housing Sector Plan, March 2020

### 3.14.5 Housing Chapter Highlighting Housing Needs and Planned Projects

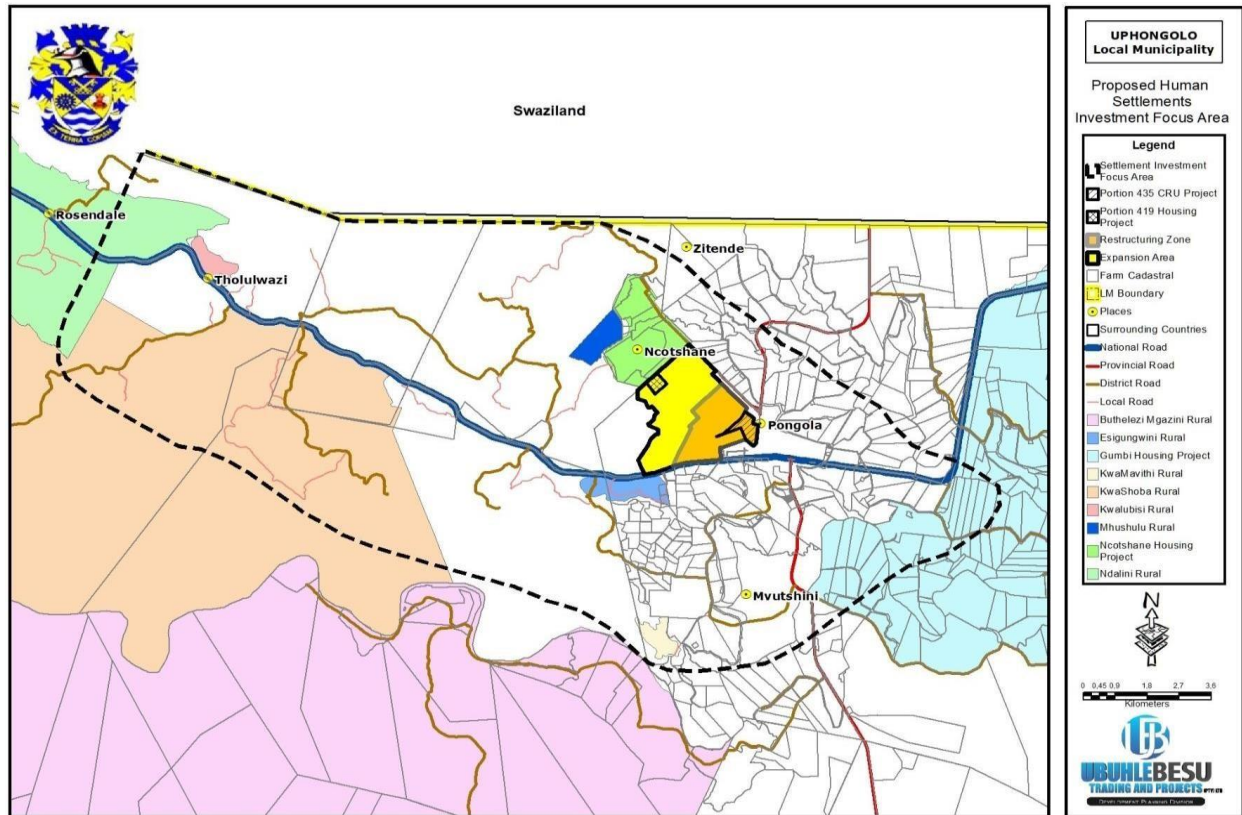
The uPhongolo HSP aims to serve as the “Housing Chapter” to be included in the municipality’s IDP. The preparation of such Housing chapter allows the uPhongolo LM to address the need for housing holistically in an integrated manner. The HSP aims to facilitate the creation of sustainable human settlements and provide a range of housing products in safe, accessible and affordable locations. Its objectives include:

- To respond to the housing need.
- To serve as a guiding framework for the planning and implementation of human settlement projects.
- To accelerate human settlement development in line with the national and provincial policy directives.
- To facilitate rapid and cost-effective release of land for human settlement development purposes.
- To build capacity for effective human settlement development.
- To embrace informality and work towards the eradication of slums
- To contribute towards spatial transformation and the creation of sustainable, integrated human settlements. The Housing Chapter provides guidelines that recommend the IDP processes and activities that form part of the analysis thereof. The guidelines include the following:
  - ⇒ An analysis of service gaps and resource potentials;
  - ⇒ A participatory-based community and stakeholder level analysis;
  - ⇒ Cross-sectoral municipality-level analysis in respect of (a) economic, (b) environmental, (c) institutional, (d) spatial and (e) socio-economic matters;
  - ⇒ The prioritisation of issues; and ⇒ In-depth analysis of issues.

It is through this process that issues that affect development in the Municipality can be identified and explored. It is therefore safe to hold that the IDP has incorporated the Housing Chapter as recommended and envisaged by the Part 3 of the Housing Code.

### 3.14.6 Existing and Planned Housing Projects

**Map 12: Existing Housing Projects**



Source: uPhongolo Municipality Housing Sector Plan, March 2020

The table below provides the municipality’s human settlements development strategies. Development strategies provide a practical way of providing solutions to the identified priority or problem issues. The development strategies below are linked with the existing problems and the desired human settlements development objectives. To enable the best choice of solution, the development strategies have to be guided by the guiding principles enshrined in the housing policy and legislation and are congruent with the national and provincial human settlements strategies, projects, targets and priorities.

**Table 61: Development Strategies**

| No. | PRIORITY ISSUE / FOCUS AREA            | STRATEGIC GOAL / OBJECTIVE  | DEVELOPMENT STRATEGIES / ACTIONS   |
|-----|--|---|--|
| 1   | Sustainable and integrated development | To facilitate spatial integration and the development of sustainable human settlements                | <ul style="list-style-type: none"> <li>● Prioritise projects located within development nodes and along development corridors identified in the Spatial Development Framework</li> <li>● Ensure effective and efficient processes in planning for sustainable human settlements</li> <li>● Ensure that housing development is economically,</li> <li>● socially as well as financially affordable and sustainable</li> <li>● Promote densification in human settlement projects</li> <li>● Promote diversification in housing typologies and encourage the development of mixed income housing</li> <li>● Promote inclusionary housing, whereby a proportion of market-related units within a new residential development is allocated to affordable units for low income households.</li> </ul>                   |
| 2   | Land identification and release        | To ensure efficient identification, acquisition and release of land for human settlements development | <p>5.5</p> <ul style="list-style-type: none"> <li>● Undertake a detailed land audit and create a database of all potential land based on the criteria defined in section</li> <li>● Identify suitable land for development of human settlements, in the short, medium or long term, with a particular focus on land around Pongola Town.</li> <li>● Initiate and action any land acquisition and land release processes that may be required</li> <li>● Undertake pro-active actions of making land ready for future housing development.</li> <li>● Facilitate private public partnerships (PPPs) and negotiate with private landowners regarding land for strategic human settlement projects.</li> <li>● Solicit the services of the Housing Development Agency for assistance with land acquisition</li> </ul> |

|   |  |  |   |   |
|---|--|--|---|---|
| 3 | Infrastructure provision                         | To facilitate the provision of social, bulk and economic infrastructure as part of human settlements development |   | <ul style="list-style-type: none"> <li>● Ensure adequate provision of infrastructure to meet current and future needs</li> <li>● Timeously engage the relevant service authorities to provide infrastructure in human settlements, to benefit any future housing projects</li> <li>● Facilitate programmatic service level agreements with Eskom and Zululand DM in respect of electricity and bulk services respectively.</li> </ul> |
|   |  |  |   | <ul style="list-style-type: none"> <li>● Address current service backlogs</li> </ul>  |
|   |  |  |   | <ul style="list-style-type: none"> <li>● Develop internal expertise to operate and administer bulk engineering services</li> </ul>  |
| 4 | Partnerships and co-operation                    | To ensure the creation of effective synergistic partnerships and intergovernmental relations                     |   | <p>Create strategic public-private partnerships to:</p> <ul style="list-style-type: none"> <li>● promote human settlements development</li> <li>● Facilitate a conducive environment to receive technical and financial support from stakeholders</li> <li>● Maintain relations with all the stakeholders listed in section 6.3 and source their support, as and when needed</li> </ul>   |
| 5 | Land tenure upgrading                            | To use human settlement projects as an instrument for land tenure upgrading                                      | <ul style="list-style-type: none"> <li>●</li> <li>●</li> <li>●</li> </ul> | <p>Support access to land and land tenure upgrading</p> <p>Prioritise projects where opportunities for the transfer of properties to beneficiaries exist</p> <p>Prioritise and accelerate the issuing of title deeds</p>  |
|   |  |  | <ul style="list-style-type: none"> <li>●</li> </ul>                       | <p>Facilitate the implementation of EEDBS, which is aimed at facilitating the transfer of pre-1994 public housing stock to occupants</p>  |
| 6 | Housing provision and addressing housing backlog | To accelerate the delivery of housing in line with national and provincial norms and standards                   | <ul style="list-style-type: none"> <li>●</li> <li>●</li> </ul>            | <p>Implement the national housing needs register as per section 6.5 as a mechanism to quantify and monitor the housing need, as well as allocate housing opportunities. Undertake effective planning for the delivery of housing units in response to the housing backlog.</p>  |
|   |  |  | <ul style="list-style-type: none"> <li>●</li> </ul>                       | <p>Implement human settlement projects across the various subsidy instruments provided for in the national housing policy, with greater focus on the subsidy instruments / programmes currently being prioritized by the funder (Department of Human Settlements)</p>   |
|   |  |  | <ul style="list-style-type: none"> <li>●</li> </ul>                       | <p>Undertake rapid assessment, grading and prioritization of informal settlements as well as preparation of upgrading plans for each of the informal settlements</p>  |
|   |  |  | <ul style="list-style-type: none"> <li>●</li> </ul>                       | <p>Review the uPhongolo Municipality HSSP annually.</p>   |
|   |  |  | <ul style="list-style-type: none"> <li>●</li> </ul>                       | <p>Establish a project management system for human settlement projects.</p>   |

|   |                            |   |  |
|---|----------------------------|---|--|
|   |                            |   | <ul style="list-style-type: none"> <li>• Undertake strict monitoring of project plans / project programmes</li> </ul>  |
| 7 | Capacity building          | To enhance the capacity of the municipality to enable more effective and efficient development of human settlements | <ul style="list-style-type: none"> <li>• Review organogram and identify future needs in the housing unit.</li> <li>• Fill all vacant posts and appoint suitably qualified and experienced personnel</li> <li>• Identify lacking skills and facilitate continuous staff training and capacity building.</li> </ul>  |
| 8 | Local economic development | To use human settlement projects as a catalyst for local economic development.                                      | <ul style="list-style-type: none"> <li>• Enroll and implement human settlement projects through</li> <li>• the Expanded Public Works Programme (EPWP)</li> <li>• Establish and implement a contractor-training programme in coordination with institutions such as the NHBRC</li> <li>• Promote the use of local labour and companies in the implementation of human settlement projects</li> <li>• Promote the involvement of women and youth in human settlement projects</li> </ul> |
|   |                            |   |  |
|   |                            |   |  |

Addressing this housing need requires a tailor-made, focused approach, one that uses one or a combination of the following three broad categories of housing delivery:

- ✦ To provide integrated, functional residential development that is complemented necessary social and economic amenities.
- ✦ The provision of tenure: The provision of tenure basically involves a Township Establishment process, which includes designing the layout, drafting the application and submitting it to Council, an EIA process, and surveying the township.
- ✦ The supply of essential services: The supply of essential services is an engineering aspect and involves the design and implementation of engineering services (water, sanitation, electricity and roads).
- ✦ The construction of top structures: The third component of housing and tenure delivery is the construction of top structures.

The Municipality's future housing projects go beyond the delivery of housing units and focus on the creation of sustainable communities and settlements. This includes improving



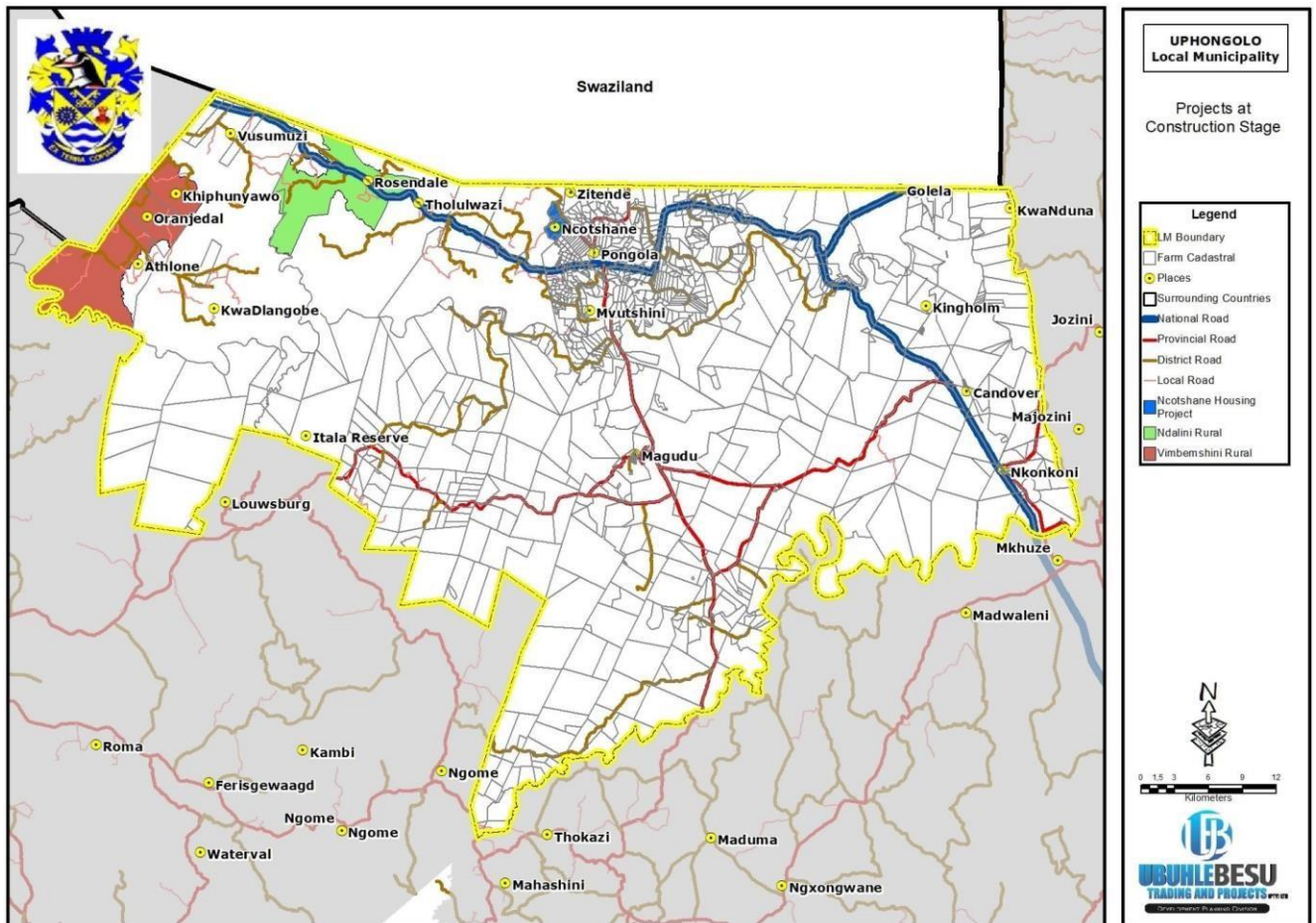
access to basic services, social/public facilities and creating opportunities for economic development.

**Table 63: Projects at Construction / Implementation Stage**

| PROJECT NAME                       | NO. OF UNITS | WARD | PROGRAMME     | YEARS         |               |         |
|------------------------------------|--------------|------|---------------|---------------|---------------|---------|
|                                    |              |      |               | 2020/21       | 2021/22       | 2022/23 |
| KwaLubisi Rural Housing Project    | 500          | 7    | Rural Housing | 24 637 069,33 | 12 318 534,67 |         |
| Ndalini Rural Housing Project      | 1000         | 4    | Rural Housing | 24 637 069,33 | 12 318 534,67 |         |
| Vimbhemshini Rural Housing Project | 1000         | 3    | Rural Housing | 24 637 069,33 | 12 318 534,67 |         |
| Ncotshane Housing Project          | 400          | 10   | IRDP          |               |               |         |

Source: uPhongolo Municipality Housing Sector Plan, March 2020

**Map 13: Indicating Projects at Construction/Implementation Stage**

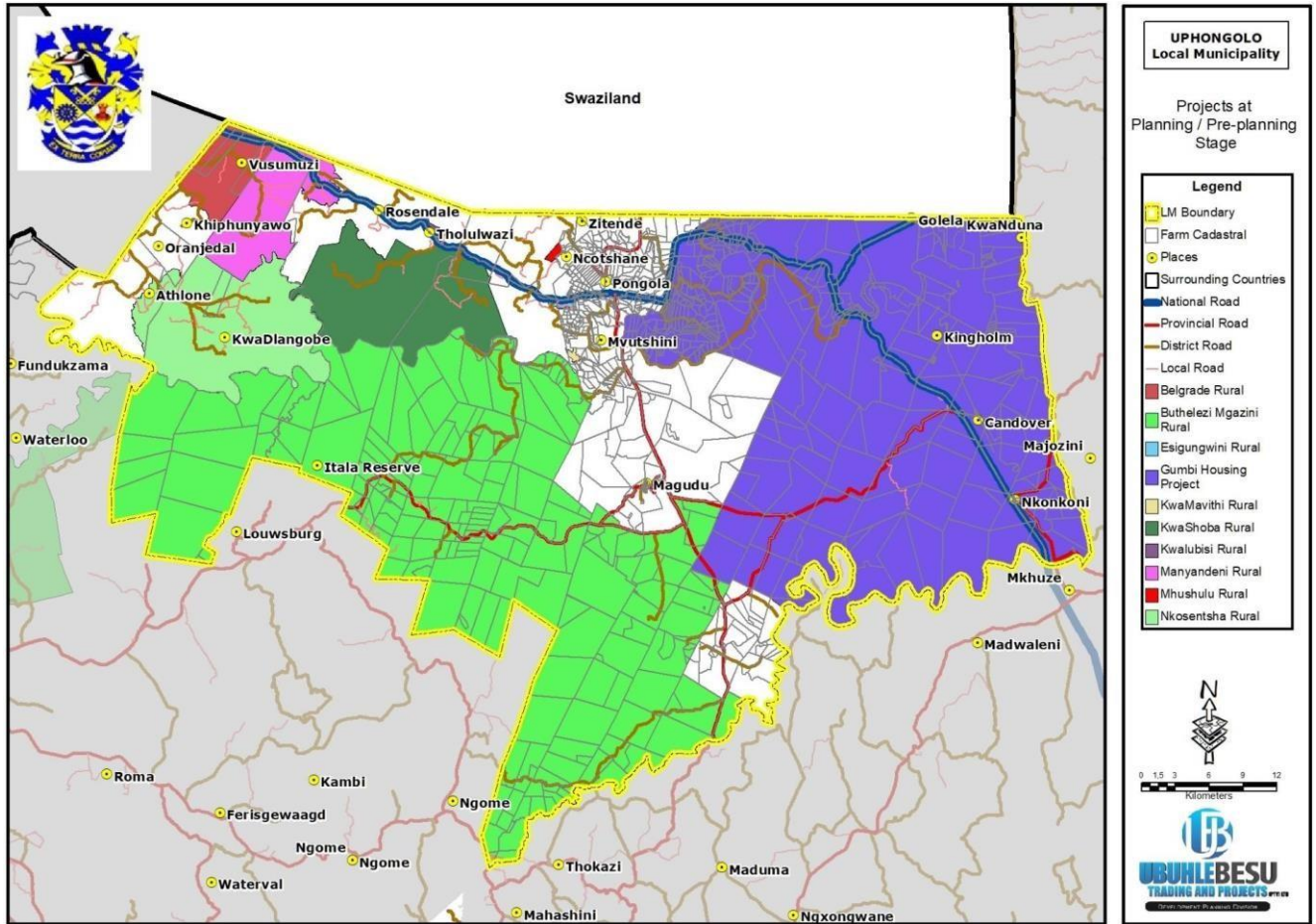


Source: uPhongolo Municipality Housing Sector Plan, March 2020

**Table 64: Indicating Projects at Pre-Planning / Planning Stage**

| PROJECT NAME                            | NO. OF UNITS | WARD   | PROGRAMME                   | ESTIMATED BUDGET | YEARS   |         |         |         |         |
|---|--------------|--------|-----------------------------|------------------|---------|---------|---------|---------|---------|
|   |              |        |                             |                  | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 |
| Belgrade Urban Housing Project          | 1000         | 5      | IRDP                        | R162 852 260,00  |         |         |         |         |         |
| Belgrade Rural Housing Project          | 1000         | 5      | Rural Housing               | R110 947 000,00  |         |         |         |         |         |
| Sgungwini Urban Housing Project         | 500          | 11     | IRDP                        | R81 426 130,00   |         |         |         |         |         |
| Msuzwaneni Rural Housing Project        | 250          | 9      | Rural Housing               | R27 736 750,00   |         |         |         |         |         |
| Mphafeni Rural Housing Project          | 250          | 9      | Rural Housing               | R27 736 750,00   |         |         |         |         |         |
| Pongola Portion 435 CRU                 | 500          | 10     | Community Residential Units | R150 000 000,00  |         |         |         |         |         |
| Magengeni Rural Housing Project         | 500          | 13     | Rural Housing               | R55 473 500,00   |         |         |         |         |         |
| Ntshiyangibone Rural Housing Project    | 500          | 11     | Rural Housing               | R55 473 500,00   |         |         |         |         |         |
| Mkhwakhweni Rural Housing Project       | 500          | 13     | Rural Housing               | R55 473 500,00   |         |         |         |         |         |
| Mhushulu Rural Housing Project          | 500          | 13     | Rural Housing               | R55 473 500,00   |         |         |         |         |         |
| Nkosentsha Rural Housing Project        | 1000         | 6      | Rural Housing               | R110 947 000,00  |         |         |         |         |         |
| KwaShoba Rural Housing Project          | 1000         | 8      | Rural Housing               | R110 947 000,00  |         |         |         |         |         |
| Buthelezi/Mgazini Rural Housing Project | 1000         | 1      | Rural Housing               | R110 947 000,00  |         |         |         |         |         |
| Manyandeni Rural Housing Project        | 1000         | 12     | Rural Housing               | R110 947 000,00  |         |         |         |         |         |
| Ncotshane Section C Housing Project     |              | 10 & 2 |                             |                  |         |         |         |         |         |
| Mdonini Rural Housing Project           | 250          | 9      | Rural Housing               | R27 736 750,00   |         |         |         |         |         |
| Mahlangosi Rural Housing Project        | 686          | 14     | Rural Housing               | R76 109 642,00   |         |         |         |         |         |
| Pongola Portion 419                     |              | 10     | IRDP                        |                  |         |         |         |         |         |
| Mboloba Rural Housing Project           | 500          | 10     | Rural Housing               | R55 473 500,00   |         |         |         |         |         |
| Mavithi Rural Housing Project           | 500          | 11     | Rural Housing               | R55 473 500,00   |         |         |         |         |         |
| Mhushulu Rural Housing Project          | 500          | 13     | Rural Housing               | R55 473 500,00   |         |         |         |         |         |

**Map 14: Indicating Projects at Pre-Planning / Planning Stage**



uPhongolo Municipality Housing Sector Plan, March 2020

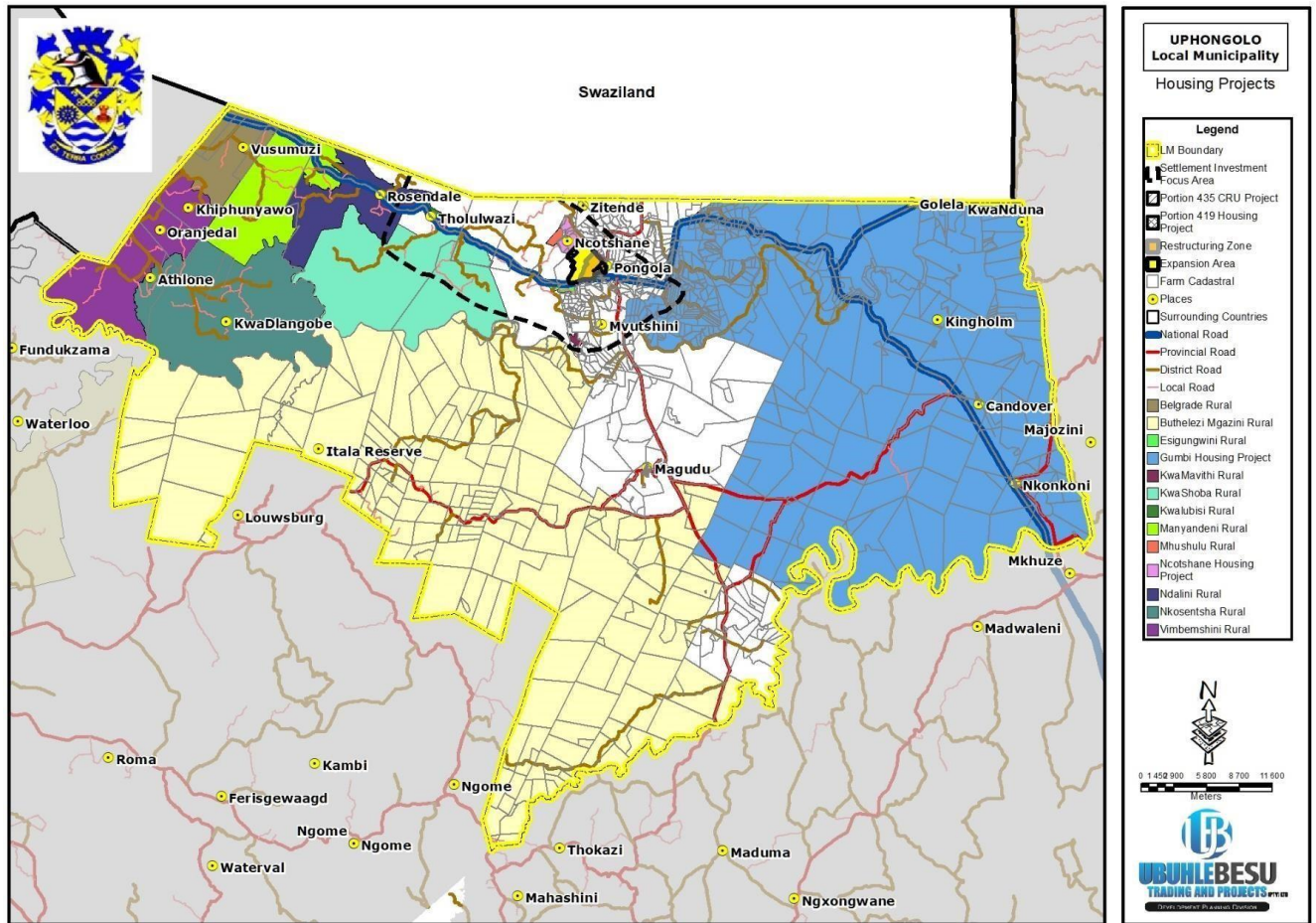
**Table 65: Pipeline Projects**

| PROJECT NAME                        | NO. OF UNITS | WARD | PROGRAMME      | ESTIMATED BUDGET | YEARS   |         |         |         |         |
|-------------------------------------|--------------|------|----------------|------------------|---------|---------|---------|---------|---------|
|                                     |              |      |                |                  | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 |
| Pongola Town IRDP Housing Project   | 500          | 10   | IRDP           | R81 426 130,00   |         |         |         |         |         |
| Pongola Town Social Housing Project | 300          | 10   | Social Housing | R120 000 000,00  |         |         |         |         |         |

uPhongolo Municipality Housing Sector Plan, March 2020



**Map 15: Housing Projects**



Source: uPhongolo Municipality Housing Sector Plan, March 2020

### 3.14.7 Level of Services and Backlogs

The uPhongolo Municipality Housing Vision:

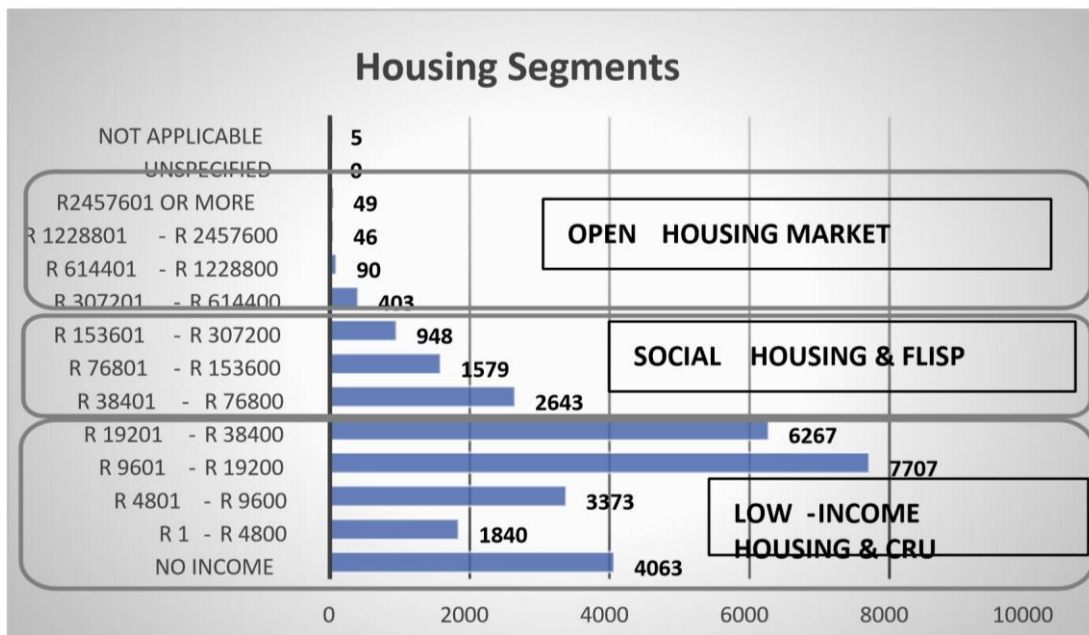
“To have uPhongolo residents housed in sustainable settlements by improving quality of household life.”

The vision, objectives and strategic interventions of uPhongolo Municipal Housing Plan respond to the housing needs within the Municipality. The Municipality has undertaken the development of sustainable human settlements with a broader spatial restructuring framework, incorporating the principles of the National Spatial Development Plan, and the National Urban Strategy. The Municipality has a Housing Sector Plan which is a working document that guides all other role-players to set in motion the process of housing delivery that will be able to:

- Quantify the housing needs;
- Identify the structures that need to be created to effectively address the housing need; and
- Identify housing projects, linked to actual needs, available resources and responsibilities of relevant role-players.

The Municipality will take into cognisance of the objectives of the Comprehensive Plan for the Development of Sustainable Human Settlements and the Guidelines for the Implementation of Labour Intensive Infrastructure Projects under the Expanded Public Works Programme (EPWP) in all its Human Settlements projects. The Provincial Departments of Human Settlements must ensure that all municipalities align their human settlements projects in accordance with national targets that seek to achieve national priorities.

**Graph 6: Potential Housing Demand per Market Category**



Source: Statistics SA, Census 2011

The figure above provides an indication of the extent of housing need, based on the income eligibility criteria for subsidized housing as provided for in the National Housing Policy. It also goes further to indicate where such need exists, within the broad programmes available for housing delivery.

The graph shows that the households in the municipality generate extremely low annual incomes. A negative correlation exists between the number of households and the income levels; as the income levels increase, the number of households within those high income regions plummets substantially. It is anticipated that some of these would be incomes generated from social grants administered by government. This would signify the existence of welfare reliant communities. Approximately 23 250 households (80,13%) of households in uPhongolo Municipality are eligible for low cost housing subsidies based on income criteria. This includes about 4 063 (14%) of households who do not have access to disposable income at all.

5 170 (17.82%) qualifies for social housing, gap housing and the Finance Linked Individual Subsidy Programme (FLISP). While social housing caters for those in need of rental accommodation, FLISP requires an individual beneficiary to access mortgage bond from a financial institution or pay the balance of the value of the house themselves. It targets first time homebuyers earning R3 501 to R22 000 per month. It is noted however that the demand for the gap-housing product is difficult to estimate as it fluctuates with interest rate changes and employment levels and depends on the number of families who voluntarily choose to make longer-term financial commitments. The open housing market, which is provided for by the private sector, accounts for 2.03% of households.

From the above, it is apparent that there is a high proportion of households/individuals within the low-income categories that can qualify for fully subsidised housing (less than R3 500/month).

### **3.14.8 Housing Typology Based Demand Analysis**

An analysis of the housing need in light of the existing housing typologies is provided below. The dwellings have been classified as follows:

- Formal dwellings - formal dwelling/house or brick/concrete block structure on a separate stand or yard or on a farm, Flat or apartment in a block of flats, Cluster house in complex, Townhouse (semi-detached house in a complex), Semi-detached house, Formal dwelling/house/flat/room in backyard, Room/flatlet on a property or larger dwelling/servants quarters/granny flat/cottage)
- Informal dwellings - Informal dwelling/shack in backyard, Informal dwelling/shack not in backyard (e.g. in an informal/squatter settlement or on a farm)
- Traditional dwellings - Traditional dwelling/hut/ structure made of traditional materials

Other dwelling /Caravan/tent and other 2011 Census data, based on the 2016 municipal boundaries indicates that there are approximately 29 014 households in uPhongolo Municipality.

Approximately 84% reside in formal housing, 13% reside in traditional dwellings, 1% reside in informal dwellings and 2% reside in other forms of dwellings.

### **3.14.9 uPhongolo Municipality Housing Backlog**

During the 2020 review process of uPhongolo Municipality Housing Sector Plan, the determination of housing need was undertaken using various methodologies, indicated in the HSP. The 2011 Census data and the 2016 Community Survey data have served as a primary basis in this regard, due to the unavailability of a housing needs register. Calculations and inferences made on the basis of this data suggest that the number of households that require housing within the uPhongolo Municipality is approximately 23 250, based on the income eligibility criteria and approximately 4689 based on dwelling type. The latter is based on households who occupy dwelling units described as informal dwellings, traditional dwelling units and rooms/flatlets located on backyards/larger dwellings and other.

It is apparent that a significant share of the population in uPhongolo currently resides in housing that is conventionally substandard and thus inadequate. Other factors such as income, dependencies, extended households also further accentuate the need for housing within the municipality.

The current backlog will be subject to change based on the number of housing projects within the municipality that are in the construction phase. This, coupled with all the projects that are currently in the planning / preliminary planning phase, would appear to eradicate the backlog in future if all the envisaged housing units are constructed in all projects. However, it is also noted that the demand for housing is not static, thus there needs to be continuous planning and delivery of housing. The table below shows uPhongolo Municipality housing backlog for all wards.

**Table 66: Housing Backlog**

| WARD         | DWELLING CATEGORY          |              |             |            |                     |  |  |  |
|--------------|----------------------------|--------------|-------------|------------|---------------------|--|--|--|
|              | TOTAL NUMBER OF HOUSEHOLDS | FORMAL       | TRADITIONAL | INFORMAL   | CARAVA/TENT & OTHER | ESTIMATED BACKLOG (BASED ON DWELLING TYPE) | SUBSIDY ELIGIBILITY – INCOME < R 3 500.00 (LOW INCOME HOUSING & CRU) | SUBSIDY ELIGIBILITY – INCOME > R3 500 BUT < R22 000 (FLISP & SOCIAL HOUSING) |
| Ward 1       | 2424                       | 1705         | 637         | 37         | 38                  | 712  | 1937   | 453  |
| Ward 2       | 2266                       | 2209         | 22          | 8          | 25                  | 55   | 1662   | 555  |
| Ward 3       | 1607                       | 1161         | 421         | 4          | 19                  | 444  | 1368   | 229  |
| Ward 4       | 1728                       | 1581         | 84          | 7          | 51                  | 143  | 1416   | 288  |
| Ward 5       | 1558                       | 1382         | 134         | 22         | 18                  | 174  | 1206   | 319  |
| Ward 6       | 1529                       | 1121         | 379         | 7          | 12                  | 397  | 1290   | 214  |
| Ward 7       | 933                        | 859          | 50          | 6          | 14                  | 70   | 761  | 155  |
| Ward 8       | 1537                       | 1207         | 292         | 7          | 30                  | 329  | 1330   | 189  |
| Ward 9       | 2176                       | 1809         | 252         | 8          | 95                  | 354  | 1781   | 379  |
| Ward 10      | 2772                       | 2466         | 218         | 28         | 22                  | 267  | 2132   | 596  |
| Ward 11      | 4741                       | 3898         | 254         | 158        | 94                  | 507  | 3865   | 693  |
| Ward 12      | 1277                       | 1074         | 159         | 11         | 30                  | 200  | 979  | 270  |
| Ward 13      | 1091                       | 808          | 208         | 9          | 58                  | 275  | 918  | 161  |
| Ward 14      | 2604                       | 1962         | 539         | 28         | 37                  | 604  | 1974   | 535  |
| Ward 15      | 774                        | 614          | 139         | 2          | 17                  | 159  | 631  | 137  |
| <b>Total</b> | <b>29014</b>               | <b>23857</b> | <b>3788</b> | <b>342</b> | <b>559</b>          | <b>4689</b>                                | <b>23250</b>   | <b>5170</b>  |

Source: uPhongolo Municipality Housing Sector Plan, March 2020



### 3.14.10 Mechanism for Coordination of Housing Developments with the Service Providers/Authorities

The Municipality has a mechanism in place to co-ordinate the housing developments with service providers in the entire Pongola area of jurisdiction. The table below lists the main role players and support institutions as well as their roles and responsibilities in ensuring effective housing delivery in uPhongolo Municipality.

**Table 67: Main Role Players in uPhongolo Municipality Housing Delivery**

| Entity   | Roles and Responsibilities  |
|--|---|
| <b>National Department of Human Settlements</b>      | <p>The national Department of Human Settlements is responsible for establishing and maintaining a sustainable national housing development process. It does this by developing policy and strategy, facilitation of all housing programmes, establishing a national funding framework for housing development, determining delivery goals, allocating the conditional grant funds for housing to provincial governments, and monitoring and evaluating the housing sector's performance. The following are priority focus areas that the Department has prioritized as per Outcome 8 (2014-2019 MTSF): Accelerated delivery of housing opportunities; Access to basic services; Efficient utilization of land for Human Settlements Development; An improved property market.</p> |
| <b>KwaZulu-Natal Department of Human Settlements</b> | <p>The provincial Department of Human Settlements is responsible for promoting, co-ordinating and implementing housing programmes within the framework of the national housing policy. Provinces are also responsible for approving housing subsidies and projects and for providing support to municipalities for housing development.</p>   |
| <b>uPhongolo Local Municipality</b>                  | <p>The primary role of the uPhongolo municipality is to take all reasonable and necessary steps, within the framework of national and provincial legislation and policy, to ensure that the inhabitants within its area of jurisdiction have access to adequate housing. This includes planning, coordinating and facilitating appropriate housing development, in line with the priorities in the IDP. It should be noted that municipalities are able to be accredited and empowered to undertake housing functions similar to provincial government. The extent thereof is based on the level of accreditation.</p>  |
| <b>Zululand District Municipality</b>                | <p>The Zululand District Municipality does not have any legislated housing related powers but performs some functions, which have serious implications for the development of human settlements. This includes the provision of bulk infrastructure which is critical in housing projects. The district also assists by providing planning support.</p>   |

|  |   |
|--|---|
| <b>ESKOM uPhongolo Local Municipality Housing (Human Settlements) Sector Plan</b>  | <p>Eskom is responsible for the generation, distribution and provision of electricity.</p> <p>The norms and standards for the development of sustainable human settlement includes the provision of electricity. This establishes Eskom as a key role-player in the development of sustainable human settlement.</p>  |
| <b>Department Of Economic Development, Tourism And Environmental Affairs EDTEA</b> | <p>is the provincial lead agent for environmental management and shares its powers with national government. All housing projects take place on land and in a particular environment, thus one of the mandates of EDTEA is to facilitate environmental impact mitigation and promote sustainable environmental management development. Environmental Impact Assessments (EIAs) are a tool used by government to assist in deciding whether projects, including housing projects, should go ahead or not. The EIA process involves making submissions and applications to the EDTEA. The applications can be for environmental exemption, basic assessment, scoping, full EIA applications, depending on the nature and context of the project. This process is one of the key milestones in housing projects.</p> |
| <b>Support Institutions in the Housing Delivery</b>                                |   |
| <b>Entity</b>  | <b>Roles and Responsibilities</b>   |
| <b>Housing Development Agency</b>  | <p>The Housing Development Agency is a national special-purpose established in terms of the Housing Development Agency Act, No. 23 of 2008. It has two primary objectives that is to identify, acquire, hold, prepare, develop and release well-located land for human settlement; and to provide project delivery services in the form of planning, capacity support and capability, and project management. The HDA works on projects in particular areas at the specific request of provinces and local municipalities. Its strategic priorities include informal settlement upgrade, catalytic projects and housing delivery in mining towns.</p>   |
| <b>National Home Builders Registration Council</b>                                 | <p>The National Home Builders Registration Council (NHBRC) is a regulator body of the home building industry. Its goal is to assist and protect housing consumers who have been exposed to contractors who deliver housing units of substandard design, workmanship and poor-quality material. The NHBRC was established in 1998, in accordance with the provisions of The Housing Consumers Protection Measures Act (Act No. 95 of 1998). Its mandate is to protect the interests of housing consumers and to ensure compliance to regulated building industry standards. All home builders, regardless of the size or cost of the homes they build, must be registered with the NHBRC in terms of</p>   |
|  | <p>the law (Housing Consumers Protection Measures Act no 95 of 1998). Similarly, housing projects should be enrolled with the NHBRC for quality assurance purposes.</p>   |

|   |   |
|---|---|
| <p><b>Social Housing Regulatory Authority</b></p> | <p>The Social Housing Regulatory Authority (SHRA) was established in terms of the Social Housing Act, No. 16 of 2008. The SHRA’s mandate is to capacitate, invest in and regulate the social housing sector. The intention of social housing is to deliver affordable rental housing for low to moderate income groups and to achieve spatial, economic and social integration of the urban environments. The Social Housing Investment Programme may invest in social housing projects or social housing institutions (SHIs) in accordance with the investment criteria set out in the social housing Regulations.</p>   |
| <p><b>Ingonyama Trust Board</b></p>               | <p>Ingonyama Trust Land is subject to the policies and legislation that governs all land administered by Ingonyama Trust Board. The trust holds the land on behalf of the members of communities that occupy and use the land and for the benefit, material welfare and social well-being of those communities. Section 2(5) provides that the trust may not ‘encumber, pledge, lease, alienate or otherwise dispose of’ any of its land or any real right to such land, without the prior written consent of the traditional or community authority concerned. Thus, the traditional authority can control the use to which their land is put. The effect of this is that, as landowner, the Trust enters into land use agreements, e.g., leases and the like, but it cannot do so unless and until it has the written consent of the relevant traditional authority. In some cases, the Ingonyama Trust leases the land, or makes it available, under an appropriate agreement to a traditional authority, who, in turn, sub-leases it to a third party (ibid). Effectively, this means that the Trust administers the land in uPhongolo for the benefit of the community, and the land may not be encumbered without the consent of the relevant traditional council. uPhongolo Municipality has extensive pieces of land under the ownership of the Ingonyama Trust, thus the Trust is a critical stakeholder in housing development.</p> |

**Table 68: uPhongolo Municipality Housing Forums Meetings Held in 2020/2021**

| Month    | uPhongolo LM     |
|----------|------------------|
| FEBRUARY | 04 February 2021 |
| MAY      | 06 May 2021      |
| AUGUST   | 05 August 2021   |
| NOVEMBER | 04 November 2021 |

### 3.14.11 Committed Funding for the Services in Support of Housing Projects

The Human Settlements projects have since been approved and budgeted for by the Department of Human Settlements while the District Municipality is also committing funds for the provision of bulk infrastructure.

### 3.15 FREE BASIC SERVICES AND INDIGENT SUPPORT

During 2020/2021 financial year, a total number of 1 364 households were provided with free basic electricity.

## COMPONENT C: ROAD TRANSPORT

### 3.16 ROAD AND INFRASTRUCTURE

#### 3.16.1 Existing and Future Transport Infrastructure

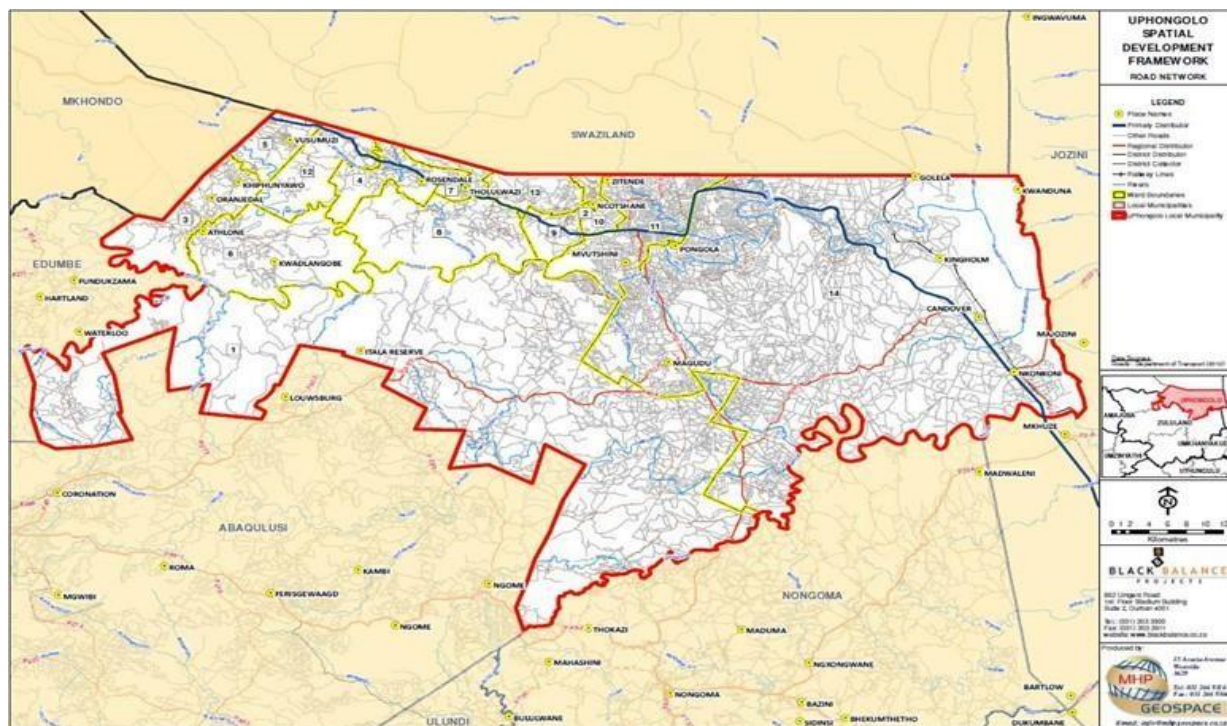
uPhongolo Municipality's transport infrastructure relates to both existing and future road network. Currently the existing road infrastructure is under pressure particularly from heavy vehicles. The responsibility between Local and District Municipalities as well as the KZN Department of Transport (DOT) for the provision and maintenance of roads provision still needs to be finalized and it has been flagged as a key development issue.

There are a number of roads in order of priority that are of strategic importance to the Municipality. The Municipality recognises that such roads should be prioritised for attention and has, to this end, earmarked the following road projects:

- **Nongoma uPhongola link road:** A section of this road between Nongoma and uPhongola (about 35km) need to be upgraded to blacktop.
- **Pongola Pedestrian Facilities:** These road safety improvements shall be implemented at a budgeted cost of R1,144,500.00 during the 2019/2020 financial year and R5 855,500.00 shall be spent on improving the same infrastructure in 2020/2021. (Source: SANRAL).
- **Kangela to Pongola:** Upgrading from single to dual carriageway road at a budgeted amount of R27,397,789.45 during 2018/2019 financial year. (Source: SANRAL).
- **Phongola to Mpumalanga Border:** Upgrading from single to dual carriageway road at a budgeted amount of R2,325,000.00 for design. (Source: SANRAL).

The South African National Roads Agency (SANRAL) together with the Department of Transport provides funding for roads infrastructure development. However, it is important to note that the actual funding does not get channelled through the Municipality as implementation of projects is done directly by the Agency and the Department themselves. The priorities from Municipalities that are identified in the IDP are however taken into cognisance in the Municipal funding process and implementation thereof.

**Map 15: Depicting Municipal, Provincial and National Roads as per uPhongolo Spatial Development Framework**



uPhongolo is traversed through three main movement routes namely the N2 which connects Pongola to Mkhondo (formerly Piet Retief) in the West and to Jozini in the South, the R66 which traverses the uPhongolo Municipality from Mahlangasi in the South-East to Mvutshini in the North-East; the R69 stretching to South-West directly connecting Magudu to the Louwsburg in the South-West and the P293 and Ngome in the South, whilst the remainder of the municipality is serviced by gravel roads. Most of the settlement areas are reached via gravel roads from the N2, R66 and R69.

The Municipality has recognised the challenge of access to roads and the poor condition of some roads. There has been notable improvement to road conditions in ward 8 which will continue in the current IDP term. The tarring of roads in proximity to clinics and education facilities and extensive future business developments in ward 11 is envisioned to boost the economy and attract investors to uPhongolo Municipality.



### 3.16.2 National Roads

uPhongolo Municipality enjoys easy access to the N2 national road, which cuts through the Municipality adjacent to the established Pongola tertiary node. The N2 is a primary transportation corridor under the National Department of Transport that runs East-West through uPhongolo, linking the Municipality with other local municipalities and other regions within the province of KwaZulu-Natal. Similarly, the N2 links uPhongolo with Richards Bay and Durban, which provides major gateways to export markets. The N2 within this particular area still lacks the convenience provided by freeways since it comprises a 2-way single carriageway.

The Zululand District Municipality has initiated a Rural Roads Asset Management System (RRAMS) for all existing roads within its area of jurisdiction. This document presents herein a network level proposal for maintaining the roads in the Zululand district, through an assessment of the network based on methodical visual ratings of each road section. The document was submitted to each local municipality under the Zululand District Municipality's jurisdiction. The details furnished in the table below summarise the findings of this document in this regard.

**Table 69: Estimated Roads Needs Per Municipality (ZDM Rural Roads Asset Management System [RRAMS])**

| Local Municipality | Type       | Total length (km) | Estimated replacement value (Rmill) | Short-term intervention cost (Rmill) | Long-term intervention cost (Rmill) | General Condition |
|--------------------|------------|-------------------|-------------------------------------|--------------------------------------|-------------------------------------|-------------------|
| Abaqulusi          | Paved poor | 398.2             | 802.9                               | 15.82                                | 616.27                              | 87% poor to very  |
|                    | Unpaved    | 392               |                                     | 0.808                                | 29.32                               | Fair to very poor |
| eDumbe poor        | Paved      | 36.1              | 86.9                                | 2.81                                 | 25.2                                | 50% poor to very  |
|                    | Unpaved    | 163.1             |                                     | 0.336                                | 10.21                               | Fair to very poor |
| uPhongolo          | Paved poor | 43.79             | 112.4                               | 5.65                                 | 32.65                               | 44% poor to very  |
|                    | Unpaved    | 236.6             |                                     | 0.495                                | 17.11                               | Fair to very poor |
| Nongoma            | Paved poor | 14.7              | 33.2                                | 1.46                                 | 7.78                                | 50% Poor to very  |
|                    | Unpaved    | 420.5             |                                     | 0.813                                | 31.01                               | Fair to very poor |
| Ulundi             | Paved poor | 91.2              | 199.9                               | 7.08                                 | 50.19                               | 50% Poor to very  |
|                    | Unpaved    | 461.5             |                                     | 1.02                                 | 30.64                               | Fair to very poor |
| Total              | Paved      | 584               | 1,235.30                            | 32.82                                | 732.09                              |                   |
|                    | Unpaved    | 1,673.7           |                                     | 3.47                                 | 118.29                              |                   |

### 3.16.3 Rural Roads Backlogs (ZDM Rural Roads Asset Management System [RRAMS])

Rural access roads may be defined as those roads which do not qualify as district or higher order roads, but provide access from a proclaimed road to public infrastructure such as schools and clinics, or provide access to a settlement of a minimum of 50 persons or at least ten homesteads, allowing household access of no less than 1km walking distance. The total household backlog based on this criterion is approximately 28,151. The backlogs and estimated costs for new / refurbishment road infrastructure are presented in following table.

**Table 70: Estimated Roads Needs Per Municipality**

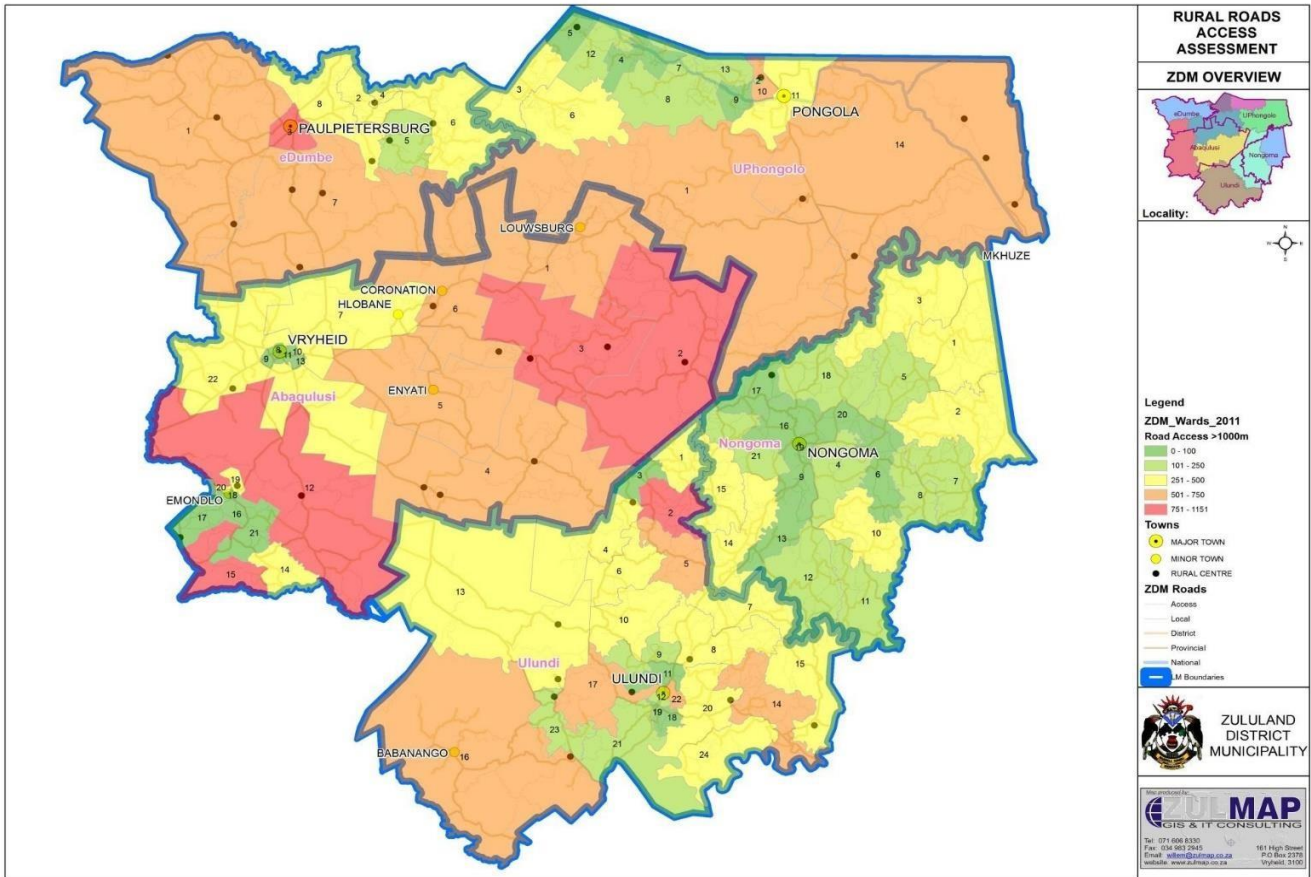
| <b>ROADS</b>      | <b>Total<br/>Households</b> | <b>No of H/H with<br/>road access</b> | <b>No of<br/>Backlog</b> | <b>H/H %<br/>per LM</b> | <b>Backlog</b> |
|-------------------|-----------------------------|---------------------------------------|--------------------------|-------------------------|----------------|
| KZN263: Abaqulusi | 43,299                      | 35,044                                | 8,255                    | 19.07%                  |                |
| KZN261: eDumbe    | 16,138                      | 12,498                                | 3,640                    | 22.56%                  |                |
| KZN262: uPhongolo | 28,772                      | 24,904                                | 3,868                    | 13.44%                  |                |
| KZN265: Nongoma   | 34,341                      | 30,320                                | 4,021                    | 11.71%                  |                |
| KZN266: Ulundi    | 35,198                      | 26,831                                | 8,367                    | 23.77%                  |                |
| <b>Total</b>      | <b>157,748</b>              | <b>129,597</b>                        | <b>28,151</b>            | <b>17.85%</b>           |                |

**ZDM GIS 2015**

The strategic goal of the development of a Rural Roads Asset Management System (RRAMS) for the Zululand District Municipal area is to ensure efficient and effective investment in rural roads through the very system and the collection of associated road and bridge inventory data condition assessments and traffic information. Improved data on rural roads will be instrumental in guiding infrastructure investment, improve accessibility to and mobility of rural communities.



**Map 16: Access to Roads**



### 3.16.4 Institutional Responsibility for Transport Infrastructure

The institutional responsibility for transport infrastructure is categorized as national, provincial and local on maps. The District Municipality is responsible for the provision and planning of public transport infrastructure. The responsibility between Local and District municipalities as well as the provincial Department of Transport (DOT) for road provision and maintenance still needs to be finalized and has been flagged as a key development issue.

### 3.16.5 Responsibility of the Provision of New Roads and Related Facilities

Indeed, uPhongolo Municipality does have plan in place for the provision of new roads and related facilities. In addition to the aforesaid plan, the Municipality has an Operational and Maintenance Plan for both existing and new roads and public transport facilities which include taxi ranks, bus stops and storm water drainage.

The IDP indicates that there is a plan in place for the provision of new roads and facilities as well as an Operational and Maintenance Plan for existing and new roads and public transport facilities.

## **INTRODUCTION**

The Planning and Development Department includes Building Control, Land Surveying, Land Use Planning, Spatial Planning, Geographical Information Services, Environmental Management, Rural Development and Local Economic Development. The Department is responsible for sustainable and proactive planning and compliance monitoring of the natural and built environment. The Department facilitates the physical, social and economic development and growth.

### **3.17 PLANNING AND DEVELOPMENT SERVICES**

The Department: Planning and Development Services deals with spatial planning, geographical information services, building control, land use planning and surveying matters. The primary functions of Planning and Development Services are as follows:

#### **3.17.1 Spatial Planning**

The purpose of spatial planning is to provide a framework for the spatial vision and form of uPhongolo Municipality. The Spatial Development Framework (SDF) provides guidelines for future development and growth of the Municipal Area in a predictable manner to enhance the quality of life of its residents.

Spatial Planning is responsible for:

- Compiling, amending and/or reviewing a Spatial Development Framework;
- Preparing Local Spatial Development Frameworks for certain identified areas in uPhongolo Municipality;
- Developing policies and strategies guiding the long-term development of the Municipality;
- Commenting on land use applications and environmental processes; and
- Commenting on other local, provincial and national spatial policies, legislation and documents.

#### **3.17.2 Geographical Information Services (GIS)**

The main purpose of the GIS is to provide and maintain Geographic Information System services and products for the department, provide GIS related guidance and support to managers and staff, and to take an active role in the development and maintenance of organisational Geographic Information System services.

### **3.17.2.1 Major Projects Completed**

Major projects being undertaken by the section consists of:

- 2020 uPhongolo Spatial Development Framework (SDF) Review: The SDF review was conducted in 2020/2021 financial year and was duly compiled in terms of Section 26(e) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000). No SDF review occurred during 2020/2021. There were, nevertheless, SDF comments by MEC for Cogta which necessitated the need for the review which unfortunately could not be carried out owing to budgetary constraints. The SDF is envisaged to guide new investment, give effect to the priorities as stated in the Integrated Development Plan (IDP) and to identify priority areas for strategic intervention. It is planned that the SDF will be finalised and approved by Council in May 2020. Some of the GIS functions pertaining to the formulation of GIS is the spatial capturing of projects, undertake project co-ordinates and mapping of projects. During 2020/2021 financial year, the Municipality relied on the Zululand District Municipality GIS Unit to assist it with the services listed above.

### **3.17.3 Building Control**

Municipalities are legally obligated to manage the way in which land within their area of jurisdiction is used and how buildings are erected. The Planning and Development Unit deals with the use of land while the Building Control Unit is supposed to attend to building activities, which entails new buildings, additions and alterations to existing buildings and temporary structures.

All municipalities administer the National Building Regulations and Building Standards Act, 1977 (Act 103 of 1977), the regulations embodied in the act and the South African Standard Code of Practice (SANS 10400 for the application of the regulations). The purpose thereof is to ensure that buildings are designed and constructed in such a manner that people can live, work and play in a healthy and safe built environment.

The National Building Regulations require that no person may erect, alter, add on or convert a building without the prior approval of the local authority.

Building plans are assessed against the requirements of the building standards regulations, any other applicable legislation, and 23 sections of the SANS 10400, that deal with various aspects of a building.

Upon the approval of building plans, the building inspectors carry out three mandatory inspections:

- The inspection of all foundation trenches and the positioning of the building on-site;
- The inspection of all new drainage installations; and
- On completion of a building a final inspection (completion) is carried out as no building may be occupied without an occupation certificate.

Prior to the issuing of the occupation certificate, the building inspector ensures compliance with the structural aspects, fire installation, health requirements, electrical installation, roads and stormwater requirements, drainage installation, energy efficiency of the structure and compliance with the approved building plan.

Furthermore, it is the responsibility of the building inspector to address illegal structures, unsafe structures, be a witness in court cases on behalf of Council, implement legal action when required, control building rubble, enhance public safety, assist the general public and professionals with information on building control issues and performs administrative tasks associated with these functions.

Local authorities act in the interest of the owner when carrying out the compulsory inspections and have no financial or any other interest in such buildings. For this reason, the owner of a building must appoint his/her own clerk of works to inspect and control the quality and workmanship of the building. There is thus no obligation on the Council's building inspectors to control the quality of workmanship and materials, but the owner must be informed by Council of poor-quality workmanship and/or materials when observed.

#### ***3.17.3.1 Building Control Statistics***

Building plan applications, for various types of projects, were submitted for consideration over the year under review.

**Table 71: Applications for Land Use Development**

| Applications for Land Use Development |                            |              |                      |
|---------------------------------------|----------------------------|--------------|----------------------|
| Detail                                | Formalisation of Townships | Rezoning     | Building Environment |
|                                       | 2020/2021                  | 2020/2021    | 2020/2021            |
| Planning applications received        | 2 (Not yet approved)       | 3 (Approved) |                      |
| Determination made in year of receipt | 2021                       | 2021         |                      |
| Determination made in following year  | 2021                       | 2021         |                      |
| Applications withdrawn                | 0                          | None         |                      |
| Applications outstanding at year end  | 2                          | 1            |                      |

During 2020/2021 financial year, the Municipal Building Inspector was responsible for carrying out the building inspections throughout the Municipality. These include demolition inspections, beacon inspections, commencement/foundation inspections, drainage inspections, completion inspections as well as Certificate of Occupation inspections.

#### **3.17.4 Land Use Planning Services**

The Planning and Development Department is responsible for the Land Use Planning to ensure the orderly, sustainable development and management of the built environment within the uPhongolo Municipal area, through the creation of an enabling environment in order to give effect to the Municipality’s vision:

““uPhongolo Municipality will ensure an inclusive socio- economy by providing quality services that yield a better life for all by 2035”.

Land-use planning refers to a wide range of activities that direct the future use of land and manage the current use thereof: to ensure the optimal use of land within a political, social, cultural, environmental and economic context.

The Department is mainly responsible for the processing of applications for land use changes (by means of rezoning, consent uses, departures, temporary departures, amendment of conditions of approval and removal of restrictive title conditions), as well as farm subdivisions, urban subdivisions and exempted subdivisions. The Department is further responsible for the scrutinising of building plans for compliance with zoning parameters and site dimensions, as well as attending to illegal land uses.

The most important instruments used in land use management is the Zoning Scheme Bylaw and the Bylaw on Municipal Land Use Planning. In order to comply with the provisions of new planning legislation, a new single zoning scheme for the whole of the uPhongolo Municipal area has been developed and adopted by Council. In addition, the process of drafting and the uPhongolo Bylaw on Municipal Land Use Planning has also been completed and approved by Council. Both these documents are being implemented.

#### **3.17.4.1 Service Statistics**

**Table 72: Service Statistics - Land Use Planning & Surveying**

| <b>Service Statistics – Land Use Planning and Surveying</b>                 |                  |
|---|------------------|
| <b>Applications</b>   | <b>2020/2021</b> |
| Simultaneous rezoning and subdivision (inclusive of township establishment) | 2                |
| Rezoning  | 3                |
| Consent Uses  | 6                |
| Temporary Departures  | 0                |
| Removal of restrictive Title conditions                                     | 0                |
| Amendment of Conditions of Approval   | 1                |
| Farm Subdivisions   | 2                |
| Urban Subdivisions  | 0                |
| Exempted Subdivisions   | 0                |
| Consolidations  | 1                |
| Homeowners Association Constitution approval/amendments                     | 0                |
| Zoning determinations   | 10+              |
| Extension-of-time   | 3                |
| Site Development plan approvals   | 4                |
| House Shops   | 0                |
| Departures  | 1                |
| Departures as part of Building Plan approvals                               | 1                |

#### **3.17.4.2 Major Projects Completed**

In as far as the development of uPhongolo Municipality Single Land Use Scheme, the Municipality has progressed well and sitting at 85% progress. The outstanding activities are as follows: Public participation process and Council Approval of the Scheme. The implementation of the Planning Bylaws is in progress.

### **3.18 LOCAL ECONOMIC DEVELOPMENT (LED) SERVICES**

The purpose of the Local Economic Development is to provide an enabling and conducive environment to grow the economy in order to create sustainable jobs and eradicate poverty. The unit consists of two sub-units namely Local Economic Development and Tourism.

The Local Economic Development Unit focuses on developing enabling policies and strategies, which inform the implementation of key initiatives, projects and programmes to grow the economy in our area. The adoption of the Local Economic Development Strategy aims to achieve a globally competitive and innovative municipality that provides economic opportunities for all its residents by 2035. The essence of this strategy is to place uPhongolo's economic development road that is inclusive, and create a municipality that has a diversified and resilient economy, promoting spatial connectivity, and supportive economic and environmentally sustainable social eco-systems.

uPhongolo's roadmap towards an inclusive and sustainable economic growth whose core pillars are:

- Governance and institutions;
- Infrastructure;
- Partnerships; and
- Shared identity and social cohesion.

The Municipality continued to build on developing the strategic enablers to facilitate economic growth. This included:

- Promoting uPhongolo as an investment friendly destination that focuses on the development of priority sectors such as Agriculture, Informal Sector, Tourism, Manufacturing, Transport and Logistics through the establishment of a LED Forums and other partners to ease investment facilitation in uPhongolo;
- Upgrading and expansion of suitable infrastructure to small and informal businesses to grow Small Medium and Micro Enterprises (SMMEs) and broaden economic participation in uPhongolo;
- Strengthening existing strategic partnerships with the private sector and other spheres of Government to implement key skills development initiatives so that the unemployed can access meaningful employment;
- Facilitate access to finance and other business support for small businesses through the establishment of sustainable partnerships with other spheres of Government; and
- Implementation of community-based tourism products to broaden participation and product diversification.

### **3.18.1 Local Economic Development Achievements**

Below are some of the highlights we achieved during the 2020/2021 financial year:

- The review and implementation of LED Strategy;
- The implementation of EPW Policy;
- Providing a capacity building programme that focused on business support training for Informal traders to focus on enhancing the Informal Economy in uPhongolo.

Following the completion of Local Economic Development Strategy, the focus would be on articulating how this bold strategy would be implemented. The said implementation would largely depend on the integration of cross- functions within the Municipality, but also the extent to which the Municipality

would rely on private sector and civil society organisations. The essence of this implementation plan are partnerships that work for the greater good of uPhongolo. The Unit would focus on the implementation of a number of priority projects:

- Investor Facilitation;
- Investment promotion;
- Infrastructure;
- Business and industrial parks;
- Small business linkages; and
- Skills development.

### **3.18.2 Local Economic Development Challenges**

- Capacity challenges
- Limited access to economic data sources;
- Lack of sufficient built infrastructure to facilitate access to trading spaces;
- Too much red tape which prevents the acceleration of sustainable economic growth in the Municipality;
- External economic shocks because of the lack of a diversified economy;
- A need for locational branding and marketing to increase investment exists;
- Lack of affordable broadband, water security and electricity supply that is prone to sporadic interruptions are important to ensure large scale investment;
- Lack of relevant skills and high youth unemployment remain major risks; and
- Lack of a one stop business support service centre to serve investors and SMMEs.

### **3.18.3 EPWP Job Creation**

The Expanded Public Works Program is a program designed to provide temporary work opportunities for the unemployed in order to make them more employable in the future. The Municipality obtained a conditional grant from the National Department of Public Works. The EPWP grant allocation for 2020/2021 of R3 055 000.00 and provides better quality reporting as per the targets set by Provincial Government. A total number of 86 job opportunities were created in 2020/2021 financial year.

The following table depicts the number of EPWP Projects and the number of jobs created through EPWP projects over the last three financial years.



**Table 73: Job creation through EPWP Projects**

| <b>Job creation through Expanded Public Works Programme (EPWP) Projects</b> |                                |   |
|---|--------------------------------|---|
| <b>Details</b>  | <b>Number of EPWP Projects</b> | <b>Number of Jobs created through EPWP Projects</b> |
| 2020/2021   |                                |   |

#### **3.18.4 Tourism and Market Places**

Tourism remains one of uPhongolo’s priority sectors as it continues to be a sector with significant low barriers which allow for entrepreneurship and particularly employment for the youth, women and other vulnerable groups. The Municipality’s institutional capacity and competencies demonstrate the significance of this sector as it contributes to local Gross Domestic Product.

The establishment of the uPhongolo Local Tourism Association marked the institutionalisation of uPhongolo as a tourist destination of choice and marketed as such. Unfortunately, due to the Covid-19 pandemic that resulted in the overall decline in tourism arrivals, the sector remains buoyant. uPhongolo Municipality will continue to focus on diversifying the area’s tourism product offering and ensure that the Municipality provides a functional and enabling environment that will allow tourists to experience tourism excellence throughout the tourism value chain in uPhongolo.

##### **3.18.4.1 Tourism Achievements**

Below are some of the highlights the Municipality achieved during the 2020/2021 financial year:

- Provision LED and Tourism Events and platforms were held in collaboration with uPhongolo Municipality and sector departments;
- Facilitated business support

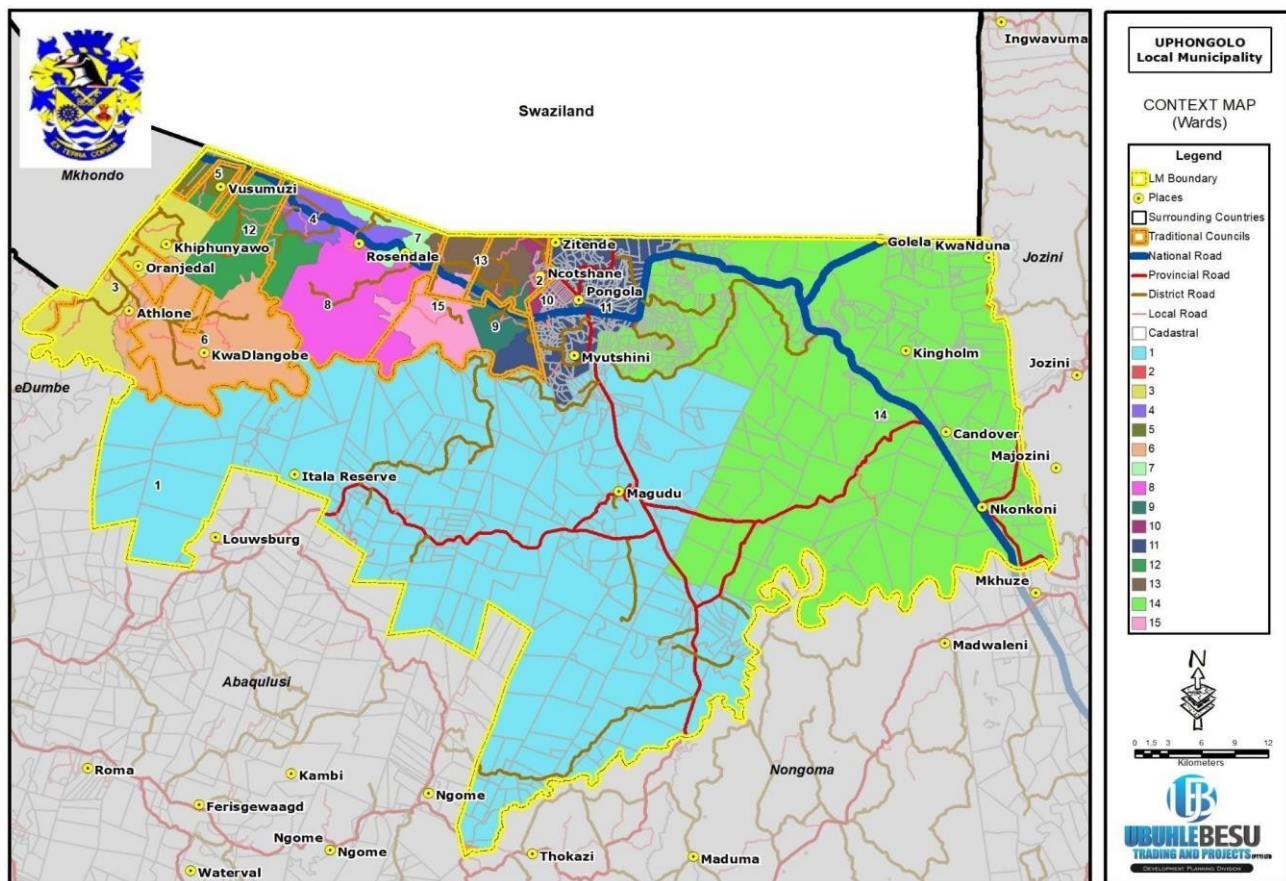
##### **3.18.4.2 Tourism Challenges**

- Lack of transformation in the tourism industry;
- Limited access to relevant tourism economic data sources;
- The negative impact of the existing tourism flows on the destination;
- Insufficient tourism signage infrastructure to enhance the visitor’s experience;
- Lack of sports tourism focus;
- Lack of focused events and meetings, incentives, conferences and exhibitions;
- Lack of support to diversify the tourism product offering in uPhongolo;
- Lack of distinct brand differentiation to articulate uPhongolo’s unique tourism offering.

### 3.19 RURAL DEVELOPMENT

The uPhongolo Municipality is one of five local municipalities situated on the south-east of the District which is Zululand District Municipality (DC26) in KwaZulu Natal Province. uPhongolo Municipal area covers 3 239 KM2 and incorporates Pongola Town, Ncotshane and Belgrade, as well as areas under Traditional Councils namely, Ntshangase, Simelane, Ndlangamandla, Msibi, Sibiya and Gumbi. The population is estimated 127 238(2011 Census) It is strategically located along the N2, adjacent to the Swaziland Border and the Mpumalanga Province. It forms part of LEBOMBO SDI Corridor as a gateway to Swaziland and Mozambique using its Golela and Onverwacht border gates.

Map: uPhongolo Wards and Traditional Councils



Phongolo Municipality was established on the 5 December 2000 after Demarcation process and the local Government elections of that date. As such it encompasses the town of uPhongolo, Ncotshane, Belgrade, Golela, Magudu, Sugar Mill as well as Traditional Authority areas under Amakhosi namely; Gumbi, Ntshangase, Simelane, Ndlangamandla, sibiya and Mavuso. uPhongolo Municipality is made up of 15 wards.

In terms of section 21 of Local Government Municipal Demarcation Act 27 of 1998 the Municipal Demarcation Board has re-determined the Municipal boundaries. The Municipal landscape will therefore change after the Municipal elections in 2016. This will not only increase the population of uPhongolo Municipality but will also expand Municipal jurisdiction, this re-determination was formally gazetted by MEC in the Provincial Government Gazette No. 1042.

uPhongolo Municipality views rural development in a very serious light and, in doing so, endeavours to bring about targeted sustainable interventions in the rural communities of uPhongolo through:

- Skills development, targeting the youth and women;
- Facilitating access to financial assistance for rural learners to further their studies;
- Establishing food security within the municipal boundaries for the people in need; and
- Facilitating the work of the Department of Rural Development and Land Reform.

## COMPONENT E: COMMUNITY AND SOCIAL SERVICES

### INTRODUCTION

This part of the report deals with library services, cemeteries and crematoria, community halls, facilities, and Thusong centres, services to childcare, aged care and social programmes rendered during the year under review.

#### 3.20 LIBRARY SERVICES

uPhongolo Municipality has 2 fully-fledged libraries. The first one is situated at Ncotshane: Yende Street, in uPhongola whilst the second one is at Pongola Town, No.61 Martin Street. The Belgrade Thusong Service Centre has a satellite library office. uPhongolo Municipality Libraries provides a wide range of services to the communities. Amongst others, it offers space for community programmes, on-line access, etc.

The Library services has an information centre that is equipped with computers and Wi-Fi hotspots, providing the communities with free Internet access in the library. Librarians and staff work equally hard to make a difference in the lives of people in the uPhongolo communities.

Libraries do perform various functions such as:

- Issuing a library card to anyone who lives within the domain of uPhongolo Municipality, people outside our borders need to pay a subscription fee;
- A library card makes it so easy to check out books, download digital resources, and use online resources to help with entertainment and study;
- A library card gives patrons hours of computer access at any library location and also access to books from other libraries across and outside the Municipality through interlibrary loans for patron's convenience;

- Each library has free programmes for all ages such as computer classes, arts, mathematics and other cultural activities;
- The library is the space for collaboration and meetup maker sessions to help patrons learn all about relevant awareness and educational topics;
- Newspapers and online job seeker sites are available for unemployed people to access for job hunting. Libraries provide learners and students with reference and research items for assignments and projects and help learners with preparation for study and examinations; and
- Libraries provide various outreach services.

### 3.20.1 Service Statistics

UPhongolo conducted has library members. Several library books were circulated and ICT computer usages.

**Table 74: Service Statistics for Libraries**

| <b>Service Statistics for Libraries 2020/2021</b>                               |           |           |                 |            |                  |
|---|-----------|-----------|-----------------|------------|------------------|
| <b>Programme</b>  | <b>Q1</b> | <b>Q2</b> | <b>Q3</b>       | <b>Q4</b>  | <b>Full Year</b> |
| Displays  |           |           |                 |            |                  |
| Storytelling Sessions   |           |           |                 |            |                  |
| Reading Programmes  |           |           |                 |            |                  |
| Book Education, Library Orientation, Class Visits and Bibliographic Instruction |           |           |                 |            |                  |
| Library Centred Activities  |           |           |                 |            |                  |
| Holiday Programme Activities  |           |           |                 |            |                  |
| Community and Outreach Programmes   |           |           |                 |            |                  |
| Book Discussions, Book Talks and Book Clubs                                     |           |           |                 |            |                  |
| Literacy Sessions facilitated   |           |           |                 |            |                  |
| ICT computer usages   |           |           |                 |            |                  |
| Learner support   |           |           |                 |            |                  |
| Circulation   |           |           |                 |            |                  |
| Membership  |           |           |                 |            |                  |
| New members added   |           |           |                 |            |                  |
| Total library visits  |           |           |                 |            |                  |
| Library space usage   |           |           |                 |            |                  |
| <b>Library stock</b>  |           |           | <b>Province</b> | <b>Own</b> | <b>Total</b>     |
|   |           |           |                 |            |                  |

### 3.20.2 Service Delivery Levels

uPhongolo Library Services provides effective, efficient and quality informational, recreational and internet services to all library users in our communities within the framework of the norms and standards.

### 3.21 CEMETERIES AND CREMATORIA

uPhongolo Municipality has existing cemetery sites situated at Phongola, Ncotshane, Belgrade and Magudu. Clearly the Municipality requires more burial sites to cater for its dead. It is common cause that burial arrangements are closely bound with cultural and religious traditions. In most cases burial sites are needed in relatively proximity to settlements. According to the Zululand Cemeteries Master Plan approximately 700ha of land will be required in the Zululand District Municipality by the year 2020 to accommodate an estimated 800 000 cumulative deaths for that time. uPhongolo Municipality intends to develop its own cemetery plan which shall be budgeted for during 2021/2022 financial year.

#### 3.21.1 The Status, Backlogs, Needs and Priorities

In line with the information provided above, the status of cemeteries in uPhongolo Municipality is currently dire and requires timeous intervention in terms of identifying suitable land to cater for cemetery requirements. The table below shows the breakdown of the land needs as per Zululand District cemetery requirements:

**Table 75: Estimated Cemetery Land Requirements (2020)**

| Municipality | Projected Population | Cumulative Deaths up to 2020 | Recommended Land Required (ha) |
|--------------|----------------------|------------------------------|--------------------------------|
| EDumbe       | 67 583               | 52 723                       | 46                             |
| UPongolo     | 113 149              | 88 274                       | 78                             |
| Abaqulusi    | 230 191              | 179 558                      | 156                            |
| Nongoma      | 253 114              | 197 479                      | 171                            |
| Ulundi       | 366 677              | 286 044                      | 249                            |
| ZDM          | 1 030 714            | 804 078                      | 700                            |

**Source: Cemetery Master Plan**

The Districts Cemetery Plan (2003) provides the following information:

- In the urban centres, cemeteries are provided by the Municipalities, who provide gravesites at specified tariffs and keep records of burials.
- Cemeteries are provided and maintained by some religious congregations such as the Anglican Church, Catholic Church, Lutheran Church and others.
- Where land is set aside for cemeteries on tribal land the cost of burial sites is included in the general fees payable to the tribal authority.

- In selected rural areas with a low population density, burials are allowed near family homesteads.
- On some commercial farms burial sites are provided for staff, but these provisions are now resisted by farmers as a result of the promulgation of the Extension of Security of Tenure Act.

An alternative to traditional burials which does not require land is cremation. However, there has been very low demand for cremations amongst the inhabitants of uPhongolo Municipality as a consequence of which there are at present no crematoria situated within the Zululand District.

### **3.22 COMMUNITY HALLS, FACILITIES AND THUSONG CENTRES**

Thirteen (13) out of a total of fifteen (15) wards have a community hall/centre each in uPhongolo. This means that only two (2) still need to be provided with community halls. The wards that already have community are as follows:

- Magudu Community Hall in Ward 1;
- Prince Bekayiphi Community Hall in Ward 3;
- Waterbaas Community Hall in Ward 4;
- Belgrade Community Hall in Ward 5;
- KwaNkundla Community Hall in Ward 6;
- Sthambi Community Hall in Ward 7;
- Madanyeni Community Hall in Ward 9;
- Ncotshane Community Hall in Ward 10;
- Phongolo Golf Club in Ward 11.
- Manyandeni Community Hall in Ward 12;
- Princess Ladlula Community Hall in Ward 13;
- KwaGumbi Community Hall in Ward 14; and
- KwaShoba Community Hall in Ward 15.

Taking the list above it follows that only wards 2 and 8 are still to be provided with community halls/centres. The Multi-Purpose Thusong Centres are one-stop facilities that provide opportunities to access a compendium of government services to surrounding communities. These include social services, social pensions and grants, consumer protection and numerous municipal services. The municipal halls are also managed by the Community Services Department. There is a one stop Thusong Centre under construction in the node, unfortunately there was no plan for a retail centre to be

accommodated in the centre. This will result in, particularly pensioners being paid but still have to travel to Pongola CBD for shopping activities. Given its current appearance, there is a lot that still need to be done for Godlwayo node to attract economic investors.

Belgrade settlement is situated approximately 50km west from uPhongolo. Belgrade is one of uPhongola nodes that provide some minimal services to a number of tribal areas which are located far from Pongola town. There are departments such as home affairs, transport, agriculture, with a Thusong Centre under construction, and a local clinic.

### 3.22.1 Service Statistics

The facilities are open for hire and service statistics are being developed for these facilities. Other relevant information includes the number of functions at the halls and Thusong Centres as reflected below.

**Table 76: Town Halls, Community Halls and Thusong Centres**

| Serial No | Facility               | Town Halls, Community Halls and Thusong Centres |
|-----------|------------------------|---|
|           |                        | Number of Functions Held in 2021                |
|           | Ward-1-Community Hall  |   |
|           | Ward-2-Community Hall  |   |
|           | Ward-3-Community Hall  |   |
|           | Ward-4-Community Hall  |   |
|           | Ward-5-Community Hall  |   |
|           | Ward-6-Community Hall  |   |
|           | Ward-7-Community Hall  |   |
|           | Ward-8-Community Hall  |   |
|           | Ward-9-Community Hall  |   |
|           | Ward-10-Community Hall |   |
|           | Ward-11-Community Hall |   |
|           | Ward-12-Community Hall |   |
|           | Ward-13-Community Hall |   |
|           | Ward-14-Community Hall |   |
|           | Ward-15-Community Hall |   |

### 3.22.2 Service Delivery Levels

The Halls are used frequently, and this has an impact on the standard times of readiness in terms of minimum quality standards required at such facilities.

### **3.22.2 Major Projects Completed**

### **3.23 CHILD CARE, AGED CARE AND SOCIAL PROGRAMMES**

The Community Services Department is responsible for poverty relief initiatives, support to vulnerable groups, including youth, gender, the elderly, the disabled, street people, alcohol harms reduction programme and the Early Childhood Development (ECD) Sector as well as the arts and culture and sports programme. It also manages the distribution of the grant in aid funds.

The strategic, programmatic focus of the section is to develop and establish social support networks and to develop and promote community livelihood strategies. The principles guiding the implementation of programmes and projects are based on labour-intensive job creation initiatives that sustain and support impoverished households.

The Early Childhood Development (ECD) is one of the programmes serviced by the Community Development Department as well as the facilitation of various community skills development workshops. The aim of the skills training is to empower unskilled and unemployed youth with skills so that they could immediately become employable and/or access employment opportunities.

## **COMPONENT F: ENVIRONMENTAL PROTECTION**

### **INTRODUCTION**

The natural environment supports all life on earth, but it is currently under severe threat due to human activities which are causing unprecedented climate change, habitat loss, alien species invasions and excessive pollution which have a significant impact on the health and functioning of our ecosystems. If we are to continue to prosper and develop in a sustainable manner, it is vitally important that we take active measures to protect the environment. While environmental protection is the responsibility of all municipal line departments, uPhongolo Municipality does not have a division or unit that is especially dedicated to deal with Environmental Management. Currently, the Municipality is supported by the Zululand District Municipality in executing the health and safety functions related to this environmental management.



### 3.24 ENVIRONMENTAL MANAGEMENT (INCLUDING POLLUTION CONTROL)

The Environmental Management function is executed by the Planning and Development Department within the Municipality. Some of the functions include service delivery focus to ensure that residents enjoy an environment that is safe, not harmful to their wellbeing and is protected for future generations by protecting and enhancing the Municipality's natural assets and by ensuring that the Municipality's natural resources are utilised sustainably. It thus plays a proactive role in planning for sustainable development through several initiatives including the development of the Environmental Management Framework, the implementation of the Climate Change Adaptation Plan, by commenting on development applications and coordinating the Climate Partnership with other partners.

The Department further plays an active role in monitoring threats to the environment and ensuring compliance with environmental legislation. This entails the response to environmental pollution incidents, managing environmental emergency incidents in accordance with Section 30 of the National Environmental Management Act 107 of 1998, and executing the air quality management and noise control functions.

The Department plays a pivotal active role in the management of natural resources by implementing projects aimed at developing management plans for municipal conservation areas and conducting environmental awareness campaigns with schools and the public in general.

#### 3.24.1 Service Statistics

**Table 77: Environmental Management - Service Statistics**

| <b>Environmental Management Service Statistics</b> |                  |
|--|------------------|
| <b>Description</b>                                 | <b>2020/2021</b> |
| Environmental Education and Awareness Events       | N/A              |
| Environmental Applications commented on            | N/A              |
| Land Use Applications commented on                 | N/A              |
| Noise Exemptions issued                            | N/A              |
| Noise Complaints attended to                       | N/A              |
| Air Pollution Incidents attended to                | N/A              |
| Pollution Incidents attended to                    | N/A              |

**INTRODUCTION**

This part of the report deals with the traffic, licensing, law enforcement, and fire and disaster management services rendered for the year under review.

**3.25 TRAFFIC, LICENSING AND LAW ENFORCEMENT**

During 2020/2021, a large number of offences were dealt with. The main purpose of this section is not only to prosecute, but also to educate offenders. The main activities undertaken were:

- Apprehending offenders talking on cell phones while driving, red light and stop street violations, failure to wear seatbelts, excessive speeding, taxis, red and yellow line offences, illegal number plates and driving under the influence of alcohol – all of which have a propensity to contribute to a high rate of road accidents.
- Corrective measures taken, *inter alia*, include selective law enforcement on safety belts, cell phones, number plates and public transport;
- licence renewals; and
- learners’ classes as well.

**3.25.1 Service Statistics**

**Table 78: Traffic, Licensing and Law Enforcement Service Data**

| <b>Traffic, Licensing and Law Enforcement Service Data</b> |               |                         |
|--|---------------|-------------------------|
| <b>Details</b>   | <b>Number</b> | <b>2020/2021 Actual</b> |
| Number of road traffic accidents during the year           |               |                         |
| Number of bylaw infringements attended                     |               |                         |
| Number of traffic officers in the field on an average day  |               |                         |
|  |               |                         |
| <b>Details</b>   | <b>Number</b> | <b>2020/2021 Actual</b> |
| Number of traffic officers on duty on an average day       |               |                         |

### **3.25.2 Service Delivery Levels**

The mission of Traffic Services is to render an effective and high-quality service through a process of consultation and transparency in all facets of the traffic services, and in rendering a service to the community of uPhongolo and its visitors by ensuring the free flow of traffic and creating a safe environment.

## **3.26 FIRE AND DISASTER MANAGEMENT**

### **3.26.1 Fire Services**

The Fire Department is located under the Community Services Department and performs the following functions: *operations, training, support services, fire safety and disaster risk management.*

- The unit operates a 24-hour service and an emergency and which after hours being on standby, which responds to all incidents in the municipal area immediately with targeted predetermined response times.
- The uPhongolo Municipality facilitates the accredited and professional firefighting training to all appointed Fire Service personnel. The continuous training objective is intended to improve the skills and development of the firefighting personnel in order to provide a professional service to the communities who inhabit the Municipality. During the 2020/2021 financial year there was no training for a total number of, Fire Service Officials received continuous training relating to the scope of the work they perform.
- A total number of 40 schools were recipients of the Fire and Life Safety Programme: Stop, Drop and Roll, Learn Not to Burn and Crawl Low under Fire. These programmes are aimed at fire and life safety within the communities.
- The Fire Service operates between 7am and 4pm and provides standby services with calls directed to the Emergency Control Centre and cellphones.
- Calls are normally received by the centre and, depending on the emergency, the relevant vehicles are dispatched to attend to the incidents. The incidents are not confined to fire calls only. Professionally trained firefighters responded to rescue and medical incidents and other special services calls such as flooding and so forth.
- Fire Safety focuses on risk, and building inspections, in compliance with the National Building Regulations and the Building Standards Act, and related bylaws.

### 3.26.2 Service Statistics

**Table 79: Fire Service Data**

| <b>Fire Service Data</b>                         |                         |
|--|-------------------------|
| <b>Detail</b>                                    | <b>2020/2021 Actual</b> |
| Total fires attended to in the year              | 69                      |
| Total of other incidents attended to in the year | 130                     |
| Average turnout time – urban areas (minutes)     | 10mins                  |
| Average turnout time – rural areas               | 30mins                  |
| Firefighters in post at year end                 | 8                       |
| Total fire appliances at year end                | 1                       |

**Table 80: Fire Safety – Activities/Inspections**

| <b>Fire Safety Activities/Inspections</b>          |                         |
|--|-------------------------|
| <b>Description</b>                                 | <b>2020/2021 Actual</b> |
| Fire safety inspections                            | 40                      |
| Lectures and demonstrations ( awareness campaigns) | 60                      |
| Buildings plans scrutinised and approved           | 10                      |
| Events Management and risk visits                  | 15                      |

The following training was conducted and attended by fire service personnel:

### 3.26.3 Disaster Management

The Municipality renders relief services to fire victims by handing out food parcels and blankets. During 2020/2021 period, blankets and food parcels were handed out.

### 3.26.4 Service Delivery Levels

The fire service aims to attend to all emergencies within the prescribed attendance times as indicated in table above (depicting fire, safety activities or inspections).

## COMPONENT H: SPORT AND RECREATION

### INTRODUCTION

The sports activities and programmes fall under the Special Programmes and all the sports programmes were implemented.

#### 3.27 SPORT GROUNDS AND HALLS

Sports fields and halls in uPhongolo were utilised for different recreational activities and for different sports codes.

##### 3.27.1 *Service Delivery Levels*

Due to Covid 19 pandemic, the community of uPhongolo did not participate in sports and recreational activities in this year under review.

## COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

### INTRODUCTION

In terms of Section 4(2) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), a Municipal Council must, within the Municipality's financial and administrative capacity, and having regard for practical considerations:

- Exercise the Municipality's executive and legislative authority and use the resources of the Municipality in the best interests of the community;
- Provide, without favour or prejudice, democratic and accountable government;
- Encourage the involvement of the community;
- Strive to ensure that municipal services are provided to the community in a financially and environmentally sustainable manner;
- Consult the community on the level, quality, range and impact of municipal services and the available options for service delivery;
- Give members of the community equitable access to the municipal services to which they are entitled;
- Promote and undertake development in the Municipality;
- Promote gender equity in the exercise of the Municipality's executive and legislative authority;
- Promote a safe and healthy environment in the Municipality; and
- Contribute, together with other organs of state, to the progressive realisation of the fundamental rights contained in Sections 24, 25, 26, 27 and 29 of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996).

#### 3.28 EXECUTIVE AND COUNCIL SUPPORT

A council must annually review:

- The needs of the community;
- Its priorities to meet those needs;
- Its processes for involving the community;
- Its organisational and delivery mechanisms for meeting those needs; and
- Its overall performance in achieving the objects of local government as set out in the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996).

In terms of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998), the municipal council must elect a Mayor and other office-bearers. The Municipal Council may establish committees to assist the Municipal Council and/or the Mayor. The Mayor of uPhongolo Municipality, Cllr S.R. Mhlongo, and the Council have made substantial strides towards implementing the revised vision of uPhongolo throughout the operations of Council and the administration in the year under review.

### **3.28.1 Service Statistics**

The Municipal Council adopted priorities for the Municipality, Mayor and other political structures to meet on a regular basis in order to ensure that decision-making takes place in an efficient and effective manner.

Regular performance reports in terms of the Performance Management System, together with monthly reports to the Mayoral Committee and Council, provide these structures with continuous information on progress made with the achievement of targets as well as the implementation of decisions taken by them.

**Table 82: Service Statistics for the Executive and Council**

| Council and Committee Structures                                   | No. of meetings |
|--|-----------------|
|  | 2020/2021       |
| Council  | 04              |
| Special Council  | 11              |
| Corporate Services Portfolio Committee                             | 09              |
| Community Services Portfolio Committee                             | 06              |
| Finance Portfolio Committee  | 10              |
| Technical, Development Planning & LED Services Portfolio Committee | 09              |
| Municipal Public Accounts Committee (MPAC)                         | 05              |
| Audit Committee  | 03              |

**3.28.2 Service Delivery Levels**

All agendas are in terms of the approved Standard Operating Procedures of Administration distributed at least three calendar days before a meeting and in the case of minutes within five working days after the meeting was held.

**3.28.3 Major Projects Completed**

All Councillors were issued with electronic devices.

**3.29 FINANCIAL SERVICES**

The major key performance area is the focus on long-term financial sustainability. It is imperative that the generated revenue base is of such a nature that the Municipality is able to fund its short, medium- and long-term operations in order to ensure continuity and a financially sound and stable organisation. The major key functional areas that have been identified and linked to financial sustainability are revenue enhancement, credit control measures and expenditure management.

The ratios in terms of the collection of revenue have improved overall. There is a considerable amount of work to be done in order to bring the debtors' book of Council to an acceptable level. The gloomy economic conditions globally have also affected the consumers' ability to pay and most consumers are still recovering from the recessionary trends of the past few years.

**3.29.1 Service Statistics**

**Table 83: Debt Recovery**

| Serial No.  | Revenue Service | Debt Recovery     |        |           |                   |   |   |
|-------------|-----------------|-------------------|--------|-----------|-------------------|---|---|
|             |                 | R'000             |        |           |                   |   |   |
|             |                 | 2019/2020         |        |           | 2020/2021         |   |   |
| Billed      | Collected       | % Collection Rate | Billed | Collected | % Collection Rate |   |   |
| Column Ref. | A               | B                 | C      | D         | E                 | F | G |
| 1           | Property Rates  |                   |        |           |                   |   |   |
| 2           | Electricity     |                   |        |           |                   |   |   |
| 3           | Water           |                   |        |           |                   |   |   |
| 4           | Sanitation      |                   |        |           |                   |   |   |
| 5           | Refuse          |                   |        |           |                   |   |   |
| 6           | Other           |                   |        |           |                   |   |   |
| <b>7</b>    | <b>Totals</b>   |                   |        |           |                   |   |   |

**3.29.2 Service Delivery levels**

Service delivery levels are determined in the Standard Operating Procedures for every service rendered by this section. These standards are incorporated as key performance indicators in the Service Delivery and Budget Implementation Plan, thereby ensuring measurement and compliance to the set service standards.

**3.29.3 Capital Expenditure**

The Budget and Treasury Department spent 100% of the final adjustments budget on financial services infrastructure projects for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure information.



**Table 84: Capital Expenditure 2020/2021 - Financial Services**

| Serial No.  | Capital Project Description        | Original Approved Budget | Final Adjustments Budget | Actual Expenditure | % Variance Column C & D |
|-------------|------------------------------------|--------------------------|--------------------------|--------------------|-------------------------|
| Column Ref. | A                                  | B                        | C                        | D                  | E                       |
| 1           | Computer Equipment                 |                          |                          |                    |                         |
| 2           | Intangible Assets Insurance Module |                          |                          |                    |                         |
| 3           | Furniture and Equipment            |                          |                          |                    |                         |
| 4           | Air Conditioners                   |                          |                          |                    |                         |
| 5           | Other Capital Projects             |                          |                          |                    |                         |
| 6           | <b>Total Capital Expenditure</b>   |                          |                          |                    |                         |

### 3.29.4 Major Projects Completed

#### 3.29.4 Operating Expenditure

Financial Services, as a support service, generated an operating surplus for the 2020/2021 financial year. The surplus, due to property rates revenue, is subsidising other community services operating at a loss.

**Table 85: Operating Revenue and Expenditure: Financial Services (Procurement Services Excluded)**

| Operating Revenue and Expenditure: Financial Services (Procurement Services Excluded) |                                       |                          |                          |                          |                |   |
|---|---------------------------------------|--------------------------|--------------------------|--------------------------|----------------|---|
| Serial No.  | Description                           | 2019/2020 Actual Results | 2020/2021                |                          |                |   |
|   |                                       |                          | Original Approved Budget | Final Adjustments Budget | Actual Results | Positive / (Negative) % Variance Between Column D & E |
| Column Ref.   | A                                     | B                        | C                        | D                        | E              | F   |
| 1   | Operating Revenue                     |                          |                          |                          |                |   |
| 2   | <b>Total Operating Revenue</b>        |                          |                          |                          |                |   |
| 3   | Employee Related Costs                |                          |                          |                          |                |   |
| 4   | Impairment Losses on Financial Assets |                          |                          |                          |                |   |
| 5   | Interest Paid                         |                          |                          |                          |                |   |

|           |                                      |  |  |  |  |  |
|-----------|--------------------------------------|--|--|--|--|--|
| 6         | Contracted Services                  |  |  |  |  |  |
| 7         | Depreciation and Provisions          |  |  |  |  |  |
| 8         | Inventory                            |  |  |  |  |  |
| 9         | Operational Costs                    |  |  |  |  |  |
| <b>10</b> | <b>Total Operating Expenditure</b>   |  |  |  |  |  |
| <b>11</b> | <b>Operating (Surplus) / Deficit</b> |  |  |  |  |  |

### 3.30 HUMAN RESOURCE SERVICES

The Municipality is committed to the principles of the employment equity legislation and will continue to strive to appoint suitably qualified applicants while ensuring that the workforce is representative of the clients it serves. The Municipality also recognises the skills that our internal staff possesses hence it has embarked on a process of promoting internal staff through advertising some posts internally.

The Unit also focussed on filling critical vacant positions as requested by different departments and by placing internal advertisements. The other focus at HR for the 2020/2021 financial year was to review and develop HR related policies.

The HR continuously plays a pivotal role in terms of the Extended Public Works Programme by creating all appointed EPWP employees on the HR/Payroll System.

The Municipality complied with the Employment Equity Act (EEA) by ensuring that the Employment Equity Report was prepared and electronically submitted to the Department of Labour in January 2020. The Workplace Skills Plan and Annual Report were also submitted in April 2020.

The Municipality prides itself with contributing positively to its vision by also cascading the tool for monitoring progress and staff performance to all staff members.

### 3.30.1 Service Statistics

**Table 86: Service Statistics for Human Resources Services**

|                                   |                                 |   |
|-----------------------------------|---------------------------------|---|
|                                   |                                 |   |
| 22 <sup>nd</sup> April annually   | LGSETA                          | Workplace Skills Plan   |
| 22 <sup>nd</sup> April annually   | LGSETA                          | Annual Training Report  |
| 30 June annually                  | Office of the Municipal Manager | A report on the numbers of employees that are appointed on the first three levels of management |
| 14 <sup>th</sup> January annually | Department of Labour            | Employment Equity Report  |
| Monthly                           | Dep. of Local Government        | Municipal Finance Management Programme Report   |

### 3.30.2 Service Delivery Levels

A significant number of job descriptions were developed, in the financial year 2020/2021.

### 3.30.3 Major Projects Completed

Corporate Service policies were reviewed and job descriptions were developed.

## 3.31 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The Information and Communication Technology Unit is responsible for the effective management and functional supervision of the following three sections:

- ICT Governance and Administration;
- Information Systems; and
- ICT Operations and Support.

During 2020/2021 the ICT Unit made significant progress to improve governance and service delivery to user departments. In the year under review, measures were taken to improve the management and control of the use of information and communication technology.

### 3.31.1 Service Statistics

Operationally the section provides continuous support for the development, enhancement and maintenance of more than 200 application systems and databases throughout the Municipality.

### **3.31.2 Operations and Support**

This section is responsible for:

- Planning, implementing and managing the ICT operations environment;
- Providing facilities to ensure the secure and optimal availability of all ICT infrastructure; telecommunications systems and data;
- ICT service desk and support function; and
- All ICT hardware deployed within uPhongolo Municipality resides under this section.

### **3.32 PROPERTY SERVICES**

Some of the functions of various tend to overlap with those of the property services which in turn contribute towards economic growth and development as well as social and community development. This is achieved through making properties available through the sale or lease thereof, and thereby creating economic opportunities while also providing for the development and empowerment of the poor and most vulnerable. It further contributes to institutional transformation through the maintenance and development of office facilities and amenities that are required to render the necessary services.

The main objective of property services is to administer Municipality's property portfolio and to ensure that the property transactions are well administered, which would include the leasing and/or hiring immovable assets, the granting or obtaining of rights in properties as well as the alienation or acquisition thereof.

#### **3.32.1 *Service Delivery Levels***

Service delivery levels are determined in the Standard Operating Procedures for every key activity or service being rendered by this section. These standards are incorporated as key performance indicators in the Service Delivery and Budget Implementation Plan, thereby ensuring measurement and compliance to the set service standards.

### **3.33 LEGAL SERVICES**

Legal Services within the Municipality supports the Council and Administration with legal advice and support. In addition to general legal support, administering of own legislation, vetting of contracts and litigation management, the Legal Services Section oversees the outsourcing of legal services provided by the panel of attorneys appointed by the Municipality. The administration of property transactions which

are governed in terms of the Asset Transfer Regulations also fall under the purview of Legal Services. Property transactions are administered in close co-operation and consultation with technical line departments in order to ensure that such transactions play a key role in the implementation of strategic goals that align with the constitutional duties of local government. The unit, therefore, does not only play a role in protecting the interests of the Municipality that pertain to legal matters, but also fulfil a facilitating role in furthering developmental goals such as the promotion of social and economic development through property transactions, in collaboration with other Departments of the Municipality.

### **3.33.1 *Service Delivery Levels***

uPhongolo Municipality uses the services of external service providers to assist the Municipality in administering its own legislation through the development and promulgation of new legislation as well as the review of existing legislation. The Municipal Code encompasses all of the Municipality's own legislation and is constantly updated by the review of existing bylaws as well as the development of new bylaws in areas that require the necessary enforcement and control in order to promote and protect the interests of the community.

External legal service providers who provide a wide spectrum of general legal services such as representation in litigation, legal opinions, contracts and agreements are also used and in this way as it is ensured that the required performance was maintained by duly protecting the interests of the Municipality at all material times.

## **3.34 RISK MANAGEMENT**

The Risk Management Unit performs two main functions, the Integrated Risk Management (IRM) that is responsible for the risk management function at uPhongolo Municipality through a process of facilitation. Provision of advice pertaining to the Fraud Risk Management to all stakeholders, basing same on four pillars vis-à-vis Prevention, Detection, Investigation and Feedback with regards to lessons learned.

### **3.34.1 *Major Projects Completed***

A normal risk assessment for the Municipality was conducted and that included a risk mitigation plan.

### **3.35 PROCUREMENT SERVICES**

The Supply Chain Management Unit resorts under the direct supervision of the Chief Financial Officer. The service delivery levels are determined in the Standard Operating Procedures for every service rendered by this division. A number of standard operating procedures were drafted, approved and rolled out to departments for implementation. This improved efficiencies and reporting requirements.

**COMPONENT K: ANNUAL PERFORMANCE REPORT (APR) 2020/2021**

| Score card Ref #  | SOBIP ref # | Responsible Department     | IDP Objectives  | IDP REF No. | Strategy  | Mscosa Project ref   | Project name (Mscosa) | Unit of Measure  | Indicator  | 2019/2020    |          |         | Prior year   |   | Current year   |  | Status -Achieved / Not Achieved | Reason for Variance | Measures to be taken to improve performance  | Budget for the Year  | Source of Funding | Ward          | POE |   |
|---|-------------|----------------------------|---|-------------|---|----------------------|-----------------------|------------------|--|--------------|----------|---------|--|---|--|--|---------------------------------|---------------------|--|--|-------------------|---------------|-----|---|
|   |             |                            |   |             |   |                      |                       |                  |  | Demand       | Baseline | Backlog | Annual (Revised) Target 2019/2020  | Actual 2019/2020  | Original Targets for 2020/2021   | Revised & Final Targets 2020/2021  |                                 |                     |  |  |                   |               |     | Annual actual achievement for 2020/2021                           |
|   |             |                            |   |             |   |                      |                       |                  |  |              |          |         |  |   |  |  |                                 |                     |  |  |                   |               |     |   |
| <b>PROVINCIAL GROWTH &amp; DEVELOPMENT STRATEGY (PGDS) GOAL 6 : GOVERNANCE AND POLICY</b> |             |                            |   |             |   |                      |                       |                  |  |              |          |         |  |   |  |  |                                 |                     |  |  |                   |               |     |   |
| <b>NATIONAL KEY PERFORMANCE AREA : MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT</b>       |             |                            |   |             |   |                      |                       |                  |  |              |          |         |  |   |  |  |                                 |                     |  |  |                   |               |     |   |
| <b>OUTCOME 9 : IMPROVED MUNICIPAL FINANCIAL AND ADMINISTRATIVE CAPABILITY</b>             |             |                            |   |             |   |                      |                       |                  |  |              |          |         |  |   |  |  |                                 |                     |  |  |                   |               |     |   |
| <b>BACK TO BASICS: PILLAR 4 SOUND FINANCIAL MANAGEMENT</b>                                |             |                            |   |             |   |                      |                       |                  |  |              |          |         |  |   |  |  |                                 |                     |  |  |                   |               |     |   |
| <b>MUNICIPAL FINANCIAL VIABILITY &amp; FINANCIAL MANAGEMENT</b>                           |             |                            |   |             |   |                      |                       |                  |  |              |          |         |  |   |  |  |                                 |                     |  |  |                   |               |     |   |
| Org 46  | BTO 1       | Budget and Treasury Office | To apply good financial management in dealings with municipal finances                                | D1.1        | Develop and implement measures to expand revenue base and generation.   |                      |                       | %                | % Revenue Growth - Period under review's Total Revenue - previous period's Total Revenue/ previous period's Total Revenue x 100 - year-on-year or quarter-to-quarter   | 12%          | 5%       | 7%      | 6,68 % Revenue Growth by 30 June 2020  | 11,8% Revenue growth by 30 June 2020                                    | 12 % Revenue Growth by 30 June 2021  | 26 % Revenue Growth by 30 June 2021  | 25%                             | Not Achieved        | Decrease in overall income as a result of Covid-19 restrictions and shut down of business of our customers and low income on households. | To develop revenue enhancement strategy and implement it.  | 330mil            | Mix sources   | All | S 71 report table c3 monthly budget statement // AFS              |
| Org 47  | BTO 3       | Budget and Treasury Office | To apply good financial management in dealings with municipal finances                                | D1.1        | Develop and implement measures to expand revenue base and generation.   |                      |                       | %                | Actual Operating Revenue / Budget Operating Revenue x 100  | 95%- 100%    | 100%     | -       | 95%- 100% Actual Operating Revenue over Budgeted Operating revenue by 30 June 2020     | 99,5% Operating revenue over budgeted Operating revenue by 30 June 2020 | 95%- 100% Actual Operating Revenue over Budgeted Operating revenue by 30 June 2021     | 95%- 100% Actual Operating Revenue over Budgeted Operating revenue by 30 June 2021     | 96%                             | Achieved            |  |  | 303mil            | Mix sources   | All | S 71 report table c4 monthly budget statement and table c4 // AFS |
| Org 48  | BTO 6       | Budget and Treasury Office | To apply good financial management in dealings with municipal finances                                | D1.2        | To control and account for all Municipal expenditure  |                      |                       | %                | % staff cost over OPEX incurred - Remuneration (Employee Related Costs and Councilors' Remuneration) / Total Operating Expenditure x100  | 25% - 40%    | 40%      | -       | 25 - 40% staff cost over OPEX incurred by 30 June 2020                                 | 41,4% Staff cost over OPEX was incurred by 30 June 2020                 | 25 - 40% staff cost over OPEX incurred by 30 June 2021                                 | 25 - 40% staff cost over OPEX incurred by 30 June 2021                                 | 37%                             | Achieved            |  |  | 110,2 mil         | Mix sources   | All | S 71 report table c4  |
| Org 49  | BTO 8       | Budget and Treasury Office | To apply good financial management in dealings with municipal finances                                | D1.2        | To control and account for all Municipal expenditure  |                      |                       | %                | % CAPEX BUDGET SPENT - Actual capital Expenditure / Budget Capital Expenditure x 100   | 95%- 100%    | 75%      | 25%     | 80%-85% CAPEX BUDGET SPENT by 30 June 2020   | 74,5% CAPEX budget spent by 30 June 2020                                | 95%- 100% CAPEX BUDGET SPENT by 30 June 2021   | 95%- 100% CAPEX BUDGET SPENT by 30 June 2021   | 84%                             | Not Achieved        | Most of the in-house funded projects were delayed due to funding applications and related processes                                      | New procurement Plan to be developed and implemented strictly  | 48,1 mil          | Mix sources   | All | S 71 report table c5 / AFS  |
| Org 50  | TCS 38      | Technical Services         | To apply good financial management in dealings with municipal finances                                | D1.2        | To control and account for all Municipal expenditure  |                      |                       | %                | % MIG BUDGET SPENT - Actual MIG Expenditure / MIG Budget Expenditure x 100   | 95%- 100%    | 75%      | 25%     | 80%-85% MIG BUDGET SPENT by 30 June 2020   | 71,3% MIG budget spent by 30 June 2020                                  | 95%- 100% MIG BUDGET SPENT by 30 June 2021   | 95%- 100% MIG BUDGET SPENT by 30 June 2021   | 100%                            | Achieved            |  |  | 33,7 mil          | Grant_MIG     | All | S 71 report table c5 / AFS  |
| Org 51  | TCS 33      | Technical Services         | To apply good financial management in dealings with municipal finances                                | D1.2        | To control and account for all Municipal expenditure  |                      |                       | %                | % Electricity Grant (INEP) BUDGET SPENT - Actual INEP Expenditure / INEP Budget Expenditure x 100  | 95%- 100%    | 75%      | 25%     | 95%- 100% Electricity Grant (INEP) BUDGET SPENT by 30 June 2020                        | 100% Electricity Grant (INEP) Budget spent by 30 June 2020              | 95%- 100% Electricity Grant (INEP) BUDGET SPENT by 30 June 2021                        | 95%- 100% Electricity Grant (INEP) BUDGET SPENT by 30 June 2021                        | 100%                            | Achieved            |  |  | 9,21 mil          | Grant_INEP    | 9   | S 71 report table c5 / AFS  |
| Org 52  | CP3         | Corporate Services         | To apply good financial management in dealings with municipal finances                                | D1.2        | To control and account for all Municipal expenditure  | Staff & Clr training |                       | %                | % of budget spent on implementation of WSP   | 95%- 100%    | 75%      | 25%     | 95%- 100% Work Skills Plan Budget Spent  | 83,7% Work Skills Plan Budget Spent                                     | 95%- 100% Work Skills Plan Budget Spent  | 95%- 100% Work Skills Plan Budget Spent  | 104,92%                         | Not Achieved        | Additional requests for training/funding to study than anticipated   | Budgetary controls to be improved with the implementation of the Mscosa system   | 448 254           | Mix sources   | All | S 71 report / AFS   |
| Org 53  | BTO 9       | Budget and Treasury Office | To apply good financial management in dealings with municipal finances                                | D1.2        | To control and account for all Municipal expenditure  |                      |                       | %                | % OPEX Budget spent - Actual Operating Expenditure / Budgeted Operating Expenditure x 100  | 95%- 100%    | 100%     | -       | 95%- 100% OPEX Budget spent by 30 June 2020  | 98,6% OPEX budget spent by 30 June 2020                                 | 95%- 100% OPEX Budget spent by 30 June 2021  | 95%- 100% OPEX Budget spent by 30 June 2021  | 98%                             | Achieved            |  |  | 289 Mil           | Mix sources   | All | S 71 report table c4 / AFS  |
| Org 54  | BTO 16      | Budget and Treasury Office | To apply good financial management in dealings with municipal finances                                | D1.3        | Develop and implement measures to reduce the level of debt owed to the municipality   |                      |                       | %                | % Collection Rate - (Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off/Billed Revenue x 100   | 93%-95%      | 85%      | 10%     | 93%- 95% Collection Rate by 30 June 2020   | 70% Collection Rate by 30 June 2020                                     | 93%- 95% Collection Rate by 30 June 2021   | 93%- 95% Collection Rate by 30 June 2021   | 56%                             | Not Achieved        | The community is highly indigent which makes the payment of accounts a challenge   | Customer incentive scheme to be implemented in 21/22 to improve accounts receivable balance. -Indigent benefit scheme to be implemented in 21/22 to                    |                   |               | All | section 71 report / AFS   |
| Org 55  | BTO 17      | Budget and Treasury Office | To apply good financial management in dealings with municipal finances                                | D1.3        | Develop and implement measures to reduce the level of debt owed to the municipality   |                      |                       | %                | % of outstanding service debtors to annual revenue from services   | 0%-26%       | 100%     | -174%   | 0%- 26% of outstanding service debtors to annual revenue from services by 30 June 2020 | 42,6%   | 0%- 26% of outstanding service debtors to annual revenue from services by 30 June 2021 | 0%- 26% of outstanding service debtors to annual revenue from services by 30 June 2021 | 140,7%                          | Not Achieved        | The community is highly indigent which makes the payment of accounts a challenge   | Customer incentive scheme to be implemented in 21/22 to improve accounts receivable balance. -Indigent benefit scheme to be implemented in 21/22 to                    |                   |               | All | section 71 report / AFS   |
| Org 56  | BTO 19      | Budget and Treasury Office | To apply good financial management in dealings with municipal finances                                | D1.4        | Improve cash and debtors management   |                      |                       | Number in months | Cash / Cost Coverage Ratio in Months - ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets) | 1 - 3 Months | 1        | 2       | 1 - 3 Cash / Cost Coverage Ratio in Months by 30 June 2020                             | 1 Month   | 1 - 3 Cash / Cost Coverage Ratio in Months by 30 June 2021                             | 1 - 3 Cash / Cost Coverage Ratio in Months by 30 June 2021                             | 0 Months                        | Not Achieved        | Cash on balance at year end low due to poor payment of accounts  | - It is anticipated that the proposed customer incentive scheme will improve the cash position of the Municipality once fully implemented thereby improving this ratio |                   |               | All | Section 71 report/ Circular 71 Template report / AFS              |
| Org 57  | BTO 21      | Budget and Treasury Office | To apply good financial management in dealings with municipal finances                                | D1.4        | Improve cash and debtors management   |                      |                       | Number           | Debt coverage rate - (Total operating revenue less operating grants) / Debt service payment  | 40 x         |          |         | 30 x to 40 times Debt coverage rate by 30 June 2020                                    | 97 times  | 30 x to 40 times Debt coverage rate by 30 June 2021                                    | 30 x to 40 times Debt coverage rate by 30 June 2021                                    | 62,78 times                     | Achieved            |  |  |                   | Oper-internal | All | Expenditure report - S71 / AFS                                    |
| Org 58  | BTO 31      | Budget and Treasury Office | To enforce a fair and legislatively compliance SCM policy   | D2.2        | Apply fairness, equity, transparency, and competitiveness, and cost effectiveness principles in obtaining goods and services. |                      |                       | Number           | Number of Quarterly report on the implementation of SCM policy reported to Council   | 4            | 4        | -       | 4 report on the implementation of SCM policy reported to Council by 30 June 2020       | 3   | 4 report on the implementation of SCM policy reported to Council by 30 June 2021       | 4 report on the implementation of SCM policy reported to Council by 30 June 2021       | 4                               | Achieved            |  |  |                   | Oper-internal | All | Council resolution noting deviations                              |
| Org 59  | BTO 34      | Budget and Treasury Office | To budget and report on all Municipal financial transactions according to legislation                 | D3.1        | Ensure that budget is informed by the IDP   |                      |                       | Date             | Date Final Budget approved by Council  | 31 May       | 31-May   | -       | Final Budget approved by Council on or before 31 May 2020                              | Final Budget approved by Council on the 12th of June 2020               | Final Budget approved by Council on or before 31 May 2021                              | Final Budget approved by Council on or before 31 May 2021                              | 02-Jun-21                       | Not Achieved        | No Council quorum for the targeted date  | Schedule of meetings to be developed and meetings to be held as planned.   |                   |               | All | Council resolution on draft and final budget                      |
| Org 60  | CP4         | Corporate Services         | To ensure that assets are properly safeguarded, maintained and accounted for in the Municipal records | D4.4        | Establish own fleet with effective tracking system  |                      |                       | Number           | Number of Fleet Management Report prepared   | 12           | 12       | -       | 12 Fleet Management reports prepared by 30 June 2020                                   | 12  | 12 Fleet Management Reports prepared by 30 June 2021                                   | 12 Fleet Management Reports prepared by 30 June 2021                                   | 12                              | Achieved            |  |  |                   | Oper-internal | All | Monthly Fleet Report signed by SCM Manager and CFO                |



| Score card Ref #   | SODP ref #                   | Responsible Department   | IDP Objectives  | IDP Ref No.   | Strategy  | Mosaic Project ref#   | Project name (Eskom)  | Unit of Measure                       | Indicator   | 2019/2020 |          |   | Prior year  |   | Current year  |   | Status - Achieved / Not Achieved | Reason for Variance | Measures to be taken to improve performance   | Budget for the Year  | Source of Funding | Ward        | POE                                    |   |
|--|------------------------------|--|---|---|---|---|---|---------------------------------------|---|-----------|----------|---|---|---|---|---|----------------------------------|---------------------|---|--|-------------------|-------------|--|---|
|  |                              |  |   |   |   |   |   |                                       |   | Demand    | Baseline | Backlog   | Annual (Revised) Target 2019/2020   | Actual 2019/2020  | Original Targets for 2020/2021  | Revised & Final Targets 2020/2021   |                                  |                     |   |  |                   |             |  | Annual actual achievement for 2020/2021                                       |
|  |                              |  |   |   |   |   |   |                                       |   |           |          |   |   |   |   |   |                                  |                     |   |  |                   |             |  |   |
| <b>PROVINCIAL GROWTH &amp; DEVELOPMENT STRATEGY (PGDS) GOAL 3: HUMAN AND COMMUNITY DEVELOPMENT</b> |                              |  |   |   |   |   |   |                                       |   |           |          |   |   |   |   |   |                                  |                     |   |  |                   |             |  |   |
| <b>GOAL 4: STRATEGIC INFRASTRUCTURE</b>  |                              |  |   |   |   |   |   |                                       |   |           |          |   |   |   |   |   |                                  |                     |   |  |                   |             |  |   |
| <b>NATIONAL KEY PERFORMANCE AREA : BASIC SERVICE DELIVERY &amp; INFRASTRUCTURE</b>                 |                              |  |   |   |   |   |   |                                       |   |           |          |   |   |   |   |   |                                  |                     |   |  |                   |             |  |   |
| <b>OUTCOME 9 : IMPROVED ACCESS TO BASIC SERVICES</b>   |                              |  |   |   |   |   |   |                                       |   |           |          |   |   |   |   |   |                                  |                     |   |  |                   |             |  |   |
| <b>BACK TO BASICS: Pillar 2 - DELIVERING BASIC SERVICES</b>  |                              |  |   |   |   |   |   |                                       |   |           |          |   |   |   |   |   |                                  |                     |   |  |                   |             |  |   |
| Org 15   | TCS 5                        | Technical Services   | Ensure provision of Electricity/alternative energy in a sustainable manner                      | B1.1  | To provide an efficient and cost effective electricity distribution or alternative energy to all mandated areas in Phongolo.  |   | Electricity provision   | Number                                | Number of new consumer units with access to electricity (Eskom area)      | 4419      | 582      | 3837  | 350 of new consumer units with access to electricity (Eskom area) by 30 June 2020                       | 270   | 200 of new consumer units with access to electricity (Eskom area) by 30 June 2021                       | 200 of new consumer units with access to electricity (Eskom area) by 30 June 2021                       | 578                              | Achieved            |   | 9 210 000  | DOE               | 5 & 11      | Completion certificate                 |   |
| Org 16   | -                            | Technical Services   | Ensure provision of Electricity/alternative energy in a sustainable manner                      | B1.1  | To provide an efficient and cost effective electricity distribution or alternative energy to all mandated areas in Phongolo.  |   |   | Number                                | Number of existing Households with access to electricity                  | 30592     | 26286    | 4306  | 25988 Households with access to electricity by 30 June 2020   | 25817   | 26486 Households with access to electricity by 30 June 2021   | 26486 Households with access to electricity by 30 June 2021   | 26395                            | Not Achieved        | Only one project was completed while the second one is in progress.   | New targets to be done with the new IDP and 5 year implementation plan   | 9 210 000         | DOE         | All                                    | Census data plus completed project after                                      |
| Org 17   | -                            | Technical Services   | Ensure provision of Electricity/alternative energy in a sustainable manner                      | B1.1  | To provide an efficient and cost effective electricity distribution or alternative energy to all mandated areas in Phongolo.  |   |   | %                                     | Percentage of Households with access to electricity                       | 100%      | 85%      | 15%   | 85% Households with access to electricity by 30 June 2020   | 84%   | 86.6% Households with access to electricity by 30 June 2021   | 86,6% Households with access to electricity by 30 June 2021   | 86,30%                           | Not Achieved        | Only one project was completed while the second one is in progress.   | New targets to be done with the new IDP and 5 year Implementation plan   | 9 210 000         | DOE         | All                                    | Census data plus completed project after                                      |
| Org 18   | CMS 44                       | Community Services   | To control waste management including water contamination                                       | B3.3  | Ensure that all refuse is timely removed from source to waste management centre   |   | Refuse collection   | Number                                | Number of Households with access to refuse removal at least once per week | 4364      | 4114     | 86  | 4550 Households with access to refuse removal at least once per week by 30 June 2020                    | 4364  | 4550 Households with access to refuse removal at least once per week by 30 June 2021                    | 4550 Households with access to refuse removal at least once per week by 30 June 2021                    | 4368                             | Not Achieved        | Refuse collection currently limited to Town and Township where there were limited increase in customer base | New targets to be done with the new IDP and 5 year Implementation plan   | 1,8 mil           | Operational | All                                    | Billing report or refuse collection report                                    |
| Org 19   | CMS 45                       | Community Services   | To control waste management including water contamination                                       | B3.3  | Ensure that all refuse is timely removed from source to waste management centre   |   | Refuse collection   | %                                     | % Households with access to refuse removal at least once per week         | 15%       | 14%      | 1%  | 15% Households with access to refuse removal at least once per week by 30 June 2020                     | 14,30%  | 15% Households with access to refuse removal at least once per week by 30 June 2021                     | 15% Households with access to refuse removal at least once per week by 30 June 2021                     | 14,3%                            | Not Achieved        | Refuse collection currently limited to Town and Township where there were limited increase in customer base | New targets to be done with the new IDP and 5 year Implementation plan   | 1,8 mil           | Operational | All                                    | Billing report or refuse collection report over census data                   |
| Org 20   | Budget and Treasury Office   | To control waste management including water contamination                  | B3.3  | Ensure that all refuse is timely removed from source to waste management centre   |   | Free Basic Services   | % of Households provided with free basic services                   | 10%                                   | -   | 10%       | -        | 10%   | 10% of Households provided with free basic services by 30 June 2020                                     | 11%   | 10% of Households provided with free basic services by 30 June 2021                                     | 10% of Households provided with free basic services by 30 June 2021                                     | 4,5%                             | Not Achieved        | Indigent register not fully reviewed at year end  | Service provider appointed to review indigent households which will lead to the indigent register being updated  | 1,05M             | OPEx-grant  | All                                    | Billing report or refuse collection report over census data                   |
| Org 21   | Budget and Treasury Office   | To control waste management including water contamination                  | B3.3  | Ensure that all refuse is timely removed from source to waste management centre   |   | Free Basic Services   | % of households provided with rebates (electricity, rates & refuse) | 5%                                    | -   | 5%        | -        | 5%  | 5% of households provided with rebates (electricity, rates & refuse) by 30 June 2020                    | 0%  | 5% of households provided with rebates (electricity, rates & refuse) by 30 June 2021                    | 5% of households provided with rebates (electricity, rates & refuse) by 30 June 2021                    | 0                                | Not Achieved        | Indigent register not fully reviewed at year end  | Service provider appointed to review indigent households which will lead to the indigent register being updated  | 1,05M             | OPEx-grant  | All                                    | Billing report or refuse collection report over census data                   |
| Org 22   | PD 1                         | Planning & Development & LED   | To provide safe, adequate and habitable housing that is close to amenities                      | B4.2  | Improve community standard of living through accelerated development of houses in rural areas through improved intergovernmental relations with the Department of Human Settlements |   | Number  | Number of new housing units completed | 100   | 91        | 9        | 150 new RDP housing units completed by 30 June 2020 | 0 completed, houses under construction  | 500 new RDP housing units completed by 30 June 2021     | 150 new RDP housing units completed by 30 June 2021   | 335   | Achieved                         |                     |   | 47,8 Mil   | Capex-grant D&S   | 3 & 4 & 5   | Progress Report/Completion Certificate |   |
| Org 23   | Planning & Development & LED | To provide safe, adequate and habitable housing that is close to amenities | B4.2  | Improve community standard of living through accelerated development of houses in rural areas through improved intergovernmental relations with the Department of Human Settlements |   | Number  | Number of R 200 properties transferred                              |                                       |   |           |          |   |   |   | 303 - (R200) properties transferred by 30 June 2021   | 303 - (R200) properties transferred by 30 June 2021   | 46                               | Not achieved        | Delay in processing at payment of outstanding debt on properties was required before transfer               | Project in on-going. Regular progress checks to be done with the service provider  |                   |             | 2610                                   | Project progress report / Copies of deed documents                            |
| Org 24   | TCS 13                       | Technical Services   | Ensure the optimal use, maintenance and equitable development of communal and Public Facilities | B5.3  | Improve Access to Community Amenities and Infrastructure  | 11321 - C0318-3   | Creches and pre-school construction                                 | Number                                | Number of pre-schools/creches constructed & completed                     | 15        | *        | *   | 2 Phase 2 pre-schools/creches projects completed by 30 June 2020 (Mashuku and Sitshwelekarima projects) | 1 Phase 2 pre-schools/creches completed by 30 June 2020 | 1 Phase 2 pre-schools/creches projects completed by 30 June 2021 (Mashuku and Sitshwelekarima projects) | 1 Phase 2 pre-schools/creches projects completed by 30 June 2021 (Mashuku and Sitshwelekarima projects) | 1                                | Achieved            |   |  | 68 499,75         | Capex-MIG   | 13                                     | Project progress report / Practical completion certificate / Close-out report |
| Org 25   | TCS 14                       | Technical Services   | Ensure the optimal use, maintenance and equitable development of communal and Public Facilities | B5.3  | Improve Access to Community Amenities and Infrastructure  | 11316 - C0318-3<br>11315 - C0318-3                              | Creches and pre-school construction                                 | Number                                | Number of pre-schools/creches constructed & completed                     | 15        | *        | *   |   |   | 2 pre-schools/creches projects completed by 30 June 2021 (Mashuku and Sitshwelekarima projects)         | 2 pre-schools/creches projects completed by 30 June 2021 (Mashuku and Sitshwelekarima projects)         | 1                                | Not Achieved        | Delay in start of the project relating to procurement processes   | -New PMU Manager appointed. Post of the Dr. Technical Services to be filled in Q2/Q3 of 21/22 FY. Project progress monitoring to be done on a regular basis. | 1,68 Mil          | Capex-MIG   | 1 & 14                                 | Project progress report / Practical completion certificate / Close-out report |
| Org 26   | TCS 15                       | Technical Services   | Ensure the optimal use, maintenance and equitable development of communal and Public Facilities | B5.3  | Improve Access to Community Amenities and Infrastructure  | 1208 - C0318-3, 1187 - C0318-3, 1209 - C0318-3, 11331 - C0318-3 | Sport Facility construction   | Number                                | Number of Sport fields or complex completed                               | 15        | *        | *   | 2 Sport Fields/Complex completed by 30 June 2020  | 1 Sport field/complex completed by 30 June 2020         | 4 Sport Fields/Complex completed by 30 June 2021  | 4 Sport Fields/Complex completed by 30 June 2021  | 1                                | Not Achieved        | Delay in start of the project relating to procurement processes   | -New PMU Manager appointed. Post of the Dr. Technical Services to be filled in Q2/Q3 of 21/22 FY. Project progress monitoring to be done on a regular basis. | 6,3 Mil           | Capex-MIG   | 3,8,12 & 13                            | Project progress report / Practical completion certificate / Close-out report |
| Org 27   | TCS 16                       | Technical Services   | Ensure the optimal use, maintenance and equitable development of communal and Public Facilities | B5.3  | Improve Access to Community Amenities and Infrastructure  | 1184 - C0318-3  | Sport Facility construction   | Number                                | Number of Sport Fields / complex phase 2 completed                        | 15        | *        | *   |   |   | 1 Sport Fields/Complex Phase 2 completed by 30 June 2021  | 2 Sport Fields/Complex Phase 2 completed by 30 June 2021  | 1                                | Not Achieved        | Delay in start of the project relating to procurement processes   | -Post of the Dr. Technical Services to be filled in Q2/Q3 of 21/22 FY. Project progress monitoring to be done on a regular basis.                            | 4 630 939,33      | Capex-MIG   | 9                                      | Project progress report / Practical completion certificate / Close-out report |
| Org 28   | TCS 19                       | Technical Services   | Ensure the optimal use, maintenance and equitable development of communal and Public Facilities | B5.3  | Improve Access to Community Amenities and Infrastructure  | 11322 - C0318-3   | Construction of Community Halls                                     | Number                                | Number of Community Halls Constructed                                     | 15        | *        | *   | 1 Community halls completed by 30 June 2020   | Not completed, Project on hold                          | 1 Community halls completed by 30 June 2021   | 1 Community halls completed by 30 June 2021   | 1                                | Not Achieved        | Delay in start of the project relating to procurement processes   | -New PMU Manager appointed. Post of the Dr. Technical Services to be filled in Q2/Q3 of 21/22 FY. Project progress monitoring to be done on a regular basis. | 553 000,00        | Capex-MIG   | 9 & 14                                 | Project progress report / Practical completion certificate / Close-out report |
| Org 29   | TCS 20                       | Technical Services   | Ensure the optimal use, maintenance and equitable development of communal and Public Facilities | B5.3  | Improve Access to Community Amenities and Infrastructure  | 1186 - C0177-1<br>1188 - C0177-2                                | Paving of roads   | Number                                | kms of new Tar roads constructed  | 15        | *        | *   |   |   | 4 kms of new Tar roads constructed by 30 June 2021  | 3,6 kms of new Tar roads constructed by 30 June 2021  | 2,19 km                          | Not Achieved        | Delay in start of the project relating to procurement processes   | -New PMU Manager appointed. Post of the Dr. Technical Services to be filled in Q2/Q3 of 21/22 FY. Project progress monitoring to be done on a regular basis. | 6 467 905,00      | Capex-MIG   | 5, 2 & 7                               | Project progress report / Practical completion certificate / Close-out report |
| Org 30   | TCS 21                       | Technical Services   | Ensure the optimal use, maintenance and equitable development of communal and Public Facilities | B5.3  | Improve Access to Community Amenities and Infrastructure  | 1182 - C0193-1  | Storm Water drain/channel/pipe                                      | Number                                | Linear meter length of storm water pipe/drain/channel constructed         | 15        | *        | *   | 150 Linear meter length of storm water pipe/drain/channel constructed                                   | 260 m   | 315 Linear meter length of storm water pipe/drain/channel constructed by 30 June 2021                   | 315 Linear meter length of storm water pipe/drain/channel constructed by 30 June 2021                   | 305                              | Not Achieved        | Project delays  | -New PMU Manager appointed. Post of the Dr. Technical Services to be filled in Q2/Q3 of 21/22 FY. Project progress monitoring to be done on a regular basis. | 7 000 000,00      | Capex-own   | 11                                     | Project progress report / Practical completion certificate / Close-out report |
| Org 31   | TCS 17                       | Technical Services   | Ensure the optimal use, maintenance and equitable development of communal and Public Facilities | B5.3  | Improve Access to Community Amenities and Infrastructure  | C0057-1   | Water boreholes   | Number                                | Number of boreholes drilled   | 15        | *        | *   |   |   | 17 Boreholes drilled by 30 June 2021  | 17 Boreholes drilled by 30 June 2021  | 19                               | Achieved            |   |  | 5 825 000,00      | Capex-MIG   | 1,7,8,9,10,13 & 15                     | Project progress report / Practical completion certificate / Close-out report |

| Score card Ref #   | SDRP ref # | Responsible Department          | IDP Objectives   | IDP REF No. | Strategy   | Msooa Project ref# | Project name (Msooa)                              | Unit of Measure | Indicator  | 2019/2020               |          |         | Prior year   |  | Current year   |  |   | Status -Achieved / Not Achieved  | Reason for Variance  | Measures to be taken to improve performance  | Total            | Source of Funding | Ward  | POE   |                                       |
|--|------------|---------------------------------|--|-------------|--|--------------------|---|-----------------|--|-------------------------|----------|---------|--|--|--|--|---|--|--|--|------------------|-------------------|---|---|---------------------------------------|
|  |            |                                 |  |             |  |                    |   |                 |  | Demand                  | Baseline | Backlog | Annual (Revised) Target 2019/2020  | Actual 2019/2020   | Original Targets for 2020/2021   | Revised & Final Targets 2020/2021  | Annual actual achievement for 2020/2021 |  |  |  |                  |                   |   |   |                                       |
|  |            |                                 |  |             |  |                    |   |                 |  |                         |          |         |  |  |  |  |   |  |  |  |                  |                   |   |   |                                       |
| <b>PROVINCIAL GROWTH &amp; DEVELOPMENT STRATEGY (PGDS) GOAL 1: INCLUSIVE ECONOMIC GROWTH</b> |            |                                 |  |             |  |                    |   |                 |  |                         |          |         |  |  |  |  |   |  |  |  |                  |                   |   |   |                                       |
| <b>NATIONAL KEY PERFORMANCE AREA : LOCAL ECONOMIC DEVELOPMENT</b>                            |            |                                 |  |             |  |                    |   |                 |  |                         |          |         |  |  |  |  |   |  |  |  |                  |                   |   |   |                                       |
| <b>OUTCOME 9 : COMMUNITY WORK PROGRAMME IMPLEMENTED AND CO-OPERATIVES SUPPORTED</b>          |            |                                 |  |             |  |                    |   |                 |  |                         |          |         |  |  |  |  |   |  |  |  |                  |                   |   |   |                                       |
| <b>BACK TO BASICS: PILLAR 1 - PUTTING PEOPLE FIRST</b>                                       |            |                                 |  |             |  |                    |   |                 |  |                         |          |         |  |  |  |  |   |  |  |  |                  |                   |   |   |                                       |
| <b>LOCAL ECONOMIC DEVELOPMENT</b>  |            |                                 |  |             |  |                    |   |                 |  |                         |          |         |  |  |  |  |   |  |  |  |                  |                   |   |   |                                       |
| Org 32   | PD23       | Planning & Development & LED    | Create a conducive environment for investing and SMMME growth in Phongolo              | C.1.3       | Provide training to the unemployed communities                                   |                    |   | Number          | Number of unemployed people trained on various skills  | All unemployed ppl      | 300      | 300     | 836  | 500 unemployed people trained on various skills by 30 June 2021  | 50 unemployed people trained on various skills by 30 June 2021   | 28   | Not Achieved                            | Limited funding and sponsorship to increase in-take                                | New application for funding to be made which will benefit unemployed people within Phongolo  |  | Opex-internal    | All               | Attendance Register for attendance                        |   |                                       |
| Org 33   | PD22       | Planning & Development & LED    | Create a conducive environment for investing and SMMME growth in Phongolo              | C.4.2       | Formalization and training of cooperatives                                       |                    |   | Number          | Number of SMMMEs & Co-operative owners/employees trained on various skills                   |                         |          |         |  |  | 200 SMMMEs & Co-operative owners/employees trained on various skills                                     | 58   | Not Achieved                            | Limited funding and sponsorship to increase in-take                                | To engage key stakeholder for assistance in training programs for the benefit of uPhongolo residents   |  |                  |                   | Attendance Register for attendance                        |   |                                       |
| Org 34   | PD 31      | Planning & Development & LED    | Increase the number of visitors to uPhongolo through integrated and targeted marketing | C.2.2       | Tourism promotion and facilitation   |                    | 306   | Number          | Number of tourism promotional initiatives to attract more tourists to Phongolo.              | 4                       | 2        | 2       | 3 Tourism promotional initiatives to attract more tourists to Phongolo by 30 June 2020                   | 4 Tourism promotional initiatives to attract more tourists to Phongolo by 30 June 2021                   | 4 Tourism promotional initiatives to attract more tourists to Phongolo by 30 June 2021                   | 2  | Not Achieved                            | Limitations linked to the Lockdown resulted in some initiatives not being executed | -Year activity plan to be developed and implemented. -To engage key stakeholders for assistance in executing this function of promoting Phongolo |  | Opex-internal    | All               | Report on the promotion or Attendance Register and Photos |   |                                       |
| Org 35   | CMS 17     | Community Services              | To promote arts and cultural services  | C.3.1       | Development of Arts and Culture Strategy   |                    |   | Number          | Number of Cultural promotion initiative conducted  |                         | 2        | 2       | 2 Cultural events held by 30 June 2020   | 2 Cultural events held by 30 June 2021   | 2 Cultural promotion initiative conducted by 30 June 2021  | 0  | Not Achieved                            | Limitations linked to the Lockdown resulted in some initiatives not being executed | Events to be removed from next year due to gathering limitation & Covid-19   |  | Opex-internal    | All               | Attendance Register and relevant report/photos            |   |                                       |
| Org 36   | PD 25      | Planning & Development & LED    | Creation of sustainable jobs   | C.4.1       | Create employment opportunities through labour intensive schemes                 |                    | 977   | Number          | No. of jobs created through municipality's LED initiatives including capital projects & EPWP | All unemployed ppl      | 45       | 45      | 45 jobs created through municipality's LED initiatives including capital projects & EPWP by 30 June 2020 | 60 jobs created through municipality's LED initiatives including capital projects & EPWP by 30 June 2021 | 60 jobs created through municipality's LED initiatives including capital projects & EPWP by 30 June 2021 | 86   | Achieved                                |  |  | 3.06 Mil   | Opex - Grant DPW | All               | Payroll reports   |   |                                       |
| Org 37   | MM39       | Office of the Municipal Manager | Mitigate the HIV epidemic and promote positive living                                  | C.6.3       | To develop and implement programmes that target high risk groups                 |                    | 960,918,905,920,91,7,835,934,937,960,9,08,921,907 | Number          | Number of HIV / AIDS events held   | 4                       | 4        | -       | 3 HIV / AIDS events held by 30 June 2020   | 4 HIV / AIDS events held by 30 June 2021   | 4 HIV / AIDS events held by 30 June 2021   | 2  | Not Achieved                            | Limitations linked to the Lockdown resulted in some initiatives not being executed | -Events to be removed from next year due to gathering limitation & Covid-19 -New performance indicators to be developed for HIV / AIDS program   |  | Opex - internal  | All               | Attendance Register, Minutes of meetings, Reports/ Photos |   |                                       |
| Org 38   | MM36       | Office of the Municipal Manager | Mitigate the HIV epidemic and promote positive living                                  | C.6.2       | Participate in Sukhuma sakhe programs  |                    |   | Number          | Number of Local Task Team (LTT) meeting conducted  | 10                      | 4        | 6       | 7 Local Task Team (LTT) meeting conducted by 30 June 2020  | 10 Local Task Team (LTT) meeting conducted by 30 June 2021   | 10 Local Task Team (LTT) meeting conducted by 30 June 2021   | 4  | Not Achieved                            | Challenges in holding meeting virtually  | -To develop schedule of meeting and hold meetings virtually  |  | Opex - internal  | All               | Attendance register/ Minutes of meeting                   |   |                                       |
| Org 39   | MM 40      | Office of the Municipal Manager | Ensure needs of Special groups are addressed   | C.7.1       | Develop and implement projects targeting the special groups.                     |                    | 955,953,954,956                                   | Number          | Number of elderly supported basic necessities  | All elderly ppl         | 65       | 65      | 140 elderly supported with basic necessities by 30 June 2020   | 100  | 140 elderly supported with basic necessities by 30 June 2021   | 140 elderly supported with basic necessities by 30 June 2021               | 211                                     | Achieved   |  |  | 321 299.00       | Opex-internal     | All   | Report and names with ID of people assisted               |                                       |
| Org 40   | MM 42      | Office of the Municipal Manager | Ensure needs of Special groups are addressed   | C.7.1       | Develop and implement projects targeting the special groups.                     |                    | 955,953,954,956                                   | Number          | Number of people with disability supported with basic necessities                            | All ppl with disability | 15       | 15      | 30 people with disability supported with basic necessities by 30 June 2020                               | 100  | 30 people with disability supported with basic necessities by 30 June 2021                               | 30 people with disability supported with basic necessities by 30 June 2021 | 169                                     | Achieved   |  |  | 321 293.00       | Opex-internal     | All   | Report and names with ID of people assisted               |                                       |
| Org 41   | YOS 1      | Youth Development               | Ensure needs of Special groups are addressed   | C.7.1       | Develop and implement projects targeting the special groups.                     |                    | 837,845,849,847,856,854,834,85,8,832,852,844,8,38 | Number          | Number of youth events held  | 4                       | 4        | 4       | 4 youth events held by 30 June 2020  | 1  | 3 youth events held by 30 June 2021  | 3 youth events held by 30 June 2021  | 3                                       | Achieved   |  |  | 439 865.98       | Opex-internal     | All   | Attendance Register, Minutes of meetings, Reports/ Photos |                                       |
| Org 42   | CMS 29     | Community Services              | Reduce crime rate within uPhongolo jurisdiction  | C.8.1       | Promote neighbourhood watch group scheme.  |                    |   | Number          | Number of Community Safety Forum (CSF) meetings held   | 4                       | 1        | 3       | 3 Community Safety Forum (CSF) meetings held by 30 June 2020   | 1  | 4 Community Safety Forum (CSF) meetings held by 30 June 2021   | 2 Community Safety Forum (CSF) meetings held by 30 June 2021               | 0                                       | Not Achieved   | Challenges in holding meeting virtually  | -To develop schedule of meeting and hold meetings virtually  |                  | N/A               | Opex-internal   | All   | Attendance register                   |
| Org 43   | CMS 22     | Community Services              | To ensure safer, effective and efficient system for all                                | C.9.2       | Efficient vehicles and driver licensing services.                                |                    |   | Number          | Number of Learners License Examined  | 768                     |          |         | 576 Learners License Examined by 30 June 2020  | 689  | 768 Learners License Examined by 30 June 2021  | 768 Learners License Examined by 30 June 2021                              | 1161                                    | Achieved   |  |  | N/A              | Opex-internal     | All   | Register, License-PRO Reports and Monthly Report          |                                       |
| Org 44   | CMS 21     | Community Services              | To ensure safer, effective and efficient system for all                                | C.9.3       | Monitor and assess driver fitness and vehicle roadworthiness through Road Blocks |                    |   | Number          | Number of road safety campaigns  | 20                      | 5        | 15      | 15 Road safety Campaigns done by 30 June 2020  | 32   | 10 Road safety Campaigns done by 30 June 2021  | 10 Road safety Campaigns done by 30 June 2021                              | 0                                       | Not Achieved   | Limitations linked to the Lockdown resulted in some initiatives not being executed   | The indicator will be reviewed in 21/22 as there are limiting in holding gathering due to Covid-19     |                  | N/A               | Opex-internal   | All   | Attendance Register/Report and Photos |
| Org 45   | CMS 20     | Community Services              | To ensure safer, effective and efficient system for all                                | C.9.3       | Monitor and assess driver fitness and vehicle roadworthiness through Road Blocks |                    |   | Number          | Number of Multi-Disciplinary RoadBlocks  | 65                      | 65       | 0       | 65 Multidisciplinary Road Block by 30 June 2020  | 41   | 20 Multidisciplinary Road Block by 30 June 2021  | 20 Multidisciplinary Road Block by 30 June 2021                            | 9                                       | Not Achieved   | Limitations linked to the Lockdown resulted in some initiatives not being executed   | New Dir. Community Services to be appointed in Q1 of 21/22 who will oversee all department performance |                  | N/A               | Opex-internal   | All   | Register, Road block Reports          |

| Score card Ref #  | SOBIP ref # | Responsible Department     | IDP Objectives  | IDP REF No. | Strategy   | Mscosa Project ref   | Project name (Mscosa) | Unit of Measure  | Indicator  | 2019/2020    |          |         | Prior year   |   | Current year   |  | Status -Achieved / Not Achieved | Reason for Variance | Measures to be taken to improve performance  | Budget for the Year  | Source of Funding | Ward          | POE |   |
|---|-------------|----------------------------|---|-------------|--|----------------------|-----------------------|------------------|--|--------------|----------|---------|--|---|--|--|---------------------------------|---------------------|--|--|-------------------|---------------|-----|---|
|   |             |                            |   |             |  |                      |                       |                  |  | Demand       | Baseline | Backlog | Annual (Revised) Target 2019/2020  | Actual 2019/2020  | Original Targets for 2020/2021   | Revised & Final Targets 2020/2021  |                                 |                     |  |  |                   |               |     | Annual actual achievement for 2020/2021                           |
|   |             |                            |   |             |  |                      |                       |                  |  |              |          |         |  |   |  |  |                                 |                     |  |  |                   |               |     |   |
| <b>PROVINCIAL GROWTH &amp; DEVELOPMENT STRATEGY (PGDS) GOAL 6 : GOVERNANCE AND POLICY</b> |             |                            |   |             |  |                      |                       |                  |  |              |          |         |  |   |  |  |                                 |                     |  |  |                   |               |     |   |
| <b>NATIONAL KEY PERFORMANCE AREA : MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT</b>       |             |                            |   |             |  |                      |                       |                  |  |              |          |         |  |   |  |  |                                 |                     |  |  |                   |               |     |   |
| <b>OUTCOME 9 : IMPROVED MUNICIPAL FINANCIAL AND ADMINISTRATIVE CAPABILITY</b>             |             |                            |   |             |  |                      |                       |                  |  |              |          |         |  |   |  |  |                                 |                     |  |  |                   |               |     |   |
| <b>BACK TO BASICS: PILLAR 4 SOUND FINANCIAL MANAGEMENT</b>                                |             |                            |   |             |  |                      |                       |                  |  |              |          |         |  |   |  |  |                                 |                     |  |  |                   |               |     |   |
| <b>MUNICIPAL FINANCIAL VIABILITY &amp; FINANCIAL MANAGEMENT</b>                           |             |                            |   |             |  |                      |                       |                  |  |              |          |         |  |   |  |  |                                 |                     |  |  |                   |               |     |   |
| Org 46  | BTO 1       | Budget and Treasury Office | To apply good financial management in dealings with municipal finances                                | D1.1        | Develop and implement measures to expand revenue base and generation.                                    |                      |                       | %                | % Revenue Growth - Period under review's Total Revenue - previous period's Total Revenue/ previous period's Total Revenue x 100 - year-on-year or quarter-to-quarter   | 12%          | 5%       | 7%      | 6,68 % Revenue Growth by 30 June 2020  | 11,8% Revenue growth by 30 June 2020                                    | 12 % Revenue Growth by 30 June 2021  | 26% Revenue Growth by 30 June 2021   | 25%                             | Not Achieved        | Decrease in overall income as a result of Covid-19 restrictions and shut down of business of our customers and low income on households. | To develop revenue enhancement strategy and implement it.  | 330mil            | Mix sources   | All | S 71 report table c3 monthly budget statement // AFS              |
| Org 47  | BTO 3       | Budget and Treasury Office | To apply good financial management in dealings with municipal finances                                | D1.1        | Develop and implement measures to expand revenue base and generation.                                    |                      |                       | %                | Actual Operating Revenue / Budget Operating Revenue x 100  | 95%- 100%    | 100%     | -       | 95%- 100% Actual Operating Revenue over Budgeted Operating revenue by 30 June 2020     | 99,5% Operating revenue over budgeted Operating revenue by 30 June 2020 | 95%- 100% Actual Operating Revenue over Budgeted Operating revenue by 30 June 2021     | 95%- 100% Actual Operating Revenue over Budgeted Operating revenue by 30 June 2021     | 96%                             | Achieved            |  |  | 303mil            | Mix sources   | All | S 71 report table c4 monthly budget statement and table c4 // AFS |
| Org 48  | BTO 6       | Budget and Treasury Office | To apply good financial management in dealings with municipal finances                                | D1.2        | To control and account for all Municipal expenditure   |                      |                       | %                | % staff cost over OPEX incurred - Remuneration (Employee Related Costs and Councilors' Remuneration) / Total Operating Expenditure x100  | 25% - 40%    | 40%      | -       | 25 - 40% staff cost over OPEX incurred by 30 June 2020                                 | 41,4% Staff cost over OPEX was incurred by 30 June 2020                 | 25 - 40% staff cost over OPEX incurred by 30 June 2021                                 | 25 - 40% staff cost over OPEX incurred by 30 June 2021                                 | 37%                             | Achieved            |  |  | 110,2 mil         | Mix sources   | All | S 71 report table c4  |
| Org 49  | BTO 8       | Budget and Treasury Office | To apply good financial management in dealings with municipal finances                                | D1.2        | To control and account for all Municipal expenditure   |                      |                       | %                | % CAPEX BUDGET SPENT - Actual capital Expenditure / Budget Capital Expenditure x 100   | 95%- 100%    | 75%      | 25%     | 80%-85% CAPEX BUDGET SPENT by 30 June 2020   | 74,5% CAPEX budget spent by 30 June 2020                                | 95%- 100% CAPEX BUDGET SPENT by 30 June 2021   | 95%- 100% CAPEX BUDGET SPENT by 30 June 2021   | 84%                             | Not Achieved        | Most of the in-house funded projects were delayed due to funding applications and related processes                                      | New procurement Plan to be developed and implemented strictly  | 48,1 mil          | Mix sources   | All | S 71 report table c5 / AFS  |
| Org 50  | TCS 38      | Technical Services         | To apply good financial management in dealings with municipal finances                                | D1.2        | To control and account for all Municipal expenditure   |                      |                       | %                | % MIG BUDGET SPENT - Actual MIG Expenditure / MIG Budget Expenditure x 100   | 95%- 100%    | 75%      | 25%     | 80%-85% MIG BUDGET SPENT by 30 June 2020   | 71,3% MIG budget spent by 30 June 2020                                  | 95%- 100% MIG BUDGET SPENT by 30 June 2021   | 95%- 100% MIG BUDGET SPENT by 30 June 2021   | 100%                            | Achieved            |  |  | 33,7 mil          | Grant_MIG     | All | S 71 report table c5 / AFS  |
| Org 51  | TCS 33      | Technical Services         | To apply good financial management in dealings with municipal finances                                | D1.2        | To control and account for all Municipal expenditure   |                      |                       | %                | % Electricity Grant (INEP) BUDGET SPENT - Actual INEP Expenditure / INEP Budget Expenditure x 100  | 95%- 100%    | 75%      | 25%     | 95%- 100% Electricity Grant (INEP) BUDGET SPENT by 30 June 2020                        | 100% Electricity Grant (INEP) Budget spent by 30 June 2020              | 95%- 100% Electricity Grant (INEP) BUDGET SPENT by 30 June 2021                        | 95%- 100% Electricity Grant (INEP) BUDGET SPENT by 30 June 2021                        | 100%                            | Achieved            |  |  | 9,21 mil          | Grant_INEP    | 9   | S 71 report table c5 / AFS  |
| Org 52  | CP3         | Corporate Services         | To apply good financial management in dealings with municipal finances                                | D1.2        | To control and account for all Municipal expenditure   | Staff & Clr training |                       | %                | % of budget spent on implementation of WSP   | 95%- 100%    | 75%      | 25%     | 95%- 100% Work Skills Plan Budget Spent  | 83,7% Work Skills Plan Budget Spent                                     | 95%- 100% Work Skills Plan Budget Spent  | 95%- 100% Work Skills Plan Budget Spent  | 104,92%                         | Not Achieved        | Additional requests for training/funding to study than anticipated   | Budgetary controls to be improved with the implementation of the Mscosa system   | 448 254           | Mix sources   | All | S 71 report / AFS   |
| Org 53  | BTO 9       | Budget and Treasury Office | To apply good financial management in dealings with municipal finances                                | D1.2        | To control and account for all Municipal expenditure   |                      |                       | %                | % OPEX Budget spent - Actual Operating Expenditure / Budgeted Operating Expenditure x 100  | 95%- 100%    | 100%     | -       | 95%- 100% OPEX Budget spent by 30 June 2020  | 98,6% OPEX budget spent by 30 June 2020                                 | 95%- 100% OPEX Budget spent by 30 June 2021  | 95%- 100% OPEX Budget spent by 30 June 2021  | 98%                             | Achieved            |  |  | 289 Mil           | Mix sources   | All | S 71 report table c4 / AFS  |
| Org 54  | BTO 16      | Budget and Treasury Office | To apply good financial management in dealings with municipal finances                                | D1.3        | Develop and implement measures to reduce the level of debt owed to the municipality                      |                      |                       | %                | % Collection Rate - (Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off)/Billed Revenue x 100  | 93%-95%      | 85%      | 10%     | 93%- 95% Collection Rate by 30 June 2020   | 70% Collection Rate by 30 June 2020                                     | 93%- 95% Collection Rate by 30 June 2021   | 93%- 95% Collection Rate by 30 June 2021   | 56%                             | Not Achieved        | The community is highly indigent which makes the payment of accounts a challenge   | Customer incentive scheme to be implemented in 21/22 to improve accounts receivable balance. -Indigent benefit scheme to be implemented in 21/22 to                    |                   |               | All | section 71 report / AFS   |
| Org 55  | BTO 17      | Budget and Treasury Office | To apply good financial management in dealings with municipal finances                                | D1.3        | Develop and implement measures to reduce the level of debt owed to the municipality                      |                      |                       | %                | % of outstanding service debtors to annual revenue from services   | 0%-26%       | 100%     | -174%   | 0%- 26% of outstanding service debtors to annual revenue from services by 30 June 2020 | 42,6%   | 0%- 26% of outstanding service debtors to annual revenue from services by 30 June 2021 | 0%- 26% of outstanding service debtors to annual revenue from services by 30 June 2021 | 140,7%                          | Not Achieved        | The community is highly indigent which makes the payment of accounts a challenge   | Customer incentive scheme to be implemented in 21/22 to improve accounts receivable balance. -Indigent benefit scheme to be implemented in 21/22 to                    |                   |               | All | section 71 report / AFS   |
| Org 56  | BTO 19      | Budget and Treasury Office | To apply good financial management in dealings with municipal finances                                | D1.4        | Improve cash and debtors management  |                      |                       | Number in months | Cash / Cost Coverage Ratio in Months - ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets) | 1 - 3 Months | 1        | 2       | 1 - 3 Cash / Cost Coverage Ratio in Months by 30 June 2020                             | 1 Month   | 1 - 3 Cash / Cost Coverage Ratio in Months by 30 June 2021                             | 1 - 3 Cash / Cost Coverage Ratio in Months by 30 June 2021                             | 0 Months                        | Not Achieved        | Cash on balance at year end low due to poor payment of accounts  | - It is anticipated that the proposed customer incentive scheme will improve the cash position of the Municipality once fully implemented thereby improving this ratio |                   |               | All | Section 71 report/ Circular 71 Template report / AFS              |
| Org 57  | BTO 21      | Budget and Treasury Office | To apply good financial management in dealings with municipal finances                                | D1.4        | Improve cash and debtors management  |                      |                       | Number           | Debt coverage rate - (Total operating revenue less operating grants) / Debt service payment  | 40 x         |          |         | 30 x to 40 times Debt coverage rate by 30 June 2020                                    | 97 times  | 30 x to 40 times Debt coverage rate by 30 June 2021                                    | 30 x to 40 times Debt coverage rate by 30 June 2021                                    | 62,78 times                     | Achieved            |  |  |                   | Oper-internal | All | Expenditure report - S71 / AFS                                    |
| Org 58  | BTO 31      | Budget and Treasury Office | To enforce a fair and legislatively compliance SCM policy   | D2.2        | Apply fairness, equity, transparency, and cost effectiveness principles in obtaining goods and services. |                      |                       | Number           | Number of Quarterly report on the implementation of SCM policy reported to Council   | 4            | 4        | -       | 4 report on the implementation of SCM policy reported to Council by 30 June 2020       | 3   | 4 report on the implementation of SCM policy reported to Council by 30 June 2021       | 4 report on the implementation of SCM policy reported to Council by 30 June 2021       | 4                               | Achieved            |  |  |                   | Oper-internal | All | Council resolution noting deviations                              |
| Org 59  | BTO 34      | Budget and Treasury Office | To budget and report on all Municipal financial transactions according to legislation                 | D3.1        | Ensure that budget is informed by the IDP  |                      |                       | Date             | Date Final Budget approved by Council  | 31 May       | 31-May   | -       | Final Budget approved by Council on or before 31 May 2020                              | Final Budget approved by Council on the 12th of June 2020               | Final Budget approved by Council on or before 31 May 2021                              | Final Budget approved by Council on or before 31 May 2021                              | 02-Jun-21                       | Not Achieved        | No Council quorum for the targeted date  | Schedule of meetings to be developed and meetings to be held as planned.   |                   |               | All | Council resolution on draft and final budget                      |
| Org 60  | CP4         | Corporate Services         | To ensure that assets are properly safeguarded, maintained and accounted for in the Municipal records | D4.4        | Establish own fleet with effective tracking system   |                      |                       | Number           | Number of Fleet Management Report prepared   | 12           | 12       | -       | 12 Fleet Management reports prepared by 30 June 2020                                   | 12  | 12 Fleet Management Reports prepared by 30 June 2021                                   | 12 Fleet Management Reports prepared by 30 June 2021                                   | 12                              | Achieved            |  |  |                   | Oper-internal | All | Monthly Fleet Report signed by SCM Manager and CFO                |

| Score card Ref #   | SDRP ref # | Responsible Department          | IDP Objectives   | IDP REF No. | Strategy  | Mcoza Project ref# | Project name (Mcoza)  | Unit of Measure | Indicator   | 2019/2020   |           |                   | Prior year  |  | Current year  |   | Status - Achieved / Not Achieved | Reason for Variance | Measures to be taken to improve performance  | Budget for the Year   | Source of Funding | Ward             | POE                 |  |
|--|------------|---------------------------------|--|-------------|---|--------------------|---|-----------------|---|-------------|-----------|-------------------|---|--|---|---|----------------------------------|---------------------|--|---|-------------------|------------------|---------------------|--|
|  |            |                                 |  |             |   |                    |   |                 |   | Demand      | Baseline  | Backlog           | Annual (Revised) Target 2019/2020   | Actual 2019/2020                                 | Original Targets for 2020/2021  | Revised & Final Targets 2020/2021   |                                  |                     |  |   |                   |                  |                     | Annual actual achievement for 2020/2021  |
|  |            |                                 |  |             |   |                    |   |                 |   |             |           |                   |   |  |   |   |                                  |                     |  |   |                   |                  |                     |  |
| <b>PROVINCIAL GROWTH &amp; DEVELOPMENT STRATEGY (PGDS) GOAL 6 : GOVERNANCE AND POLICY</b>                  |            |                                 |  |             |   |                    |   |                 |   |             |           |                   |   |  |   |   |                                  |                     |  |   |                   |                  |                     |  |
| <b>PROVINCIAL GROWTH &amp; DEVELOPMENT STRATEGY (PGDS) GOAL 3 : HUMAN AND COMMUNITY DEVELOPMENT</b>        |            |                                 |  |             |   |                    |   |                 |   |             |           |                   |   |  |   |   |                                  |                     |  |   |                   |                  |                     |  |
| <b>NATIONAL KEY PERFORMANCE AREA : GOOD GOVERNANCE, COMMUNITY PARTICIPATION AND WARD COMMITTEE SYSTEMS</b> |            |                                 |  |             |   |                    |   |                 |   |             |           |                   |   |  |   |   |                                  |                     |  |   |                   |                  |                     |  |
| <b>OUTCOME 9 : DEEPEN DEMOCRACY THROUGH A REFINED WARD COMMITTEE SYSTEM</b>                                |            |                                 |  |             |   |                    |   |                 |   |             |           |                   |   |  |   |   |                                  |                     |  |   |                   |                  |                     |  |
| <b>BACK TO BASICS: PILLAR 1: PUTTING PEOPLE FIRST &amp; PILLAR 3: GOOD GOVERNANCE</b>                      |            |                                 |  |             |   |                    |   |                 |   |             |           |                   |   |  |   |   |                                  |                     |  |   |                   |                  |                     |  |
| <b>GOOG GOVERNANCE, COMMUNITY PARTICIPATION AND WARD COMMITTEE SYSTEMS</b>                                 |            |                                 |  |             |   |                    |   |                 |   |             |           |                   |   |  |   |   |                                  |                     |  |   |                   |                  |                     |  |
| Org 61   | MM 10      | Office of the Municipal Manager | Promote good governance, accountability and transparency   | E.1.1       | Promotion of effective, timely, and efficient communication with both internal and external stakeholders                  |                    |   | Number          | Number of Council meetings held   | 4           | 4         | -                 | 4 Council Meetings held by 30 June 2020                                       | 14   | 4 Council Meetings held by 30 June 2021   | 4 Council Meetings held by 30 June 2021   | 15                               | Achieved            |  |   | Opex-internal     | All              | Attendance register |  |
| Org 62   | MM 6       | Office of the Municipal Manager | Promote good governance, accountability and transparency   | E.1.2       | Monitor and improve internal Control & risk management processes  |                    |   | Percentage      | % Audit plan Implemented or achieved  | 100%        | 100%      | -                 | 65% Audit plan Implemented or achieved by 30 June 2020                        | 53%  | 100% Audit plan Implemented or achieved by 30 June 2021                                 | 100% Audit plan Implemented or achieved by 30 June 2021                                 | 91%                              | Not Achieved        | - Vacancy of the Internal Audit post and intern.<br>- Time lost due to office closure relating to Covid-19 | - Post of the Internal Auditor has been filled.<br>- Post of the intern to be filled in Q1 of 21/22 | Opex-internal     | All              | Progress report     |  |
| Org 63   | MM 2       | Office of the Municipal Manager | Promote good governance, accountability and transparency   | E.1.2       | Monitor and improve internal Control & risk management processes  | 703                | External audit  |                 | Type of audit opinion received - clean audit best, unqualified acceptable) Prior year APS             | clean audit | qualified | clean/unqualified | To achieve and maintain a clean or unqualified audit by 30 June 2020          | Unqualified audit opinion received               | To achieve and maintain a clean or unqualified audit by 30 June 2021                    | To achieve and maintain a clean or unqualified audit by 30 June 2021                    | Unqualified audit opinion        | Achieved            |  |   | 1 700 000         | Opex-internal    | All                 | Audit report                             |
| Org 64   | MM 17      | Office of the Municipal Manager | Placing the primary focus on addressing the needs of communities within the municipality                   | E.2.2       | Ward committees supported and capacitated to ensure functionality   | 657                | Ward Committees   | Number          | Number of ward committee meetings held  | 45          | 42        | -                 | 150 ward committee meetings held for the year ended 30 June 2020              | 150  | 120 ward committee meetings held for the year ended 30 June 2021                        | 120 ward committee meetings held for the year ended 30 June 2021                        | 133                              | Achieved            |  |   | 2160000           | Opex-internal    | 1 to 15             | Attendance Register                      |
| Org 65   | CPS 10     | Corporate Services              | Placing the primary focus on addressing the needs of communities within the municipality                   | E.1.4       | Monitor customer complains & provide feed back  |                    |   | Number          | Number of report on complains/ compliments  | 4           | 4         | -                 | 4 report on complains/ compliments by 30 June 2020                            | 3  | 4 report on complains/ compliments by 30 June 2021                                      | 4 report on complains/ compliments by 30 June 2021                                      | 4                                | Achieved            |  |   |                   | Opex-internal    | All                 | Report on public complains / compliments |
| Org 66   | MM 20      | Office of the Municipal Manager | Report regularly on the dealings of the Municipality   | E.3.1       | Publish and distribute quarterly newsletters & Annual Reports to inform communities on progress and essential information | 630,782,876,934    | Municipal News letter                                       | Number          | Number of newsletters (electronically posted/printed) developed                                       | 4           | 4         | -                 | 4 quarterly newsletters developed by 30 June 2020                             | 0  | 4 quarterly newsletters developed by 30 June 2021                                       | 2 newsletters (electronically posted/printed) developed by 30 June 2021                 | Nil                              | Not Achieved        | Capacity challenges  | Additional staff member appointed in the Communications unit  | 242394            | Opex-internal    | All                 | Copies of newsletters                    |
| Org 67   | CPS 12     | Corporate Services              | To ensure effective and efficient administration complying with its Legal Mandates                         | E.4.2       | Strengthen Council Oversight through training on Legislation and Policies   |                    | Staff & Cllr training                                       | Number          | Number of Cllrs who attended training (NQF rated / Short Courses) against the Skills development plan | 29          | 27        | 2                 | 13 Councillors to attending training(NQF rated/short courses) by 30 June 2020 | 51   | 10 Councillors to attending training(NQF rated/short courses) by 30 June 2021           | 10 Councillors to attending training(NQF rated/short courses) by 30 June 2021           | 12                               | Achieved            |  |   |                   | Opex-internal    | All                 | Training certificates                    |
| Org 68   | MM25       | Office of the Municipal Manager | To ensure effective and efficient administration complying with its Legal Mandates                         | E.4.3       | Development of an organisational strategic planning document  | 794,766,911,94     | Strategic Planning  | Date            | Strategic Planning sessions held  | 1           | 1         | -                 | Strategic planning session held on or before 31 March 2020                    | 1 Strategic Planning session held                | Strategic planning session held on or before 31 March 2021                              | Strategic planning session held on or before 31 March 2021                              | 16-Mar                           | Achieved            |  |   | 479 k             | Opex-internal    | All                 | Attendance register                      |
| Org 69   | MM27       | Office of the Municipal Manager | To promote a municipal governance system that enhances and embraces the system of participatory Governance | E.5.1       | Facilitate the Functionality of Ward Committees through continuous public participation                                   |                    |   | Number          | Number of ward community meetings held by 30 June 2019  | 60          | 56        | 4                 | 45 ward community meetings held by 30 June 2020                               | 136  | 45 ward community meetings held by 30 June 2021   | 45 ward community meetings held by 30 June 2021   | 108                              | Achieved            |  |   |                   | Opex-internal    | 1 to 15             | Attendance Register and minutes          |
| Org 70   | PD 15      | Planning & Development & LED    | To promote a municipal governance system that enhances and embraces the system of participatory Governance | E.5.2       | Development of a Credible Integrated Development plan within prescribed legislative guidelines                            | 369                | Development and Review of Integrated Development Plan (IDP) | %               | % of IDP credibility score obtained from Cogta IDP assessment   | *           | *         | *                 | 45 ward community meetings held by 30 June 2020                               | 136  | 70% or > IDP credibility score achieved for the IDP assessment by Cogta by 30 June 2021 | 70% or > IDP credibility score achieved for the IDP assessment by Cogta by 30 June 2021 | 82,50%                           | Achieved            |  |   | 409171            | OPEX-Own funding | All                 | IDP / Mng Planning & Housing             |
| Org 71   | MM30       | Office of the Municipal Manager | To promote and foster sound internal and external communication  | E.6.2       | Facilitate functionality of IGR Structures  |                    |   | Number          | Number of IGR meetings attended   | 4           | 0         | 4                 | 4 IGR meetings attended by 30 June 2020                                       | 0  | 4 IGR meetings attended by 30 June 2021   | 4 IGR meetings attended by 30 June 2021   | 1                                | Not Achieved        | No invitations received from District  | To engage the District Municipality on the functionality of the IGR structure                       |                   | Opex-internal    | All                 | attendance register                      |
| Org 72   | MM32       | Office of the Municipal Manager | To ensure that the risk maturity of the organisation is at an enabled level                                | E7.1        | Risk assessment annually with implementation, monitoring continuous improvement and on-going review                       |                    |   | Date            | Date of Annual Risk Assessments done (Operational, fraud and IT)                                      | 30-Jun      | 30-Jun    | -                 | Annual risk assessment conducted by 30 June 2020                              | Annual risk assessment conducted on 29 June 2020 | Annual risk assessment conducted by 30 June 2021  | Annual risk assessment conducted by 30 June 2021  | 11-Jun-21                        | Achieved            |  |   |                   | Opex-internal    | All                 | Attendance register                      |

| Score card Ref #   | SDBIP ref # | Responsible Department                           | IDP Objectives   | IDP REF No. | Strategy  | McoSA Project ref# | Project name (McoSA)  | Unit of Measure | Indicator   | 2019/2020 |          |         | Prior year  |                  | Current year  |   | Status -Achieved / Not Achieved | Reason for Variance | Measures to be taken to improve performance                             | Budget for the Year   | Source of Funding | Ward                                  | POE                               |  |
|--|-------------|--|--|-------------|---|--------------------|---|-----------------|---|-----------|----------|---------|---|------------------|---|---|---------------------------------|---------------------|---|---|-------------------|---------------------------------------|-----------------------------------|--|
|  |             |  |  |             |   |                    |   |                 |   | Demand    | Baseline | Backlog | Annual (Revised) Target 2019/2020   | Actual 2019/2020 | Original Targets for 2020/2021  | Revised & Final Targets 2020/2021   |                                 |                     |   |   |                   |                                       |                                   | Annual actual achievement for 2020/2021                                  |
|  |             |  |  |             |   |                    |   |                 |   |           |          |         |   |                  |   |   |                                 |                     |   |   |                   |                                       |                                   |  |
| <b>PROVINCIAL GROWTH &amp; DEVELOPMENT STRATEGY (PGDS) GOAL 5 : ENVIRONMENTAL SUSTAINABILITY</b>   |             |  |  |             |   |                    |   |                 |   |           |          |         |   |                  |   |   |                                 |                     |   |   |                   |                                       |                                   |  |
| <b>PROVINCIAL GROWTH &amp; DEVELOPMENT STRATEGY (PGDS) GOAL 7: SPATIAL EQUITY</b>                  |             |  |  |             |   |                    |   |                 |   |           |          |         |   |                  |   |   |                                 |                     |   |   |                   |                                       |                                   |  |
| <b>NATIONAL KEY PERFORMANCE AREA : CROSS CUTTING INTERVENTION</b>                                  |             |  |  |             |   |                    |   |                 |   |           |          |         |   |                  |   |   |                                 |                     |   |   |                   |                                       |                                   |  |
| <b>OUTCOME 9 : SINGLE WINDOW OF CO-ORDINATION ; ACTIONS SUPPORTIVE OF HUMAN SETTLEMENT OUTCOME</b> |             |  |  |             |   |                    |   |                 |   |           |          |         |   |                  |   |   |                                 |                     |   |   |                   |                                       |                                   |  |
| <b>BACK TO BASICS: PILLAR 2 - DELIVERY BASIC SERVICES</b>  |             |  |  |             |   |                    |   |                 |   |           |          |         |   |                  |   |   |                                 |                     |   |   |                   |                                       |                                   |  |
| Org 73   |             | Planning & Development & LED, Community Services | Promote the Environment Conservation and management to ensure that adverse environmental impacts is prevented and mitigate | F1.3        | To conduct environmental awareness campaigns to communities.  |                    |   | Number          | Number of Environmental Campaigns conducted.  | 4         | 0        | 4       | 3 Environmental Campaigns conducted by 30 June 2020                               | 1                | 3 Environmental Campaigns conducted by 30 June 2021                               | 3 Environmental Campaigns conducted by 30 June 2021                               | 14                              | Achieved            |   | Oper-internal   | All               | Attendance Register/Report and Photos |                                   |  |
| Org 74   | PD9         | Planning & Development & LED                     | Promote the Environment Conservation and management to ensure that adverse environmental impacts is prevented and mitigate | F1.4        | Review and enforce Environmental By-laws.   |                    | By-law development  | Date            | Date Environmental Management By-law adopted by Council                                 | *         | *        | *       | Date Environmental Management By-law adopted by Council on or before 30 June 2020 | Nil              | Date Environmental Management By-law adopted by Council on or before 30 June 2021 | Date Environmental Management By-law adopted by Council on or before 30 June 2021 | Nil                             | Not Achieved        | Environmental Management function currently has no personnel to perform | - Post of Environmental Officer to be advertised and filled in 21/22 year<br>-To engage the Department of Environmental affair for assistance in finalising By-law    | Oper-internal     | All                                   | IDP / Mng Planning & Housing      |  |
| Org 75   | PD7         | Planning & Development & LED                     | Promote the Environment Conservation and management to ensure that adverse environmental impacts is prevented and mitigate | F1.1        | To develop and implement an environmental management plan that addresses climate change amongst other things. |                    | Develop Environmental Management Plan                       | Date            | Date Environmental Management Plan adopted by Council                                   | *         | *        | *       | Environmental Management Plan adopted by Council on or before 30 June 2020        | Nil              | Environmental Management Plan adopted by Council on or before 30 June 2021        | Environmental Management Plan adopted by Council on or before 30 June 2021        | Nil                             | Not Achieved        | Environmental Management function currently has no personnel to perform | - Post of Environmental Officer to be advertised and filled in 21/22 year.<br>-To engage the Department of Environmental affair for assistance in finalising the plan | Oper-internal     | All                                   | IDP / Mng Planning & Housing      |  |
| Org 76   | CMS 10      | Community Services                               | Provide disaster management and emergency services   | F2.1        | To develop and implement a disaster management plan and fire services Plan                                    |                    | Conduct and Facilitate Fire and Emergency Drills            | Number          | Number of fire and rescue inspections conducted in buildings                            | 60        | 25       | 35      | 60 fire and rescue inspections conducted in buildings by 30 June 2020             | 46               | 40 fire and rescue inspections conducted in buildings by 30 June 2021             | 40 fire and rescue inspections conducted in buildings by 30 June 2021             | 65                              | Achieved            |   | Oper-internal   | All               | Reports                               |                                   |  |
| Org 77   | PD10        | Planning & Development & LED                     | To plan areas for future development and formalisation   | F3.1        | Review the Spatial Development Plan   |                    | Development of SDF  | Date            | Date of approval and adopted of the reviewed SDF by the Council                         | 30 Jun    | -        | 30 Jun  | Reviewed SDF, approved and adopted by the Council on or before 30 June 2020       | 12-Jun-20        | Reviewed SDF, approved and adopted by the Council on or before 30 June 2021       | Reviewed SDF, approved and adopted by the Council on or before 30 June 2021       | Nil (under review)              | Not Achieved        | Delays in finalising the SDF  | To finalise the SDF and present it to Council for adoption  | Oper-internal     | All                                   | Council Resolution & approved SDF |  |
| Org 78   | CMS 8       | Community Services                               | Provide disaster management and emergency services   | F2.1        | To develop and implement a disaster management plan and fire services Plan                                    | 728, 733, 734      | Number Public space/centre/offices disinfected for Covid-19 | number          | Number Public space/centre/offices disinfected for Covid-19                             | *         | *        | *       | -   | -                | 96 Public space/centre/offices disinfected for Covid-19                           | 96 Public space/centre/offices disinfected for Covid-19                           | 125                             | Achieved            |   |   | 5 522 500,00      | Oper-internal                         | All                               | Notification memo, signed acknowledgement, report or attendance register |
| Org 79   | CMS 9       | Community Services                               | Provide disaster management and emergency services   | F2.1        | To develop and implement a disaster management plan and fire services Plan                                    | 728, 733, 734      | Monitoring compliance with DMR (Covid 19)                   | number          | Number of inspections conducted on Disaster Management Regulation (Covid-19) compliance | *         | *        | *       | -   | -                | 40 inspections conducted on Disaster Management Regulation (Covid-19) compliance  | 40 inspections conducted on Disaster Management Regulation (Covid-19) compliance  | 58                              | Achieved            |   |   | 5 522 500,00      | Oper-internal                         | All                               | Notification memo, signed acknowledgement, report or attendance register |

# CHAPTER 4

## ORGANISATIONAL DEVELOPMENT PERFORMANCE

### 4 INTRODUCTION TO THE MUNICIPAL PERSONNEL

The organisational structure is reviewed annually and has been set out into six (6) effective departments in order to achieve the Municipality's objectives. There are a number of vacancies that require personnel within the Municipality. However, departments tend to struggle with filling certain positions owing to budgetary constraints that are being overcome by reviewing the organogram and budget. Whereas the Municipality must take cognisance of the threshold of 40% that must not be exceeded for personnel placement in terms of the MFMA.

One major role that the Human Resources is tasked with within the Municipality is to ensure that employees are looked well after and that their morale is enhanced on a continuous basis. The following programmes were implemented in the 2020/2021 financial year and are implemented annually:

- Training of employees and Councillors as per the Council approved Workplace Skills Plan (WSP);
- Employee Wellness ;
- Employee Assistance Program; and
- Employee Performance Management.

**STAFF COMPLIMENT:** The total number of employees at the end of June 2021 financial year was 264 and the new positions that were filled were 23 in the financial year 2020/2021.

#### 4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

**Table 29: Employee Totals, Turnover and Vacancies**

| Employees                             |                     |                          |                  |                  |                |
|---------------------------------------|---------------------|--------------------------|------------------|------------------|----------------|
| Description                           | Year –<br>2019/2020 | Year 2020/2021           |                  |                  |                |
|                                       | Employees<br>No.    | Approved<br>Posts<br>No. | Employees<br>No. | Vacancies<br>No. | Vacancies<br>% |
| Water                                 | -                   | -                        | -                | -                | -              |
| Wastewater (Sanitation)               | -                   | -                        | -                | -                | -              |
| Electricity                           | 03                  | 08                       | 03               | 05               | 62.5           |
| Waste Management                      | 18                  | 23                       | 20               | 3                | 13             |
| Housing                               | 01                  | 01                       | 0                | 01               | 100            |
| Wastewater (Storm<br>water Drainage)  | 07                  | 08                       | 07               | 01               | 12.5           |
| Roads                                 | 15                  | 17                       | 15               | 02               | 12             |
| Transport                             |                     | -                        | -                | -                | -              |
| Management                            | 05                  | 06                       | 03               | 03               | 50             |
| Planning & LED                        | 08                  | 20                       | 04               | 15               | 75             |
| Planning (Strategic &<br>Regulatory)  | -                   | -                        | -                | -                | -              |
| Community & Social<br>Services        | 91                  | 145                      | 130              | 49               | 34             |
| Environmental<br>Protection           | 01                  | 01                       | 0                | 01               | 100            |
| Health                                | -                   | -                        | -                | -                | -              |
| Security & Safety                     | 33                  | 56                       | 31               | 25               | 44.6           |
| Sport & Recreation                    | 02                  | 06                       | 02               | 04               | 66.7           |
| Corporate Policy Offices<br>and Other | 76                  | 117                      | 81               | 36               | 30.8           |
| Totals                                | 256                 | 426                      | 264              | 162              | 38             |

**Vacancy Rate:** The posts for the 2020/2021 financial year were according to the approved organogram for the municipality. The actual positions filled are indicated in table below.



**Table 30: Number of Filled Positions per Functional Level**

| Vacancy Rate: Year 2020/2021                                       |                             |   |  |
|--|-----------------------------|---|--|
| Designation  | Total Approved Posts<br>No. | *Vacancies (Total time<br>that vacancies exist<br>using fulltime<br>equivalents)<br>No. | *Vacancies (as<br>a proportion of<br>total posts in<br>each category)<br>% |
| Municipal Manager  | 1                           | 0   | 0  |
| CFO  | 1                           | 0   | 0  |
| Other S57 Managers (excluding Finance<br>Posts)                    | 3                           | 0   | 0  |
| Other S57 Managers (Finance Posts)                                 | 1                           | 0   | 0  |
| Police Officers (Traffic Officers)                                 | 7                           | 0   | 10   |
| Fire fighters  | 10                          | 0   | 6  |
| Senior management Levels 15 (excluding<br>Finance Posts)           | 17                          | 0   | 5  |
| Senior management Levels 15 (Finance<br>Posts)                     | 3                           | 0   | 1  |
| Highly skilled supervision: Levels 14<br>(excluding Finance Posts) | 13                          | 0   | 4  |
| Highly skilled supervision: Levels 14 (Finance<br>Posts)           | 6                           | 0   | 0  |
| Total  | 62                          | 0   | 26   |

**Turnover Rate:** Strategies are in place to improve work performance and reduce turnover. Municipal staff turnover is reflected on the table below.

**Table 31: Turnover Rate**

| TURN-OVER RATE   |   |  |                |
|--|---|--|----------------|
| Details  | Total Appointment as of beginning of Financial Year No. | Terminations during the Financial Year No. | Turn-over Rate |
| Year -2020/2021  | <b>23</b>   | <b>14</b>                                  | <b>5.5</b>     |
| *Divide the number of employees who have left the organization within a year, by total number of employees who occupied posts at the beginning of the year. $14/256*100$ |   |  |                |

## COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

Section 67 of the MSA states that "A municipality, in accordance with applicable law and subject to any applicable collective agreement, must develop and adopt appropriate systems and procedures, consistent with any uniform standards prescribed in terms of section 72(l) (c), to ensure fair, efficient, effective and transparent personnel administration in accordance with the Employment Equity Act 1998." This component cites the range of workforce management and progress made in the development of workforce policies and management practices during FY2018/19.

### 4.2 POLICIES

**Table 32: HR Policies and Plans**

| Name of Policy                            | % Completed | % Reviewed | Date Adopted by Council or Comment on Failure to Adopt |
|---|-------------|------------|--|
| Records Management Policy                 | 100         | 100        | Adopted  |
| Scarce & Critical Skills Retention Policy | 100         | 100        | Adopted  |
| Recruitment & Selection Policy            | 100         | 100        | Adopted  |
| Learnership Policy                        | 100         | 100        | Adopted  |
| HIV & AIDS Policy                         | 100         | 100        | Adopted  |
| Internal Transfer Policy                  | 100         | 100        | Adopted  |
| Employee Wellness Policy                  | 100         | 100        | Adopted  |
| Leave Policy                              | 100         | 100        | Adopted  |
| Annual Leave                              | 100         | 100        | Adopted  |
| Family Responsibility Leave               | 100         | 100        | Adopted  |
| Maternity Leave                           | 100         | 100        | Adopted  |
| Paternity Leave                           | 100         | 100        | Adopted  |
| Sick Leave                                | 100         | 100        | Adopted  |
| Study Leave                               | 100         | 100        | Adopted  |
| Unpaid Leave                              | 100         | 100        | Adopted  |
| Subsidized Motor Vehicle Policy           | 100         | 100        | Adopted  |
| Skills Development Policy                 | 100         | 100        | Adopted  |
| Sexual Harassment Policy                  | 100         | 100        | Adopted  |
| Occupational Health & Safety Policy       | 100         | 100        | Adopted  |
| Experiential Training Policy              | 100         | 100        | Adopted  |
| Housing Allowance                         | 100         | 100        | Adopted  |
| Protective Clothing                       | 100         | 100        | Adopted  |
| Acting Allowance                          | 100         | 100        | Adopted  |

|                               |     |     |         |
|-------------------------------|-----|-----|---------|
| Bursary Policy                | 100 | 100 | Adopted |
| Induction Policy              | 100 | 100 | Adopted |
| Internal Transfer             | 100 | 100 | Adopted |
| Probation Policy              | 100 | 100 | Adopted |
| Stuff Appointment             | 100 | 100 | Adopted |
| Termination of Service Policy | 100 | 100 | Adopted |

## 4.2 INJURIES, SICKNESS AND SUSPENSIONS

**Table 33: Injuries, Sickness and Suspensions**

| Type of Injury                        | Injury Leave Taken<br>Days | Employees using Injury Leave<br>No. | Proportion employees using Sick Leave<br>% | Average Injury Leave per employee<br>Days | Total Estimated Cost<br>R'000 |
|---------------------------------------|----------------------------|-------------------------------------|--|---|-------------------------------|
| Required Basic Medical Attention Only | 0                          | 0                                   | 0  | 0   | 0                             |
| Temporary Total Disablement           | 0                          | 0                                   | 0  | 0   | 0                             |
| Permanent Disablement                 | 0                          | 0                                   | 0  | 0   | 0                             |
| Fatal                                 | 0                          | 0                                   | 0  | 0   | 0                             |
| <b>Total</b>                          | <b>0</b>                   | <b>0</b>                            | <b>0</b>                                   | <b>0</b>                                  | <b>0</b>                      |

**Table 34: Number of Days and Cost of Sick Leave**

| Number of days and Cost of Sick Leave (excluding injuries on duty) |                          |   |                                   |                                 |   |                         |
|--|--------------------------|---|-----------------------------------|---------------------------------|---|-------------------------|
| Salary band  | Total sick leave<br>Days | Proportion of sick leave without medical certification<br>% | Employees using sick leave<br>No. | Total employees in post*<br>No. | Average sick leave per employee<br>Days | Estimated Cost<br>R'000 |

|  |            |   |           |            |             |                    |
|--|------------|---|-----------|------------|-------------|--------------------|
| Lower skilled (Levels 1-2)               | 163        |   | 12        | 180        | 0.9         | R117 630.8         |
| Skilled (Levels 3-5)                     | 522        |   | 48        | 54         | 9.7         | R626 771.18        |
| Highly skilled production (Levels 6-8)   | 47         |   | 06        | 13         | 3.6         | R95 307.7          |
| Highly skilled supervision (Levels 9-12) | 32         |   | 04        | 11         | 2.9         | R90 776.16         |
| Senior management (Levels 13-15)         | 31         |   | 01        | 05         | 6.2         | R104 942.13        |
| MM and S57                               | 0          | 0 | 01        | 01         | 0           | 0                  |
| <b>Total</b>                             | <b>795</b> |   | <b>72</b> | <b>264</b> | <b>23.3</b> | <b>R962 078.94</b> |

\*Number of employees in post at the beginning of the year

\*Average is calculated by taking in column 2 divided by total employees in column 5

**Table 35: Number and Period of Suspensions**

| Number and Period of Suspensions |   |                    |   |                |
|----------------------------------|---|--------------------|---|----------------|
| Position                         | Nature of Alleged Misconduct                          | Date of Suspension | Details of Disciplinary Action taken, or Status of Case and Reasons why not Finalised | Date Finalised |
| Fire fighters x4                 | Alleged inflating overtime claims                     | 2020/08/19         |   | 2020/10/05     |
| Manager Protection services      | Brought the municipality to disrepute on social media | 2020/08/19         |   | 2021/04/08     |
| E-Natis Cashier                  | rude and aggressive behavior                          | 2020/09/17         |   | 2021/10/04     |
| Electrical Technician            | failure to comply with lawful instruction             | 2020/10/08         |   | Case pending   |
| GA: Mechanical                   | You tampered with the Council Camera                  | 2021/05/13         |   | 2021/09/30     |
| General Assistant: Brick layer   | You tampered with the Council camera                  | 2021/05/13         |   | 2021/09/30     |

|                     |  |            |  |              |
|---------------------|--|------------|--|--------------|
| Secretary Technical | failure to comply with lawful instruction  | 2021/05/13 |  | Case pending |
| Meter Reader        | Failure to perform assigned primary duties, absenteeism, misusing municipal resource | 2021/04/14 |  | Case pending |
| Director Technical  | Failure to comply with MFMP and National Treasury Circular No.62                     | 2020/06/22 |  | 2021/06/24   |
|                     |  |            |  |              |

**Table 36: Disciplinary Action Taken on Cases of Financial Misconduct**

| Disciplinary Action Taken on Cases of Financial Misconduct |   |                           |                |
|--|---|---------------------------|----------------|
| Position   | Nature of Alleged Misconduct and Rand value of any loss to the municipality | Disciplinary Action Taken | Date Finalized |
| N/A  | N/A   | N/A                       | N/A            |
|  |   |                           |                |

### 4.3 PERFORMANCE REWARDS

**Table 37: Performance Rewards by Gender**

| Performance Rewards by Gender  |                     |                                    |                         |  |  |  |
|--|---------------------|------------------------------------|-------------------------|--|--|--|
| Designations   | Beneficiary Profile |                                    |                         |  |  |  |
|  | Gender              | Total number of employees in group | Number of beneficiaries | Expenditure on rewards 2020/2021 R'000 | Proportion of beneficiaries within group % |  |
| Lower skilled (Levels 1-2)   | Female              | -                                  | -                       |  | -  |  |
|  | Male                | -                                  | -                       |  | -  |  |
| Skilled (Levels 3-5)   | Female              | -                                  | -                       |  | -  |  |
|  | Male                | -                                  | -                       |  | -  |  |
| Highly skilled production (Levels 6-8)   | Female              | -                                  | -                       |  | -  |  |
|  | Male                | -                                  | -                       |  | -  |  |
| Highly skilled supervision (Levels 9-12)   | Female              | -                                  | -                       |  | -  |  |
|  | Male                | -                                  | -                       |  | -  |  |
| Senior management (Levels 13-15)   | Female              | -                                  | -                       |  | -  |  |
|  | Male                | -                                  | -                       |  | -  |  |
| MM and S57   | Female              | 1                                  | 1                       |  |  |  |
|  | Male                | 4                                  | 4                       |  |  |  |
| <b>Total</b>   |                     |                                    |                         |  |  |  |
| Has the statutory municipal calculator been used as part of the evaluation process?  |                     |                                    |                         |  |  |  |
| <p>Note: MSA 2000 S51 (d) requires that... 'performance plans, on which rewards are based should be aligned with the IDP'... (IDP objectives and targets are set out in Chapter 3) and that Service Delivery and Budget Implementation Plans (developed under MFMA S69 and Circular 13) should be consistent with the higher level IDP targets and must be incorporated appropriately in personal performance agreements as the basis of performance rewards. Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right-hand side of the column (as illustrated above).</p> |                     |                                    |                         |  |  |  |

## COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

Section 68 of the MSA requires municipalities to develop their human resource capacity to a level that enables them to perform their functions and exercise their powers in an economical, effective, efficient and accountable way.

### **4.4 SKILLS DEVELOPMENT AND TRAINING**

In accordance with the Government: Municipal Finance Management Act, Act 53 of 2003 and National Treasury: Competency Regulations, uPhongolo Municipality's financial competency development is as detailed in Table 4.7. The Municipality has built capacity in the management and finance departments, improving competency and performance in the functional areas.



**Table 38: Progress Report on Financial Competency Development in uPhongolo Municipality**

| Skills Matrix                              |        |  |  |                        |                        |  |                        |                        |                         |                        |                        |                |                        |                        |
|--|--------|--|--|------------------------|------------------------|--|------------------------|------------------------|-------------------------|------------------------|------------------------|----------------|------------------------|------------------------|
| Management Level                           | Gender | Employees in post as at 30 June Year 2019/2020 | Number of skilled employees required and actual as at 30 June Year 2019/2020 |                        |                        |  |                        |                        |                         |                        |                        |                |                        |                        |
|  |        |  | Learner ships  |                        |                        | Skilled programmes and other short courses |                        |                        | Other forms of training |                        |                        | Total          |                        |                        |
|  |        |  | No.  | Actual: End of 2019/20 | Actual: End of 2020/21 | 2020/21 Target                             | Actual: End of 2019/20 | Actual: End of 2020/21 | 2020/21 Target          | Actual: End of 2019/20 | Actual: End of 2020/21 | 2020/21 Target | Actual: End of 2019/20 | Actual: End of 2020/21 |
| MM and s57                                 | Female |  |  |                        |                        | 1  |                        |                        | 1                       |                        |                        |                |                        |                        |
|  | Male   |  |  |                        |                        | 6  |                        |                        | 3                       |                        |                        |                |                        |                        |
| Councillors, senior officials and managers | Female |  |  |                        |                        | 11   |                        |                        |                         |                        |                        |                |                        |                        |
|  | Male   |  |  |                        |                        |  |                        |                        |                         |                        |                        |                |                        |                        |
| Technicians and associate professionals    | Female |  |  |                        |                        | 12   |                        |                        | 7                       |                        |                        |                |                        |                        |
|  | Male   |  |  |                        |                        | 8  |                        |                        | 11                      |                        |                        |                |                        |                        |
| Professionals                              | Female |  |  |                        |                        |  |                        |                        |                         |                        |                        |                |                        |                        |
|  | Male   |  |  |                        |                        |  |                        |                        |                         |                        |                        |                |                        |                        |
| Sub Total                                  | Female |  |  |                        |                        |  |                        |                        |                         |                        |                        |                |                        |                        |
|  | Male   |  |  |                        |                        |  |                        |                        |                         |                        |                        |                |                        |                        |
| <b>Total</b>                               |        |  |  |                        |                        | 38   |                        |                        | 22                      |                        |                        |                |                        |                        |

\*Registered with professional Associate body e.g. CA (SA)

**Table 39: Qualification Profile for Leadership, Governance and Managers for 2020/2021**

| Financial Competency Development: Progress Report* |  |  |                               |   |  |   |
|--|--|--|-------------------------------|---|--|---|
| Description  | A.<br>Total number of officials employed by municipality (Regulation 14(4)(a) and (c)) | B.<br>Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c)) | Consolidated total of A and B | Consolidated competency assessments completed for A and B (Regulation 14(4)(a),(b) and (d)) | Consolidated total number of officials whose performance agreements comply Regulation 16 (Regulation 14(4)(f)) | Consolidated total number of officials that meet prescribed competency levels (Regulation 14(4)(e)) |
| Financial Officials                                | 14   | 2  | 16                            | -   | -  | -   |
| Accounting officer                                 | 1  | -  | 1                             | -   | -  | -   |
| Chief financial officer                            | 1  | -  | 1                             | 1   | 1  | 1   |
| Senior managers                                    | 1  | -  | 1                             | -   | -  | -   |
| Any other financial officials                      | -  | -  | -                             | -   | -  | -   |
| Supply Chain Management Officials                  | 2  | -  | 2                             | -   | -  | -   |
| Heads of Supply chain management units             | 1  | -  | 1                             | -   | -  | -   |
| Supply chain management senior managers            | -  | -  | -                             | -   | -  | -   |
| Total  | 20<br>2  |  | 22                            | 1   | 1  | 1   |

\*This is a statutory report under the National Treasury: Local Government, MFMA Competency Regulations (June 2007)

**Table:**

**Table 40: Skills and Development Expenditure**

| Skills Development Expenditure   |        |   |   |                 |  |                 |                         |                 |        | R488 771.92     |
|--|--------|---|---|-----------------|--|-----------------|-------------------------|-----------------|--------|-----------------|
| Management Level   | Gender | Employees as at the beginning of the financial year | Original Budget and Actual Expenditure on skills development Year 1 |                 |  |                 |                         |                 |        |                 |
|  |        |   | Learner ships   |                 | Skilled programmes and other short courses |                 | Other forms of training |                 | Total  |                 |
|  |        |   | No.   | Original Budget | Actual                                     | Original Budget | Actual                  | Original Budget | Actual | Original Budget |
| <b>MM and s57</b>  | Female |   |   |                 |  |                 |                         |                 |        |                 |
|  | Male   |   |   |                 |  |                 |                         |                 |        |                 |
| <b>Legislators, senior officials and managers</b>  | Female |   |   |                 |  |                 |                         |                 |        |                 |
|  | Male   |   |   |                 |  |                 |                         |                 |        |                 |
| <b>Professionals</b>   | Female |   |   |                 |  |                 |                         |                 |        |                 |
|  | Male   |   |   |                 |  |                 |                         |                 |        |                 |
| <b>Technicians and associate professionals</b>   | Female |   |   |                 |  |                 |                         |                 |        |                 |
|  | Male   |   |   |                 |  |                 |                         |                 |        |                 |
| <b>Clerks</b>  | Male   |   |   |                 |  |                 |                         |                 |        |                 |
|  | Female |   |   |                 |  |                 |                         |                 |        |                 |
| <b>Service and sales workers</b>   | Male   |   |   |                 |  |                 |                         |                 |        |                 |
|  | Female |   |   |                 |  |                 |                         |                 |        |                 |
| <b>Plant and machine operators and assemblers</b>  | Female |   |   |                 |  |                 |                         |                 |        |                 |
|  | Male   |   |   |                 |  |                 |                         |                 |        |                 |
| <b>Elementary occupations</b>  | Male   |   |   |                 |  |                 |                         |                 |        |                 |
|  | Female |   |   |                 |  |                 |                         |                 |        |                 |
| <b>Subtotal</b>  | Female |   |   |                 |  |                 |                         |                 |        |                 |
|  | Male   |   |   |                 |  |                 |                         |                 |        |                 |
| <b>Total</b>   |        |   |   |                 |  |                 |                         |                 |        |                 |
| *% and *R value of municipal salaries (original budget) allocated for workplace skills plan. |        |   |   |                 |  |                 |                         |                 |        |                 |

**Table 41: Skills Expenditure**

| Skills Development Expenditure  |        |   |   |                 |  |                 |                         |                 |        | R488 771.92     |
|---|--------|---|---|-----------------|--|-----------------|-------------------------|-----------------|--------|-----------------|
| Management Level  | Gender | Employees as at the beginning of the financial year | Original Budget and Actual Expenditure on skills development Year 1 |                 |  |                 |                         |                 |        |                 |
|   |        |   | Learner ships   |                 | Skilled programmes and other short courses |                 | Other forms of training |                 | Total  |                 |
|   |        |   | No.   | Original Budget | Actual                                     | Original Budget | Actual                  | Original Budget | Actual | Original Budget |
| <b>MM and s57</b>   | Female |   |   |                 |  |                 |                         |                 |        |                 |
|   | Male   |   |   |                 |  |                 |                         |                 |        |                 |
| <b>Legislators, senior officials and managers</b>   | Female |   |   |                 |  |                 |                         |                 |        |                 |
|   | Male   |   |   |                 |  |                 |                         |                 |        |                 |
| <b>Professionals</b>  | Female |   |   |                 |  |                 |                         |                 |        |                 |
|   | Male   |   |   |                 |  |                 |                         |                 |        |                 |
| <b>Technicians and associate professionals</b>  | Female |   |   |                 |  |                 |                         |                 |        |                 |
|   | Male   |   |   |                 |  |                 |                         |                 |        |                 |
| <b>Clerks</b>   | Male   |   |   |                 |  |                 |                         |                 |        |                 |
|   | Female |   |   |                 |  |                 |                         |                 |        |                 |
| <b>Service and sales workers</b>  | Male   |   |   |                 |  |                 |                         |                 |        |                 |
|   | Female |   |   |                 |  |                 |                         |                 |        |                 |
| <b>Plant and machine operators and assemblers</b>   | Female |   |   |                 |  |                 |                         |                 |        |                 |
|   | Male   |   |   |                 |  |                 |                         |                 |        |                 |
| <b>Elementary occupations</b>   | Male   |   |   |                 |  |                 |                         |                 |        |                 |
|   | Female |   |   |                 |  |                 |                         |                 |        |                 |
| <b>Subtotal</b>   | Female |   |   |                 |  |                 |                         |                 |        |                 |
|   | Male   |   |   |                 |  |                 |                         |                 |        |                 |
| <b>Total</b>  |        |   |   |                 |  |                 |                         |                 |        |                 |
| <b>*% and *R value of municipal salaries (original budget) allocated for Workplace Skills Plan.</b> |        |   |   |                 |  |                 |                         |                 |        |                 |

**Staff and Councillor Training Budget During 2020/2021**

Budget: R600 000, 00  
Expenditure: R488 771.92

**Training Budget During 2020/2021**

Budget: R600 000  
Expenditure: R488 771.92

**Table 42: Training Report July 2020 to June 2021**

|                     | Municipal Officials |  |  |                  |
|---------------------|---------------------|--|--|------------------|
| BENEFICIARIES       | NAME OF EMPLOYEE    | JOB TITLE                                | NAME OF COURSE                           | DATE             |
| Municipal Officials | MNTUNGWA N          | DISASTER OFFICER                         | PLAN AND PREPARE MEETING COMMUNICATIONS  | 10 -11 JUNE 2021 |
| Municipal Officials | MNDEBELE P.P        | SECRETARY TO COUNCILLORS                 | PLAN AND PREPARE MEETING COMMUNICATIONS  | 10 -11 JUNE 2021 |
| Municipal Official  | MTHETHWA S.P        | HR INTERN                                | PLAN AND PREPARE MEETING COMMUNICATIONS  | 10 -11 JUNE 2021 |
| Municipal Officials | DLAMINI P.P         | COMMITTEE OFFICE INTERN                  | PLAN AND PREPARE MEETINGS COMMUNICATIONS | 10-11 JUNE 2021  |
| Municipal Officials | MBOKAZI P.K         | PUBLIC PARTICIPATION OFFICER             | PLAN AND PREPARE MEETING COMMUNICATION   | 10-11 JUNE 2021  |
| Municipal Officials | MAGWAZA Z.G         | TYPIST CLERK                             | PLAN AND PREPARE MEETING COMMUNICATION   | 10 -11 JUNE 2021 |
| Municipal Officials | KUNENE Z.A.L        | SECRETARY TO DIRECTOR COMMUNITY SERVICES | PLAN AND PREPARE MEETING COMMUNICATION   | 10 -11 JUNE 2021 |
| Municipal Officials | VILAKAZI N.P        | HR INTERN                                | PLAN AND PREPARE MEETING COMMUNICATION   | 10-11 JUNE 2021  |
| Municipal Officials | MAVUSO T.P.N        | SECRETARY TO CFO                         | PLAN AND PREPARE MEETING COMMUNICATION   | 10 -11 JUNE 2021 |
| Municipal Officials | SIBIYA T.P          | RECEPTIONIST                             | PLAN AND PREPARE MEETINGS COMMUNICATION  | 10 -11 JUNE 2021 |
| Municipal Officials | NZIMA T.I           | SECRETARY TO CEO                         | PLAN AND PREPARE MEETING COMMUNICATION   | 10-11 JUNE 2021  |
| Municipal Officials | SIBIYA M.W          | SECRETARY TO SPEAKER                     | PLAN AND PREPARE MEETING COMMUNICATION   | 10-11 JUNE 2021  |

|                     |                |   |  |                    |
|---------------------|----------------|---|--|--------------------|
| Municipal Officials | ZWANE M.H      | COMMITTEE OFFICER                       | VITUAL MEETING COMMITTEE OFFICERS & ADMINISTRATORS | 21 SEPTEMBER 2021  |
| Municipal Officials | MKHWANAZI N    | SNR COMMITTEE OFFICER                   | VITUAL MEETING COMMITTEE OFFICERS & ADMINISTRATORS | 21 SEPTEMBER 2021  |
| Municipal Officials | MKHONZA B.A    | ACTING DIRECTOR COMMUNITY SERVICES      | POWERS AND FUNCTIONS OF THE LLF                    | 22 OCTOBER 2021    |
| Municipal Officials | SIMELANE S.S.P | ACTING DIRECTOR CORPORATE SERVICES      | POWERS AND FUNCTIONS OF THE LLF                    | 22 OCTOBER 2021    |
| Municipal Officials | BILA O         | IMATU                                   | POWERS AND FUNCTIONS OF THE LLF                    | 22 OCTOBER 2021    |
| Municipal Officials | RADEBE B       | SAMWU                                   | POWERS AND FUNCTIONS OF THE LLF                    | 22 OCTOBER 2021    |
| Municipal Officials | DLAMINI D.V    | SAMWU                                   | POWERS AND FUNCTIONS OF THE LLF                    | 22 OCTOBER 2021    |
| Municipal Officials | MASUKU B       | IMATU                                   | POWER AND FUNCTIONS OF THE LLF                     | 22 OCTOBER 2021    |
| Municipal Officials | NHLEKO B.D     | SAMWU                                   | POWERS AND FUNCTION OF THE LLF                     | 22 OCTOBER 2021    |
| Municipal Officials | MAVIMBELA S.W  | MANAGER WASTE AND ENVIRNMENTAL SERVIVES | EMI BASIC TRAINING                                 | 18-22 OCTOBER 2021 |
| Municipal Officials | DLAMINI B      | MANAGER PLANNING AND HOUSING            | HUMAN SETTLEMENT                                   | 02 DECEMBER 2020   |
| Municipal Officials | SIMELANE S.S.P | MANAGER HUMAN RESOURCE                  | HUMANN SETTLEMENT                                  | 02 DECEMBER 2020   |
| Municipal Officials | MKHONZA B.A    | DIRECTOR CORPORATE SERVICES             | HUMAN SETLLEMENT                                   | 02 DECEMBER 2020   |
| Municipal Officials | MANQELE S      | CHIEF INTERNAL AUDITOR                  | HUMAN SETTLEMENT                                   | 02 DECEMBER 2020   |
| Municipal Officials | MDLULI M       | MANAGER PMS                             | HUMAN SETTLEMENT                                   | 02 DECEMBER 2020   |
| Municipal Officials | MKHWANAZI M    | SRN COMMITTEE OFFICER                   | HUMAN SETTLEMENT                                   | 02 DECEMBER 2020   |
| Municipal Officials | NXUMALO W.M    | MUNICIPAL MANAGER                       | HUMAN SETTLEMENT                                   | 02 DECEMBER 2020   |
| Municipal Officials | NKOSI J.V      | CHIEF FINANCIAL OFFICER                 | HUMAN SETTLEMET                                    | 02 DECEMBER 2020   |
| Municipal Officials | MAGAGULA G     | PROJECT ADMINISTRATOIN OFFICER          | HUMAN SETTLEMENT                                   | 02 DECEMBER 2020   |
| Municipal Officials | LUSHABA A.F    | MANAGER EMERGENCY AND DISASTER          | HUMAN SETTLEMENT                                   | 02 DECEMBER 2020   |
| Municipal Officials | SIMELANE G.M   | MANAGER PMU                             | HUMAN SETTLEMENT                                   | 02 DECEMBER 2020   |
| Municipal Officials | MBOKAZI K      | PUBLIC PARTICIPATION OFFICER            | HUMAN SETTLEMENT                                   | 02 DECEMBER 2020   |

|                              |                           |                        |                            |                  |
|------------------------------|---------------------------|------------------------|----------------------------|------------------|
| Municipal Officials          | MSEZANE L                 | ELAVE HR & ADMIN CLERK | HUMAN SETTLEMENT           | 02 DECEMBER 2020 |
| <b>Municipal Councillors</b> |                           |                        |                            |                  |
| <b>BENEFICIARIES</b>         | <b>NAME OF COUNCILLOR</b> |                        | <b>NAME OF COURSE</b>      | <b>DATE</b>      |
| Municipal Councillor         | MVELASE B                 | DEPUTY MAYOR           | POWERS AND FUNCTION OF LLF | 22 OCTOBER 2020  |
| Municipal Councillor         | NTSHANGASE P.S            | COUNCILLOR             | POWERS AND FUNCTION OF LLF | 22 OCTOBER 2020  |
| Municipal Councillor         | NKABANJANA D.M            | P.R COUNCILLOR         | HUMAN SETTLEMENT           | 02 DECEMBER 2020 |
| Municipal Councillor         | MHLONGO S.R               | MAYOR                  | HUMAN SETTLEMENT           | 02 DECEMBER 2020 |
| Municipal Councillor         | NYAWO D                   | WARD COUNCILLOR        | HUMAN SETTLEMENT           | 02 DECEMBER 2020 |
| Municipal Councillor         | MASUKU V.G                | SPEAKER                | HUMAN SETTLEMENT           | 02 DECEMBER 2020 |
| Municipal Councillor         | NTSHANGASE S.R            | P.R COUNCILLOR         | HUMAN SETTLEMENT           | 02 DECEMBER 2020 |
| Municipal Councillor         | MVELASE B                 | DEPUTY MAYOR           | HUMAN SETTLEMENT           | 02 DECEMBER 2020 |
| Municipal Councillor         | BUTHELEZI J.W             | WARD COUNCILLOR        | HUMAN SETTLEMENT           | 02 DECEMBER 2020 |
| Municipal Councillor         | MAVUSO N.P                | WARD COUNCILLOR        | HUMAN SETTLEMENT           | 02 DECEMBER 2020 |
| Municipal Councillor         | NDLANGAMANDLA S           | WARD COUNCILLOR        | HUMAN SETTLEMENT           | 02 DECEMBER 2020 |
| Municipal Councillor         | NTSHANGASE R              | WARD COUNCILLOR        | HUMAN SETTLEMENT           | 02 DECEMBER 2020 |
| Municipal Councillor         | MOTHA W                   | WARD COUNCILLOR        | HUMAN SETTLEMENT           | 02 DECEMBER 2020 |
| Municipal Councillor         | MASUKU S                  | WARD COUNCILLOR        | HUMAN SETTLEMENT           | 02 DECEMBER 2020 |
| Municipal Councillor         | NHLABATHI W               | WARD COUNCILLOR        | HUMAN SETTLEMENT           | 02 DECEMBER 2020 |
| Municipal Councillor         | NDLANGAMANDLA C           | WARD COUNCILLOR        | HUMAN SETTLEMENT           | 02 DECEMBER 2020 |
| Municipal Councillor         | NXUMALO K                 | WARD COUNCILLOR        | HUMAN SETTLEMENT           | 02 DECEMBER 2020 |
| Municipal Councillor         |                           |                        |                            |                  |
| Municipal Councillor         |                           |                        |                            |                  |
| Municipal Councillor         |                           |                        |                            |                  |

**Table 43: Number of Employees Whose Salaries Were Increased Due to Their Positions Being Upgrade**

| Number of Employees Whose Salaries were Increased Due to their Positions being Upgraded   |        |       |
|---|--------|-------|
| Beneficiaries   | Gender | Total |
| Lower skilled (Levels 1-2)  | Female | N/A   |
|   | Male   | N/A   |
| Skilled (Levels 3-5)  | Female | N/A   |
|   | Male   | N/A   |
| Highly skilled production (Levels 6-8)  | Female | N/A   |
|   | Male   | N/A   |
| Highly skilled supervision (Levels 9-12)  | Female | N/A   |
|   | Male   | N/A   |
| Senior management (Levels 13-15)  | Female | N/A   |
|   | Male   | N/A   |
| MM and S57  | Female | N/A   |
|   | Male   | N/A   |
| Total   |        |       |
| Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the number at the right-hand side of the column |        |       |

**Table 44: Employees Whose Salary Levels Exceed**

| Employees whose Salary levels exceed the grade determined by Job Evaluation |                     |                      |                    |                      |
|---|---------------------|----------------------|--------------------|----------------------|
| Occupation  | Number of employees | Job evaluation level | Remuneration level | Reason for deviation |
| N/A   | N/A                 | N/A                  | N/A                | N/A                  |



**Table 45: Employees Appointed to Posts Not Approved**

| <b>Employees appointed to posts not approved</b> |              |                            |                      |   |
|--|--------------|----------------------------|----------------------|---|
| <b>Department</b>                                | <b>Level</b> | <b>Date of appointment</b> | <b>No. appointed</b> | <b>Reason for appointment when no established post exists</b> |
| N/A  | N/A          | N/A                        | N/A                  | N/A   |

## **4.5 DISCLOSURES OF FINANCIAL INTERESTS**

Refer to disclosures made by officials and councillors concerning their financial interests as required by PM Regulations 805 of 2006 are set out in Appendix.....

# CHAPTER 5

## FINANCIAL PERFORMANCE

## **COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE**

### **STATEMENT OF FINANCIAL PERFORMANCE**

Financial performance of uPhongolo Municipality is analysed using the following 3 main components in this chapter (5) namely:

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters

#### **5.1 STATEMENTS OF FINANCIAL PERFORMANCE**

**Table: Statement of Financial Performance**

| Description                              | Original Budget | Final Budget | Actual Income & Expenditure | Variance    | Actual Income As % Of Final Budget |
|--|-----------------|--------------|-----------------------------|-------------|------------------------------------|
| Financial Performance                    |                 |              |                             |             |                                    |
| Revenue from exchange transactions       |                 |              |                             |             |                                    |
| Service Charges                          | 56 774 756      | 56 589 703   | 59 483 117                  | 2 893 414   | 105.10                             |
| Licences and permits                     | 1 866 840       | 1 866 840    | 1 366 261                   | (500 579)   | 73.20                              |
| Rental income                            | 603 473         | 603 473      | 631 412                     | 27 939      | 104.60                             |
| Interest on Investments                  | 1 469 310       | 1 469 310    | 1 805 117                   | 335 807     | 122.90                             |
| Interest on Outstanding Debtors          | 12 058 739      | 14 058 739   | 19 991 687                  | 5 932 948   | 142.20                             |
| Other Own Revenue                        | 2 726 866       | 3 091 742    | 1 918 493                   | (1 173 249) | 62.10                              |
| Impairment gains                         | 0               | 203 467      | 0                           | 203 467     | 100.00                             |
| Total revenue from exchange transactions | 75 499 984      | 77 883 274   | 85 196 087                  | 7 516 280   |                                    |
|  |                 |              |                             |             |                                    |

|  |             |             |             |              |        |
|--|-------------|-------------|-------------|--------------|--------|
| Taxation revenue                             |             |             |             |              |        |
| Property Rates                               | 68 894 815  | 65 611 293  | 44 039 999  | (21 571 294) | 67.10  |
| Government Grants                            | 182 875 000 | 221 658 321 | 221 748 268 | 89 947       | 100.04 |
| Public Contributions & Donations             | 0           | 0           | 0           | 0            | 0.00   |
| Transfer revenue                             | 251 769 815 | 287 269 614 | 265 788 267 | (21 481 347) | 92.50  |
| Traffic fines                                | 1 840 091   | 2 753 283   | 3 309 350   | 556 067      | 120.20 |
| Total revenue from non-exchange transactions | 253 609 906 | 290 022 897 | 269 097 617 | (20 925 280) | 92.80  |
| Contributions from reserves                  |             |             |             |              |        |
| Total revenue                                | 329 109 890 | 367 906 171 | 354 293 704 | (13 409 000) | 96.30  |

| Description                     | Original Budget | Final Budget  | Actual Income & Expenditure | Variance     | Actual Income As<br>% Of Final Budget |
|---------------------------------|-----------------|---------------|-----------------------------|--------------|---------------------------------------|
| Expenditure                     |                 |               |                             |              |                                       |
| Employee Costs                  | (99 743 976)    | (100 190 926) | (103 645 200)               | (3 454 274)  | 103.40                                |
| Remuneration of Councillors     | (10 461 916)    | (10 461 916)  | (9 742 384)                 | 719 532      | 93.10                                 |
| Debt Impairment                 | (29 559 250)    | (18 559 250)  | (32 653 411)                | (14 094 161) | 75.90                                 |
| Depreciation & Asset Impairment | (14 400 100)    | (26 256 384)  | (25 304 911)                | 951 473      | 96.40                                 |
| Finance Charges                 | (2 080 268)     | (517 934)     | (1 571 391)                 | (1 053 457)  | 303.40                                |
| Contracted Service              | (32 223 246)    | (40 851 054)  | (40 766 265)                | (84 789)     | 99.80                                 |
| Transfers and Subsidies         | (3 034 550)     | (2 784 644)   | (2 351 870)                 | 432 774      | 84.50                                 |
| Bulk Purchases                  | (35 614 390)    | (35 614 390)  | (34 080 640)                | 1 533 750    | 95.70                                 |
| Inventory Consumed              | (18 247 689)    | (24 405 075)  | (25 249 185)                | (155 890)    | 103.50                                |

|   |              |              |              |              |        |
|---|--------------|--------------|--------------|--------------|--------|
| Operational Cost  | (36 767 355) | (29 531 700) | (31 849 725) | (2 318 025)  | 107.80 |
| Loss on disposal of assets                                | 0            | (203 467)    | (723 338)    | (519 871)    | 355.50 |
| Total Expenditure   | 282 132 740  | 289 376 740  | 306 938 319  | (17 561 579) | 106.10 |
| Surplus/(Deficit)   | 46 977 150   | 78 529 431   | 47 355 385   | (30 970 579) | 60.30  |
| Fair value adjustments                                    | 0            | 0            | 1 430 000    | 1 430 000    | 100.00 |
| Gains and losses  | 0            | 0            | (1 135 324)  | (1 135 324)  | 100.00 |
| Surplus/(Deficit) After Capital Transfers & Contributions | 46 977 150   | 78 529 431   | 47 650 061   | (31 265 255) | 65.60  |
| Share of Surplus/(Deficit) Of Associate                   | 46 977 150   | 78 529 431   | 47 650 061   | (31 265 255) | 65.60  |
| Surplus/(Deficit for The Year                             | 46 977 150   | 78 529 431   | 47 650 061   | (31 265 255) | 65.60  |



|                                     |               |               |               |               |        |
|-------------------------------------|---------------|---------------|---------------|---------------|--------|
|                                     |               |               |               |               |        |
| Capital Expenditure & Funds Sources |               |               |               |               |        |
| Capital Expenditure                 |               |               |               |               |        |
| Transfers Recognised – Capital      | 36 348 938.00 | 35 822 868.47 | 35 822 868.47 | 0.00          |        |
| Public Contributions & Donations    | 0.00          | 0.00          | 0.00          | 0.00          |        |
| Borrowing                           | 3 700 000.00  | 3 700 000.00  | 0.00          | 3 700 000.00  | 100.00 |
| Internally Generated Funds          | 1 862 810.00  | 29 573 490.47 | 22 443 987.90 | 7 129 502.57  | 75.90  |
| Total capital expenditure           | 41 911 748.00 | 69 096 358.94 | 58 266 856.37 | 10 829 502.57 | 84.30  |

## 5.2 GRANTS

### ***Table: Grant Performance***

| Grant name                                    | 2019/2020      | 2020/2021       |                   |                | Variance          |                     |
|---|----------------|-----------------|-------------------|----------------|-------------------|---------------------|
|   |                | Original budget | Adjustment budget | Actual         | Original budget % | Adjustment budget % |
| NATIONAL                                      | 179 016 000.00 | 181 493 000.00  | 225 897 415.90    | 225 897 415.90 | 124.66%           | 0.00%               |
| Equitable Share                               | 136 387 000.00 | 146 625 000.00  | 175 830 000.00    | 175 830 000.00 | 119.90%           | 0.00%               |
| Municipal Infrastructure Grant                | 28 302 000.00  | 28 134 000.00   | 37 212 321.30     | 37 212 321.30  | 132.30%           | 0.00%               |
| Integrated National Electrification Programme | 8 500 000.00   | 9 210 000.00    | 7 000 000.00      | 7 000 000.00   | 76.00%            | 0.00%               |
| Finance Management Grant                      | 2 435 000.00   | 2 800 000.00    | 2 800 000.00      | 2 800 000.00   | 0.00%             | 0.00%               |
| Expanded Public Works Programme Grant         | 2 513 000.00   | 3 055 000.00    | 3 055 000.00      | 3 055 000.00   | 0.00%             | 0.00%               |
| Municipal Disaster Relief Grant Fund          | 879 000.00     | 879 000.00      | 0.00              | 0.00           | 100.00%           | 0.00%               |
|   |                |                 |                   |                |                   |                     |
| PROVINCIAL                                    | 17 079 862.00  | 50 069 918.00   | 57 722 888.92     | 54 620 460.64  | 94.60%            | 0.00                |
| Human Settlement-Housing Grant                | 12 289 833.00  | 47 808 918.00   | 47 808 918.00     | 47 374 039.45  | 99.10%            | 99.10%              |
| Community Libraries Grant                     | 422 000.00     | 452 000.00      | 452 000.00        | 452 000.00     | 0.00%             | 0.00%               |
| Provincialization of Libraries Grant          | 1 760 000.00   | 1 809 000.00    | 1 809 000.00      | 1 809 000.00   | 0.00%             | 0.00%               |
| Integrated Economic Development Plan          | 0.00           | 0.00            | 500 000.00        | 0.00           | 100.00%           | 100.00              |
| Koppie Guesthouse-Mahlalela Community Trust   | 164 406.00     | 0.00            | 1 335 593.92      | 1 335 593.92   | 100.00%           | 0.00%               |
| Mkuze falls Grant                             | 2 443 623.00   | 0.00            | 3 056 377.00      | 3 056 377.00   | 100.00%           | 0.00%               |
| Single Land Use Scheme                        | 0.00           | 0.00            | 0.00              | 3 500.00       | 100.00%           | 100.00%             |

|                              |                |             |                |                |         |         |
|------------------------------|----------------|-------------|----------------|----------------|---------|---------|
| Small Town Improvement Grant | 0.00           | 0.00        | 0.00           | 7 458.00       | 100.00% | 100.00% |
| Ncotshane Title Deeds        | 0.00           | 0.00        | 0.00           | 582 492.00     | 100.00% | 100.00% |
|                              | 196 095 862.00 | 183 754 000 | 221 658 321.30 | 280 517 876.54 | 120.40  | 99.80%  |

### 5.3 ASSET MANAGEMENT

**Table : Asset Management**

|                                     | 2019/2020    | 2020/2021       |                   |              | Variance          |                     |
|-------------------------------------|--------------|-----------------|-------------------|--------------|-------------------|---------------------|
|                                     |              | Original Budget | Adjustment Budget | Actual       | Original budget % | Adjustment Budget % |
| Repairs and maintenance expenditure | (11 377 557) | (18 247 689)    | (24 405 075)      | (25 249 185) | (155 890)         | 103.50              |

## 5.4 FINANCIAL RATIOS FOR 2020/2021

Asset Management: The capital expenditure to total expenditure ratio was 16.777%. The norm for this ratio ranges between 10%-20%. Although the ratio was above 10% and it doesn't reflect low spending on infrastructure and does not hold potential risk to service delivery, it does hold financial sustainability risk because the infrastructure does not include economic (revenue generating) and social type infrastructure.

**Table: Asset Register as at 30 June 2021**

| Details                                 | Carrying Amount –<br>30-Jun-2021 | Carrying Amount –<br>30-Jun-2020 | % Change |
|---|----------------------------------|----------------------------------|----------|
| Land                                    | 71 302 265                       | 71 302 265                       | 0.00%    |
| Buildings                               | 109 641 503                      | 95 432 769                       | 14.89%   |
| Infrastructure                          | 135 861 417                      | 133 797 579                      | 1.54%    |
| Solid Waste                             | 9 085 580                        | 6 788 139                        | 33.84%   |
| Other PPE                               | 25 823 353                       | 19 397 020                       | 33.13%   |
| Total PPE and Investment Property value | 351 714 118                      | 326 717 772                      | 7.65%    |

The table above indicates the asset value per the asset register grew by 7.65% between 01 July 2020 and 30 June 2021. The largest growth was on solid waste which had a 33.84% increase. The second largest growth was other PPE with an increase of 33.13%.

**Repairs and Maintenance** ratio was 7.20%. This ratio was above the norm which is 8% and is an indication that sufficient monies are being spent on repairs and maintenance to the extent that it could decrease impairment of useful assets.

The municipality ensured that all previous year fixed asset errors were addressed with the assistance by CCG Systems who was appointed to compile the 2020/21 Fixed Asset Register. The terms of reference included the following:

- Physical verification of all movable assets;
- Physical verification of infrastructure (immovable) assets;
- Review of assets under construction (AUC), analysis of 2020/21 capital expenditure and WIP completed during the 2020/21 financial year;
- Unbundling of infrastructure assets acquired (WIP completed) as required by GRAP17;
- Review of remaining useful lives (RUL) of infrastructure and movables assets;
- Identification and review of possible impairment of infrastructure and movable assets;
- Implementation and review of disposal during the 2020/21 financial year;

- ▶ Perform the depreciation charge calculation for 2020/21 financial year;
- ▶ Provide journals, disclosure notes and annexures in the annual financial statements and accounting policies;
- ▶ Respond to all relevant GRAP asset audit queries; and
- ▶ The net movement in the carrying amount of Property Plant and Equipment

**Debtors Management:** The collection ratio was 58% and below the norm of 95%. This ratio indicates the collection rate which is the level of payment by debtors. This is an indication that revenue collection of the municipality requires urgent attention and corrective measures should be implemented.

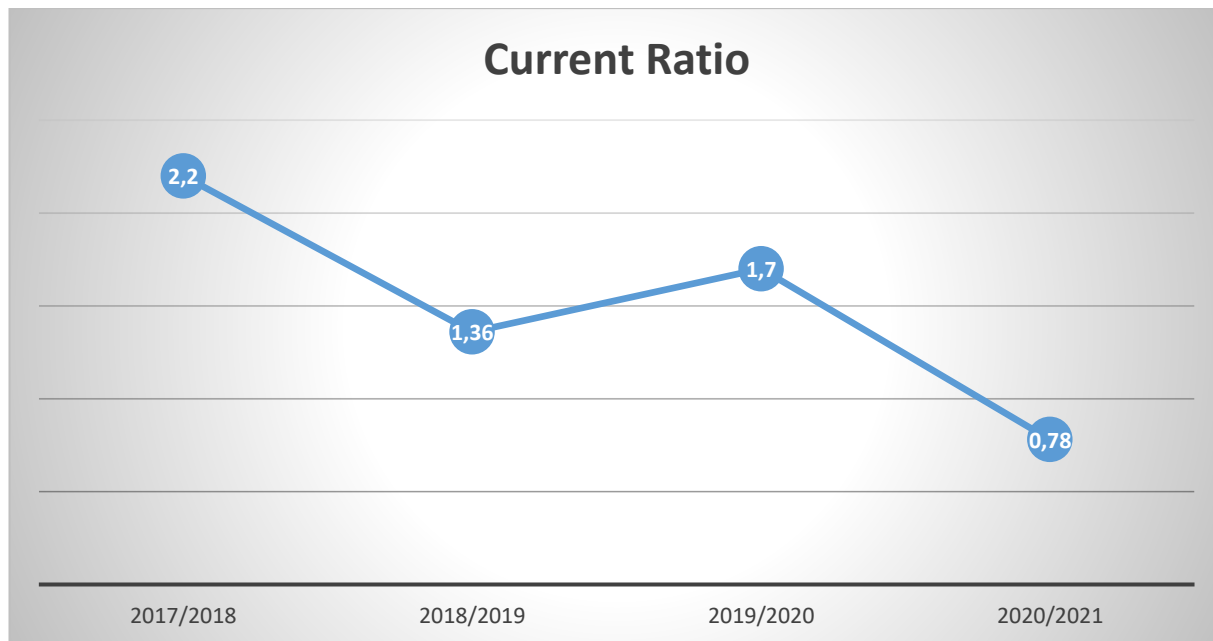
**Liquidity Management:** The cash /cost coverage ratio indicated that the municipality's ability to meet its monthly fixed operational commitments from cash and short-term investments without collecting additional revenue during the month. Our ratio was 0 months and the norm is 1- 3 months.

**The Current Ratio** was used to assess the municipality's ability to pay back its short-term liabilities with its short-term assets which is cash, inventory and receivable.

### 5.4.1 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

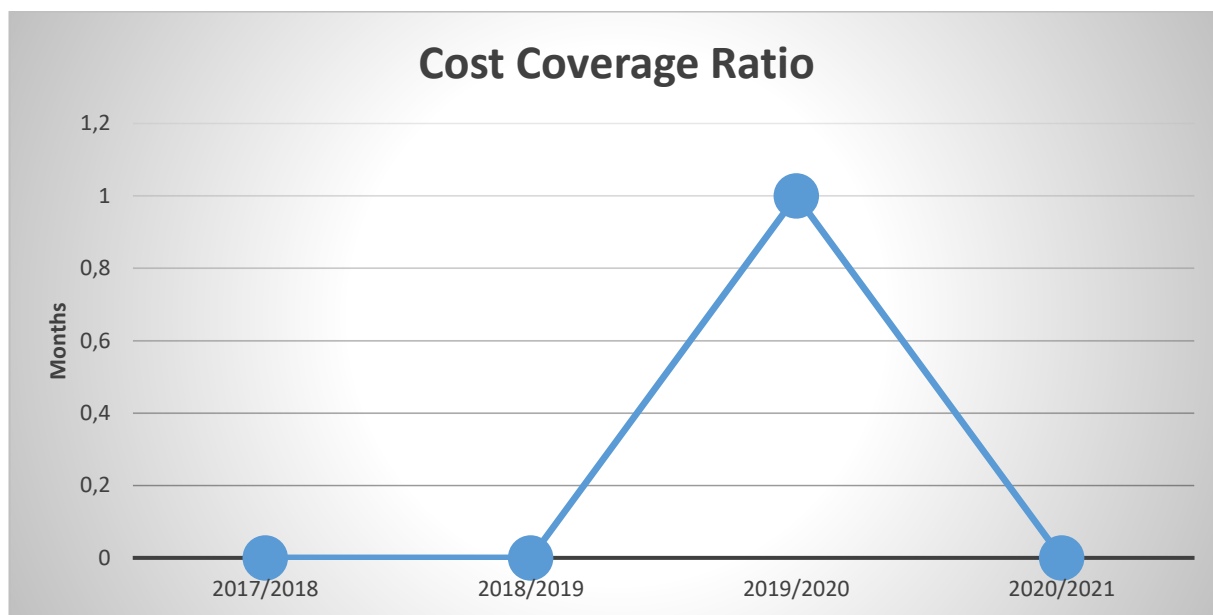
#### LIQUIDITY RATIO

**Figure: Current Ratio**



The cash position was achieved with the current ratio of 0.78 :1 while it was 1,70:1 in 2019/20; 1,36 :1 in 2018/19; 2,2:1 in 2017/18 and 1,69:1 in 2016/17. The municipality was still facing poor collection on debtors which resulted in a huge (32 million) impairment of debtors. However, the municipality is in position to operate for the foreseeable future.

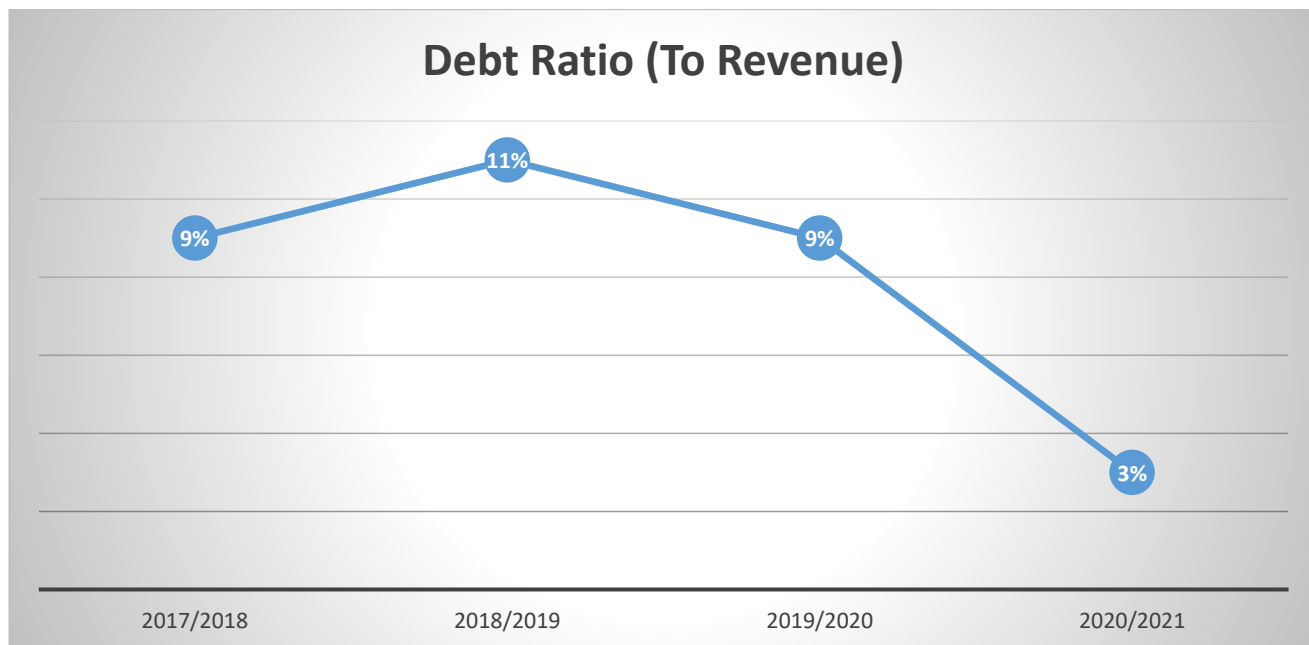
**Figure: Cost Coverage Ratio**





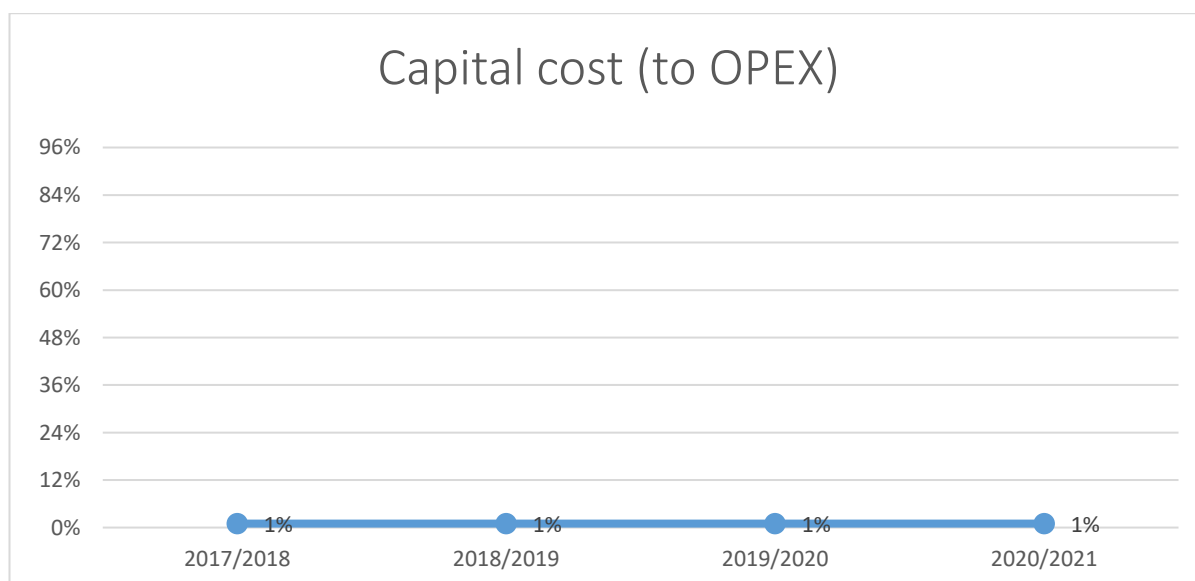
The cost coverage ratio for the year was at 0 months while in 2019/2020 it was at 1 month, 0 month in 2018/19, 0 month in 2017/18 and 0 month in 2016/17. The norm for cash/ cost coverage ratio is 1-3 months. The municipality was still facing cash flow issues due to slow collection on municipal services in 2020/21 resulting from Covid-19 restriction which negatively affected the economy.

**Figure: Debt Ratio**



The debt ratio (to revenue) was at 3% in 2020/2021 while it was 9% in 2019/20, 11% in 2018/19, 9% in 2017/18 and 6% in 2016/17. Management applied and influenced sound financial and good governance principles. The norm for cash/ cost coverage ratio is 45% or less.

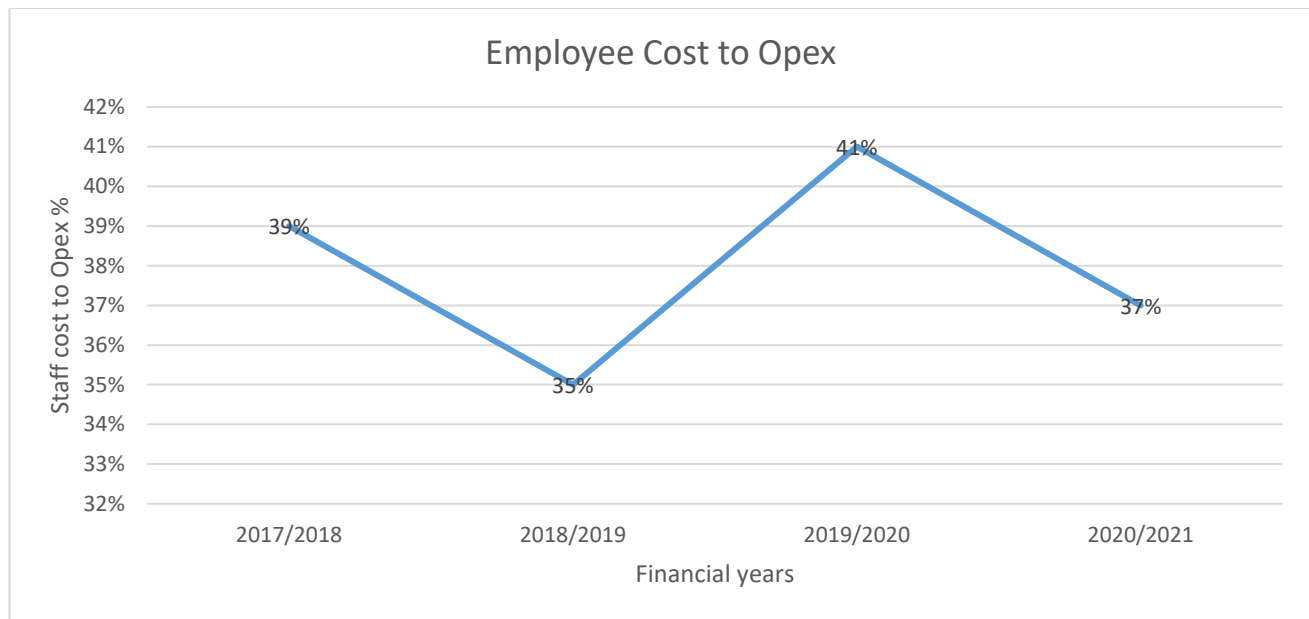
**Figure: Capital Cost**



The capital cost coverage ratio for the year was at 1% . For the 3 prior year, the ratio has also been at 1%. Management applied and influenced sound financial and good governance principles. The norm for capital cost ratio is 6%-8%. The municipality properly maintained the finance charges, by ensuring timely payment of creditors to avoid penalties on late payment.

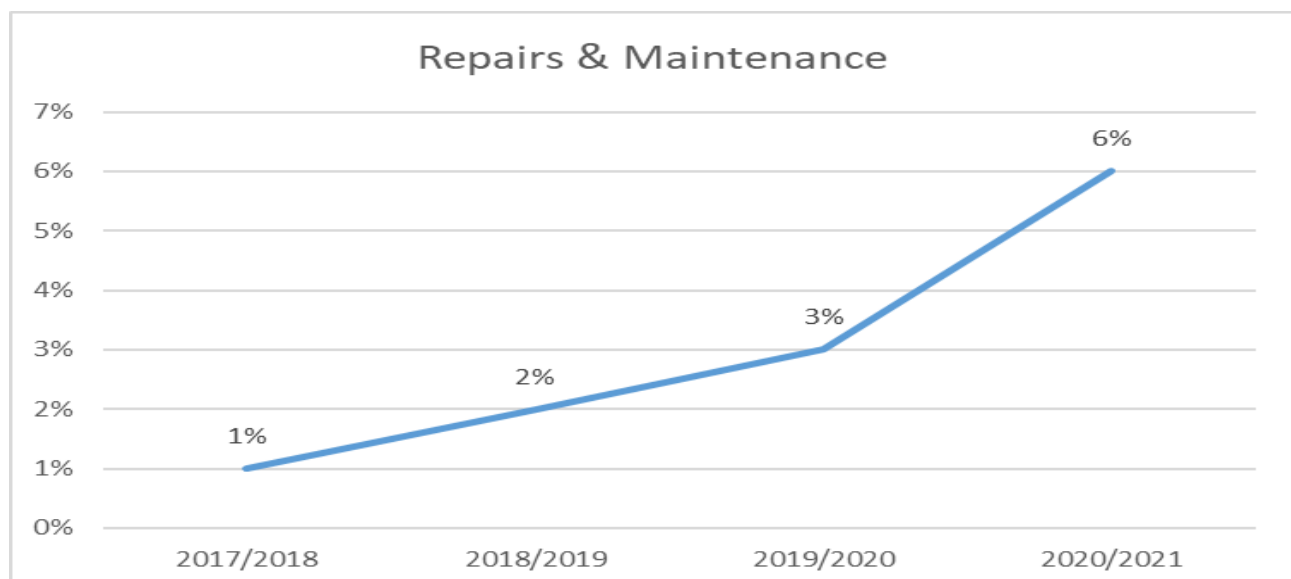
**EXPENDITURE MANAGEMENT**

**Figure: Employee Related Costs**



The employee related cost is sitting at 37% for the year while it was 41% in 2019/20, 35% in 2018/19, 39% in 2017/18 and 37% in 2016/17. The norm for cash/ cost coverage ratio is 25%-40% of the total operational expenditure. The municipality properly maintained the staff cost in 2020/21 financial year.

**Figure: Repairs and Maintenance**



The repairs and maintenance ratio is sitting at 6% in 2020/21, 3% in 2019/20, 2% in 2018/19 and 1% in 2017/18. The norm for cash/ cost coverage ratio is 6%-8% of the total net carrying amount of the PPE plus Investment Property. The municipality is properly maintaining its assets in the 2020/21 financial year.

## COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

During 2020/2021 financial year, the capital expenditure was 84.33% of the Capital budget. 83% was grant funded and 17% was funded by internal funds. Capital grants were received from the Municipal Infrastructure Grant (MIG). Some capital projects were new projects, thus roads, community centres and Sports fields and were funded by MIG.

### 5.5 CAPITAL EXPENDITURE

About 84.73% of the capital budget was spent during the year under review. Measures and mechanism have been put in place in addressing this matter going forward.

### 5.6 SOURCES OF FINANCE

Most of the capital projects are financed with the grants received from MIG. The total capital grants received amounted to R35.8 million. Funding for the Plant and motor vehicles in from financial institutions in a form of loans/instalment sale agreement. The total outstanding loans used to finance purchases of Plant and Motor vehicles was R2.4 million.

### 5.7 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

The need and cost of backlogs are the result of migration into an area: migration out of an area: the trend towards disaggregation of families into more than one housing unit: and the cost of renewing and upgrading core infrastructure.

**Table: Service Backlogs as at 30 June 2021**

| Service Backlogs as at 30 June 2021 |                                      |            |                                      |            |
|-------------------------------------|--------------------------------------|------------|--------------------------------------|------------|
|                                     | Service level above minimum standard |            | Service level below minimum standard |            |
|                                     | No of Households                     | %          | No of Households                     | %          |
|                                     |                                      | Households |                                      | Households |
| Electricity                         | 30592                                | 73         | 7 768                                | 17         |
| Refuse                              | 5 563                                | 19.34      | 1 201                                | 4.17       |
| Water (ZDM)                         | 15026                                | 52%        | 13746                                | 48%        |
| Sanitation (ZDM)                    | 12334                                | 43%        | 16438                                | 57%        |

The vision of the municipality is to ensure an inclusive socio-economy by providing quality services that yield a better life for all by 2035. The current challenges that the Community of uPhongolo faces when it comes to infrastructure and basic services were inherited from the pre-1994 era.

It is a challenge that the municipality has been work hard to overcome and is close to addressing some of the back logs. Electricity currently has a back log of less than 15% which is a good improvement. Other community infrastructure is also being address on a yearly basis and below is a list of projects planned for the next three years.

#### 5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS- OVERVIEW

The vision of the municipality is to ensure an inclusive socio-economy by providing quality services that yield a better life for all by 2035. The current challenges that the Community of uPhongolo faces when it comes to infrastructure and basic services were inherited from the pre-1994 era.

It is a challenge that the municipality has been work hard to overcome and is close to addressing some of the back logs. Electricity currently has a back log of less than 15% which is a good improvement. Other community infrastructure is also being address on a yearly basis and below is a list of projects planned for the next three years.

Table:

| Description /Municipal                                      | PROPOSED<br>ADJUSTMENT<br>BUDGET<br>2020/21 | ESTIMATED     | ESTIMATED     |
|---|---|---------------|---------------|
|   |   | BUDGET        | BUDGET        |
|   |   | 2021/2022     | 2022/23       |
| Various Projects  | 43 150 621.30                               | 34 686 900.00 | 30 239 303.62 |
| Dwarsland Creche Ward 1                                     | 1 640 086.57                                | 73 508.66     |               |
| Hlambanyathi Creche Ward 14                                 | 1 067 839.11                                | 94 583.61     |               |
| uPhongolo Ward 8 Sport Ground                               | 1 602 360.03                                | 160 236.00    |               |
| Ncotshane Multi-purpose Sportfield Ward 10                  | 675 618.38                                  | -             |               |
| Pongola Sub-Rank Facility Phase 2 Ward 11                   | 298 000.00                                  | -             |               |
| uPhonoglo ward 3 Sport Ground                               | 180 000.09                                  | 18 000.01     |               |
| Esigungwini Sportfield Ward 11                              | 603 334.00                                  | 60 333.40     |               |
| Ward 12 Sport Field   | 1 992 994.92                                | 161 419.47    |               |
| Mashobane Community Hall                                    | 255 000.45                                  | -             |               |
| Mashulu Creche Phase 2, Ward 13                             | 68 499.75                                   | 6 849.98      |               |
| Ward 14 Community Hall                                      | 553 000.00                                  | 55 300.00     |               |
| Sithwelekanzima Creche Phase 2, Ward 10                     | 62 843.56                                   | -             |               |
| Kranskloof Community Hall Phase 2, Ward 13                  | 183 900.00                                  | -             |               |
| Upgrade of mkhwakhweni sportfiels in ward 13-phase 2        | 2 909 435.24                                | 290 943.52    |               |
| Pongola Tarred Roads  | 621 000.00                                  | -             |               |
| Mkhiwaneni Sportfield Ward 9                                | 6 202 457.38                                | 463 093.93    |               |
| Upgrading of Magadlela Ward 2                               | 4 035 633.16                                | 2 811 250.50  | 281 125.05    |
| Belgrade Paving Road Ward 5                                 | 2 432 271.54                                | 5 664 052.92  | 566 405.29    |
| ZCC to Simunye Road Paving Ward 13                          | 1 170 069.53                                | 1 918 157.37  | 14 717 517.15 |
| Kwathengizwe Sport Ward 4                                   | 1 240 555.45                                | 3 303 428.96  | 330 342.90    |
| N2 to Thandukukhanya Road Paving Ward 7                     | 1 314 620.37                                | 3 779 194.67  | 377 919.47    |
| Multi-purpose Sport Ward 11                                 | 1 216 101.77                                | 9 926 547.00  | 992 654.70    |
| Drilling of Boreholes in Simdlangentsha W1,7,8,9,10,13 & 15 | 5 825 000.00                                |               |               |
| Ncotshane Storm Water Phase 1A                              | 7 000 000.00                                | 700 000.00    |               |

|   |               |              |              |
|---|---------------|--------------|--------------|
| Ncothane Stowm Water                                |               | 5 200 000.00 | 520 000.00   |
| Community Hall Ward 08                              |               |              | 3 253 339.07 |
| Road tarring  |               |              | 7 000 000.00 |
| uPhongolo Ward 6 Sport Ground                       |               |              | 2 200 000.00 |
|   |               |              |              |
|   | 33 882.45     | -            | -            |
| Video camera(Full package)                          | 33 882.45     |              |              |
|   |               |              |              |
|   | 312 000.00    | -            | -            |
| law enforcement equipment                           | 250 000.00    |              |              |
| Nefcorn Printer for breaks testing                  | 30 000.00     |              |              |
| Printer   | 20 000.00     |              |              |
| Fridge  | 10 000.00     |              |              |
| Microwave   | 2 000.00      |              |              |
|   |               |              |              |
|   | 4 660 000.00  | 4 000 000.00 | -            |
| Fencing of the Cemetary Town                        | 1 100 000.00  |              |              |
| Fencing of the Cemetary Ncotshane                   | 1 900 000.00  |              |              |
| New Cemetary  |               | 4 000 000.00 |              |
| Skip Bins   | 100 000.00    |              |              |
| Wheeled Refuse Bins Branded 3 000 units             | 1 560 000.00  |              |              |
|   |               |              |              |
|   |               |              |              |
|   | 310 000.00    | -            | -            |
| Community Halls Water Tanks                         | 100 000.00    |              |              |
| Community Halls Chairs                              | 200 000.00    |              |              |
| Thu Song Fridge                                     | 10 000.00     |              |              |
|   |               |              |              |
|   | 1 362 810.00  | -            | -            |
| Desktop and laptops fo the advertised posts         | 457 686.00    |              |              |
| Replacement of computors of the existing employees  | 505 124.00    |              |              |
| Replacement of computors for Amakhosi & Councillors | 200 000.00    |              |              |
| UPS Server  | 200 000.00    |              |              |
|   |               |              |              |
| Transport Assets                                    | 19 267 046.61 | 5 754 355.09 | -            |
| Waste Management Tractor*2                          | 1 100 000.00  |              |              |
| Skid unit(fire vehicle)                             | 2 200 000.00  |              |              |
| Medium Commercial Truck-Waste                       | 1 500 000.00  |              |              |
| Construction Motor Grader                           | 5 282 155.13  |              |              |
| Extra Heavy Construction Motor Grader               | -             | 5 282 155.13 |              |
| Tractor Loader Backhoe (TLB)                        | 1 487 338.15  |              |              |
| Tractor Loader Backhoe (TLB)                        | 1 487 338.15  |              |              |
| Construction Water Truck                            | 2 104 884.23  |              |              |
| Single Drum Roller 16t                              | 1 831 272.65  |              |              |
| Motor Vehicle Hon. Mayor                            | 832 485.00    |              |              |
| Motor Vehicle Hon. Dep Mayor                        | 720 786.65    |              |              |
| Motor Vehicle Hon. Speaker                          | 720 786.65    |              |              |
| Bakkie  | -             | 472 199.96   |              |

|  |               |               |               |
|--|---------------|---------------|---------------|
|  |               |               |               |
|  | 69 096 360.36 | 44 441 255.09 | 30 239 303.62 |

## COMPONENT C: CASHFLOW MANAGEMENT AND INVESTMENTS

### 5.9 CASH FLOW

*Table: Cash Flow Outcomes*

| Description                              | 2019/2020     | 2020/2021       |                   |               |
|--|---------------|-----------------|-------------------|---------------|
|  |               | Original budget | Adjustment Budget | Actual        |
| Cash flow from operating activities      |               |                 |                   |               |
| Receipts                                 |               |                 |                   |               |
| Cash receipts from customers and others  | 69 996 523    | 98 673 999      | 98 673 999        | 90 439 737    |
| Government grants                        | 197 487 833   | 265 996 208     | 212 080 000       | 270 102 020   |
| Interest income                          | 1 844 995     | 1 469 310       | 1 469 310         | 1 805 117     |
| Other receipts                           | 0             | 7 037 270       | 6 197 364         | 0             |
|  | 269 329 351   | 373 176 787     | 318 420 673       | 362 346 874   |
| Payments                                 |               |                 |                   |               |
| Employee costs                           | (91 845 531)  | (99 743 976)    | (100 190 926)     | (104 068 144) |
| Suppliers                                | (110 479 271) | (125 887 230)   | (116 409 295)     | (217 988 271) |
| Interest paid                            | (2 041 158)   | (2 080 268)     | (517 934)         | (821 357)     |
| Remuneration of Councillors              | (9 911 851)   | (10 461 916)    | (10 461 916)      | (9 742 384)   |
|  | (214 277 811) | (238 173 390)   | (227 580 071)     | (332 620 156) |
| Net cash flow from operating activities  | 55 051 540    | 135 003 397     | 90 840 602        | 29 726 718    |
| Cash flows from investing activities     |               |                 |                   |               |
| Purchase of property plant and equipment | (29 065 757)  | (41 911 748)    | (69 096 359)      | (49 110 928)  |

|   |              |              |              |              |
|---|--------------|--------------|--------------|--------------|
| proceeds from sale of property plant and equipment      | -            | -            | -            | 910 001      |
| purchase of other intangible assets                     | (2 019 605)  | -            | -            | -            |
| Net cash flow from investing activities                 | (31 085 362) | (41 911 748) | (69 096 359) | (48 200 927) |
| Cash flows from financing activities                    |              |              |              |              |
| Repayment of borrowings                                 | (5 302 054)  | (8 145 945)  | (10 171 595) | 3 022 724    |
| Proceeds from borrowings                                | 3 452 000    | 4 800 000    | 3 700 000    | (3 700 000)  |
| Net cash flows from financing activities                | (1 850 054)  | (3 345 945)  | (6 471 595)  | (677 276)    |
| Net decrease in cash and cash equivalents               | 22 116 124   | 172 866 912  | 15 272 648   | (25 623 280) |
| Cash and cash equivalents and the beginning of the year | 7 166 588    | 4 232 182    | 4 232 182    | 29 283 087   |
| Cash and cash equivalents and the end of the year       | 29 282 712   | 177 099 094  | 19 504 830   | 3 659 807    |

There was a significant decrease in the cash balance at year end which amount to 3.7 million. This was mainly done through the implementation proper creditor payment policy and cashflow projection.

## 5.10 BORROWING AND INVESTMENTS

Actual Borrowings

Standard Bank

The municipality has a loan with Standard Bank for the purchase of property, plant and equipment. The loan bears interest at an average effective borrowing rate of 7.38% per annum. The loan is repayable on a monthly basis with final payment due on 30 June 2023. The municipality bought trucks with a combined value of R2 756 224.60 and bi-annually repayments of R651 977 pledged as security.as security.

**Table: Actual Cash Held as At Year End**

| Account Number / Description                            | Bank Statement Balances |              |
|---|-------------------------|--------------|
|   | 30 June 2021            | 30 June 2020 |
| First National Bank- 62027530858 (Primary Bank Account) | 3 529 136               | 29 065 683   |
| First National Bank-62375342377                         | 94                      | 94           |
| First National Bank-62377992104                         | 182                     | 182          |
| First National Bank-62389585286                         | 895                     | 895          |



|                                 |           |            |
|---------------------------------|-----------|------------|
| First National Bank-62389586507 | 7 898     | 7 879      |
| First National Bank-62404561377 | 87        | 87         |
| First National Bank-62404287345 | 57 478    | 56 442     |
| First National Bank-62658357001 | 5 160     | 5 147      |
| First National Bank-62305239718 | 2 932     | 88 739     |
| First National Bank-74275780911 | 50 485    | 49 701     |
| First National Bank-62596797559 | 4         | 4          |
| First National Bank-62253771896 | 3 025     | 3 025      |
| First National Bank-62230436405 | 22        | 22         |
| Standard Bank-068686234-003     | -         | -          |
| Cash on hand                    | 1 717     | 4 811      |
| Total                           | 3 659 808 | 29 282 711 |

The actual cash held at year end was R29.3 in the 2020/21 financial year, this shows an increase of R3.7 million compared to the 2019/20 actual cash held at year end of R28.3 million.

#### **5.11 PUBLIC PRIVATE PARTNERSHIPS**

The Municipality does not have any Public Private Partnership agreements in place.

#### **COMPONENT D: OTHER FINANCIAL MATTERS**

#### **5.12 SUPPLY CHAIN MANAGEMENT**

The municipality has fully functioning SCM Unit which is under the management of the CFO. The unit has 4 officials, 3 of these officials have done training on the prescribed level of competency requirements. All the SCM Committees have been established and are functioning properly in the implementation of the SCM.

#### **5.13 GRAP COMPLIANCE**

The municipality has fully implemented the Standards of GRAP (Generally Recognised Accounting Practice) in accordance with the MFMA and Directive 5 issued by the Accounting Standards Board (ASB) and did not deviate from any standards. The municipality appointed CCG Systems for assistance with the asset register to ensure that it complies 100% with GRAP requirements for this financial year.

# CHAPTER 6

## AUDITOR GENERAL'S REPORT



AUDITOR - GENERAL  
SOUTH AFRICA

## Report of the Auditor-General to the KwaZulu-Natal Legislature and the Council of uPhongolo Local Municipality

### Report on the Audit of the Financial Statements

#### Opinion

1. I have audited the financial statements of the uPhongolo Local Municipality set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2021, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the uPhongolo Local Municipality as at 30 June 2021, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2020 (Act No. 4 of 2020) (Dora).

#### Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISA's). 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.

### Material impairment — receivables from exchange and statutory receivables from nonexchange transactions

7. As disclosed in note 10 to the financial statements, receivables from exchange transactions were impaired by a total of R1 21,18 million (2019-20: R109,38 million) as the recoverability of these debts was doubtful.

8. As disclosed in note 8 to the financial statements, statutory receivables from non-exchange transactions were impaired by a total of R1 16,36 million (2019-20: R95,51 million), as the recoverability of these debts was doubtful.

### Restatements of corresponding figures

9. As disclosed in note 43 to the financial statements the corresponding figures for the year ended 30 June 2020 were restated because of errors in the financial statements of the municipality at and for the year ended 30 June 2021.

## Other matters

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

### Unaudited disclosure notes

11. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose the particulars of non-compliance with the MFMA in the financial statements. This

disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

## Responsibilities of the accounting officer for the financial statements

12. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the SA standards of GRAP and the requirements of the MFMA and Dora and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
13. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

## Auditor-General's Responsibilities for the Audit of the Financial Statements

14. My objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
15. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

|  |
|--|
| Report on the Audit of the Annual Performance Report |
|--|

## Introduction and Scope

16. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected development priorities presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.

17. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

18. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the basic services and infrastructure development priority presented on pages xx to xx of the municipality's annual performance report for the year ended 30 June 2021.

19. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

20. I did not identify any material findings on the usefulness and reliability of the reported performance information for the selected development priority.

## Other Matters

### 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.

|  |
|--|
| Report on the Audit of Compliance with Legislation |
|--|

### Introduction and Scope

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

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

### Annual Financial Statements

24. The financial statements submitted for audit were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements on current assets, non-current assets, current liabilities, revenue from exchange transactions and disclosure notes identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified audit opinion.

### Procurement and Contract Management

25. Some of the goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM Regulation 19(a). This non-compliance was identified in the procurement processes for the electrification and housing projects.

## Consequence management

26. Irregular and fruitless and wasteful expenditure was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

27. Unauthorised expenditure was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) of the MFMA.

28. Irregular as well as fruitless and wasteful expenditure was certified by council as irrecoverable without having conducted an investigation to determine the recoverability of the expenditure, in contravention of section 32(2)(b) of the MFMA.

29. Unauthorised expenditure was certified by council as irrecoverable without having conducted an investigation to determine the recoverability of the expenditure, in contravention of section 32(2)(a)(ii) of the MFMA.

## Expenditure Management

30. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R21 , 19 million as disclosed in note 47 to the annual financial statements, in contravention of section 62(1 )(d) of the MFMA. The majority of the unauthorised expenditure was caused by overspending on various votes.

|                   |
|-------------------|
| Other Information |
|-------------------|

31. 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 development priority presented in the annual performance report that have been specifically reported in this auditor's report.

32. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.



33. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected development priority presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

34. 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

35. 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.

36. Management was slow to respond to recommendations to improve internal controls, particularly those relating to journal entries processed to the general ledger. As a result, journals were not always supported by appropriate documentation. This contributed to the material misstatements identified during the audit.

37. The daily, weekly, monthly and annual controls implemented by management over the processing of financial information and the preparation of the financial statements were not sufficient to detect and correct the misstatements in the financial statements identified during the audit.

38. Council did not ensure that consequences for poor performance and compliance deviations were enforced. As a result, repeat non-compliance findings were reported.

### Other Reports

39. I draw attention to the following engagement conducted which had or could have, an impact on the matters reported in the municipality's financial statements, 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.

40. On 14 December 2021, the municipality instituted an investigation into allegations of improper conduct of two key officials relating to the procurement and payment of consultancy services. Both senior officials were placed on precautionary suspension on 14 December 2021. At the date of this report, the investigation was still in progress.

*Auditor-General*

Pietermaritzburg

31 January 2022



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SOUTH AFRICA

Auditing to build public confidence

## Annexure — Auditor-General's Responsibility for the Audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected development priorities and on the municipality's compliance with respect to the selected subject matters.

## Financial Statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also.

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer.
- conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the uPhongolo Local Municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality to cease operating as a going concern
- evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

## Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

4. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

| Management action plan for the year ending 30 June 2022 |   |   |            |                         |  |  |             |        |
|---|---|---|------------|-------------------------|--|--|-------------|--------|
| Item #  | Reference to audit report / management report | Finding   | Audit Area | Component Affected      | Person Responsible                       | Action Plan  | Action Date | Status |
| 1   | Annexure A/ Management report                 | Material misstatements identified in the financial statements   | Compliance | Financial Statements    | Acting Chief Financial Officer           | 1. Ensure that financial statements are prepared monthly<br>2. Ensure that the annual financial statements are adequately reviewed by management (first level assurance).<br>3. Ensure that the annual financial statements are adequately reviewed by Internal audit unit and audit committee (second level assurance). | 31-Aug-22   |        |
| 2   | Annexure A/ Management report                 | Unauthorised, Irregular as well as Fruitless and Wasteful Expenditure was written-off without evidence of an investigation being conducted. | Compliance | Supply Chain Management | Chief Financial Officer / SCM Accountant | 1. All the prior year Unauthorised. Irregular as well as Fruitless and Wasteful Expenditure should be investigated.<br>2. Appointment of attorneys to conduct investigation.   | 30-Apr-22   |        |

|   |                                      |   |            |                            |  |   |             |  |
|---|--------------------------------------|---|------------|----------------------------|--|---|-------------|--|
| 3 | Annexure A/<br>Management<br>report  | Unauthorised<br>expenditure not<br>prevented.   | Compliance | Budget and<br>Reporting    | Chief Financial<br>Officer<br>/Accountant<br>Budget and<br>Reporting | 1. The municipality will<br>ensure that the registrar for<br>Unauthorised expenditure<br>updated monthly and<br>reviewd .<br>2. Unauthorised expenditure<br>to be investigated.   | Immediately |  |
| 4 | Annexure A/<br>Management<br>report  | Competitive Bidding<br>process not followed<br>for some goods and<br>services procured. | Compliance | Supply Chain<br>Management | Chief Financial<br>Officer / SCM<br>Accountant                       | 1. The municipality must<br>ensure that the SCM process<br>in followed in all<br>procurement.<br>2. The minicipality will<br>update SCM Policy to<br>accommodate the use of<br>punels appointed by the<br>municipality. | Immediately |  |
| 5 | Annexure B /<br>Management<br>report | Differences identified<br>on Revenue.   | Compliance | Revenue                    | Chief Financial<br>Officer /<br>Revenue<br>Accountant                | 1. The municipality will<br>ensure that tariff<br>verifications are done in the<br>beginning of the financial<br>year.<br>2. The municipality will<br>ensure the proper review on<br>capturing of traffic fines.        | 15-Jul-22   |  |
| 6 | Annexure B/<br>Management<br>report  | MBD 6.2 not properly<br>completed and local<br>conted not specified.                    | Compliance | Supply Chain<br>Management | Acting Chief<br>Financial Officer<br>/ SCM<br>Accountant             | 1. Implement a SCM<br>checklist, to be attached to<br>each expenditure voucher.<br>2. Strictly monitor the<br>implementation of the SCM<br>checklist.   | Immediately |  |

|    |                                     |   |                     |                            |  |  |   |  |
|----|-------------------------------------|---|---------------------|----------------------------|--|--|---|--|
| 7  | Annexure B/<br>Management<br>report | Local content not<br>considered in tender<br>advertisement.   | Compliance          | Supply Chain<br>Management | Acting Chief<br>Financial Officer<br>/ SCM<br>Accountant | 1. Advert to be reviewed and<br>approved by the CFO.<br>2. Monthly report to DTI for<br>procurement with local<br>content  | Immediately   |  |
| 8  | Annexure B/<br>Management<br>report | Technical indicator<br>descriptors not<br>documented  | Internal<br>Control | Performance<br>Management  | Accounting<br>Officer/IDP<br>Manager                     | 1. Review Performance<br>Indicators and Align to<br>Circular 88 (standardised<br>indicators with TID)  | 1. 31 March 2022  |  |
| 9  | Annexure B/<br>Management<br>report | Constitution of the<br>Audit Committee and<br>minimum number of<br>meetings not held.   | Internal<br>Control | Audit<br>Committee         | Accounting<br>Officer/Manager<br>Internal Audit          | 1. The filling of vacant<br>positions withing the Audit<br>committee structures will be<br>fast tracked 3rd quarter of<br>2021/2022 Financial year.<br>2. Regular meetings will be<br>held in line with MFMA<br>requirements on going. | 31-Mar-22   |  |
| 10 | Annexure B/<br>Management<br>report | Performance<br>agreements for the<br>municipal manager<br>and the managers<br>directly accountable to<br>municipal managers<br>not concluded<br>timeously.                              | Internal<br>Control | Performance<br>Management  | Accounting<br>Officer/Manager<br>PMS                     | 1. To obtain approval from<br>Council on the review<br>Performance Panel<br>2. Conduct Mid-year<br>Performance Assessment<br>3. Conduct Annual<br>Performance Assessment   | 1. 31 March 2022<br>2. 30 April 2022<br>3. 30 June 2022 |  |
| 11 | Annexure B/<br>Management<br>report | Performance reviews<br>not conducted for the<br>municipal manager<br>and the managers<br>directly accountable to<br>municipal manager for<br>Mid-Year 2020/21<br>Financial year and the | Internal<br>Control | Performance<br>Management  | Accounting<br>Officer/<br>Manager PMS                    | 1. To obtain approval from<br>Council on the review<br>Performance Panel<br>2. Conduct Mid-year<br>Performance Assessment<br>3. Conduct Annual<br>Performance Assessment   | 1. 31 March 2022<br>2. 30 April 2022<br>3. 30 June 2022 |  |

|    |                                |  |                  |                         |   |  |             |  |
|----|--------------------------------|--|------------------|-------------------------|---|--|-------------|--|
|    |                                | Annual Reviews for 2019/20 financial year  |                  |                         |   |  |             |  |
| 12 | Annexure B/ Management report  | Consultants: Transfer of skills plan not included on the consultants's terms of reference or SLA         | Internal Control | Supply Chain Management | Acting Chief Financial Officer/ Accountant Supply Chain | 1. The municipality will ensure that for all appointed consultants SLA's will include transfer of skills.<br>2. The municipality will ensure that all bid documents to be advertised for consults will include transfer of skills. | Immediately |  |
| 13 | Annexure B/ Management report  | Non-Compliance: Integrated Development Plan (IDP) for 2020/21 not made available to the public timeously | Internal Control | Strategic Planning      | Accounting Officer/ IDP Manager                         | 1. The municipality will ensure that Integrated Development Plan will be made available timeously.   | 14-Jun-22   |  |
| 14 | Annexure B / Management report | Contracts register submitted for audit not complete  | Internal Control | Supply Chain Management | Chief Financial Officer / SCM Manager                   | 1. The municipality to ensure that the contract register is updated on a monthly basis and it is reviewed by the Chief Financial Officer on a Monthly basis.   | Immediately |  |



**APPENDIX A:**  
**COUNCILLORS, COMMITTEES ALLOCATED AND COUNCIL**  
**ATTENDANCE**

| <b>APPENDIX A: Councillors, Committees Allocated and Council Attendance</b> |                               |                                   |  |                                       |   |  |
|---|-------------------------------|-----------------------------------|--|---------------------------------------|---|--|
| <b>No</b>   | <b>Name Of Councillor</b>     | <b>Full Time/ Part Time FT/PT</b> | <b>Committees Allocated</b>  | <b>Ward and/ or Party Represented</b> | <b>Percentage Council Meetings Attendance</b> | <b>Percentage Apologies For Non-Attendance</b> |
| 1   | Cllr S R Mhlongo *            | PT                                | Finance, Corporate Services & Technical Services, EXCO                           | ANC/PR                                | 100%  | -  |
| 2   | Cllr B C Nhlabathi - Mayor    | PT                                | MPAC   | ANC/ PR                               | 88%   | 50%  |
| 3   | Cllr B Mvelase - Deputy Mayor | PT                                | Finance, Corporate Services, Social Services, Planning Development and LED, EXCO | ANC/ 10                               | 100%  | -  |
| 4   | Cllr V G Masuku - Speaker     | PT                                |  | ANC/ PR                               | 76%   | 0%   |
| 5   | Cllr AZ Thabede               | PT                                | Finance  | IFP/ PR                               | 71%   | 100%   |
| 6   | Cllr P S Ntshangase           | PT                                | Corporate Services   | ANC/ 3                                | 94%   | 100%   |
| 7   | Cllr N T Mavimbela            | PT                                | Corporate Services   | ANC/ 5                                | 100%  | -  |
| 8   | Cllr N Mntungwa ##            | PT                                | MPAC   | ANC/ 7                                | 100%  | -  |
| 9   | Cllr C B Ndlangamandla        | PT                                | Planning and Development and LED   | ANC/ 8                                | 82%   | 67%  |
| 10  | Cllr B C Gumbi                | PT                                | Social Services  | ANC/ 9                                | 88%   | 100%   |
| 11  | Cllr N J Mkhwanazi            | PT                                | Planning and Development and LED   | ANC/ 2                                | 88%   | 50%  |
| 12  | Cllr I A Stokfeer             | PT                                | EXCO, Finance, Technical Services, Planning Development & LED                    | ANC/ 11                               | 71%   | 20%  |
| 13  | Cllr S V Ndlangamandla        | PT                                | Technical Services   | ANC/ 12                               | 100%  | -  |
| 14  | Cllr D Nyawo                  | PT                                | MPAC, Social Services  | ANC/ 13                               | 94%   | 0%   |
| 15  | Cllr N E Nxumalo***           | PT                                | Social Services  | ANC/ 14                               | 89%   | 0%   |

#### Notes

\* Sworn in, on the 30<sup>th</sup> of September 2020

\*\* Sworn in, on the 31<sup>th</sup> of May 2021

\*\*\* Deceased on 11 December 2020

# Sworn in on the 30<sup>th</sup> of November 2020

## Resigned

**APPENDIX B:**  
**COMMITTEE'S AND COMMITTEE PURPOSE'S**

| <b>Committees (other than Mayoral / Executive Committee) and Purposes of Committees</b> |  |
|---|--|
| <b>Municipal Committees</b>   | <b>Purpose of Committee</b>  |
| HR/ STAFF COMMITTEE   | The responsibilities of the Human Resources/Staff Portfolio Committee, in respect of its functional areas, are:                            |
|   | (a) to develop and recommend strategy;   |
|   | (b) to develop and recommend by-laws;  |
|   | (c) to consider and make recommendations in respect of the draft budget and IDP;   |
|   | (d) to ensure public participation in the development of policy, legislation, IDP and budget;  |
|   | (e) to monitor the implementation of Council policies; and   |
|   | (f) to exercise oversight on all functional areas.   |
| FINANCE COMMITTEE   | The responsibilities of the Finance Portfolio Committee, in respect of its functional areas, are:  |
|   | (a) to develop and recommend strategy;   |
|   | (b) to develop and recommend by-laws;  |
|   | (c) to consider and make recommendations in respect of the draft budget and IDP;   |
|   | (d) to ensure public participation in the development of policy, legislation, IDP, and budget;   |
|   | (e) to monitor the implementation of Council policies; and   |
|   | (f) to exercise oversight on all functional areas.   |
| SOCIAL COMMUNITY & LED COMMITTEE  | The responsibilities of the Social, Community and Local Economic Development Portfolio Committee, in respect of its functional areas, are: |
|   | (a) to develop and recommend strategy on all functional areas;   |
|   | (b) to develop and recommend by-laws on all functional areas ;   |
|   | (c) to consider and make recommendations in respect of the draft budget and IDP;   |
|   | (d) to ensure public participation in the development of policy, legislation, IDP And budget;  |
|   | (e) to monitor the implementation of Council policies on all functional areas; and   |
|   | (f) to exercise oversight on all functional areas.   |

| <b>MUNICIPAL COMMITTEES</b>         | <b>Purpose of Committee</b>  |
|-------------------------------------|--|
| MPAC                                | MPAC performs an oversight function on behalf of the Council it is not a duplication of, and must not be confused with either the Internal Audit Committee or the Finance Committee. MPAC is to help Council to hold the executive and municipal administration to account and to ensure the efficient and effective use of municipal resources and it will do this by reviewing public accounts and exercising oversight on behalf of Council.  |
| TECHNICAL INFRASTRUCTURE & PLANNING | <p>The Technical Infrastructure &amp; Planning Portfolio Committee will formulate recommendations for consideration by the Executive Committee in relation to:</p> <ul style="list-style-type: none"> <li>• Issues delegated to it by the Executive Committee or referred to it by the Municipal Manager;</li> <li>• Consideration of the Capital and Operating Expenditure as provided for in the budget for the current financial year and the right to authorize expenditure where such budgeted expenditure has been provisionally approved but excluding the right to Reallocate expenditure from one vote to another or to the provisional status of funds where applicable;</li> <li>• Dealing with issues pertaining to the Council’s Technical Infrastructure and Planning Services;</li> <li>• Implementing all policies and projects approved by the Council falling within the Terms of Reference of this Committee;</li> <li>• Advising on the provision of appropriate facilities for the benefit of the inhabitants of the municipal area of jurisdiction;</li> <li>• Annual business plans falling within the functional area of the portfolio;</li> <li>• The implementation of the business plans of the functional areas of the portfolio;</li> <li>• The review of financial performance against approved budgets relating to prior and current years including dealing with reports from the Auditor General;</li> <li>• The draft budget in respect of the functional areas of the portfolio, including tariffs of charges after consultation with the relevant Head of Department;</li> <li>• Reports and recommendations submitted in respect of the functional areas of the portfolio including comment arising from its consideration of or amendments to by-laws pertaining to the function of the portfolio;</li> <li>• Prioritising projects falling within the functional areas of the portfolio;</li> <li>• The Portfolio Committee may consult with the Municipal Manager and the relevant Head of Department on Council’s policies and programmes.</li> </ul> |

**APPENDIX C:**  
**THIRD TIER ADMINISTRATIVE STRUCTURE**

| <b>Third Tier Structure</b> |  |
|-----------------------------|--|
| <b>Directorate</b>          | <b>Director/Manager (State title and name)</b> |
| Internal Audit              | Internal Audit Manager – Mr S Manqele          |
| Project Management Unit     | PMU Manager – Mr G M Simelane                  |
| Budget                      | Budget Manager – Mr S Mkhize                   |
| Risk and Performance        | Risk and Performance Manager – Mr M Mdluli     |
| Thusong Center              | Thusong Manager – Mr T Masondo                 |
| Corporate Services          | Human Resource - Mrs S Simelane                |
| Expenditure and Revenue     | Manager: Financial Services – Mr T Khanyi      |

**APPENDIX D:**

**FUNCTIONS OF THE MUNICIPALITY**



| <b>Municipal / Entity Functions</b>   |  |   |
|---|--|---|
| <b>MUNICIPAL FUNCTIONS</b>  | <b>Function<br/>Applicable to<br/>Municipality<br/>(Yes / No)*</b> | <b>Function<br/>Applicable to<br/>Entity<br/>(Yes / No)</b> |
| Constitution Schedule 4, Part B functions:  |  |   |
| Air pollution   | No   | No  |
| Building regulations  | Yes  | No  |
| Child care facilities   | No   | No  |
| Electricity and gas reticulation  | Yes  | No  |
| Firefighting services   | Yes  | No  |
| Local tourism   | Yes  | No  |
| Municipal airports  | No   | No  |
| Municipal planning  | Yes  | No  |
| Municipal health services   | No   | No  |
| Municipal public transport  | No   | No  |
| Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law | Yes  | No  |
| Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto   | No   | No  |
| Storm water management systems in built-up areas  | Yes  | No  |
| Trading regulations   | Yes  | No  |
| Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems  | No   | No  |
| Beaches and amusement facilities  | No   | No  |
| Billboards and the display of advertisements in public places   | Yes  | No  |
| Cemeteries, funeral parlours and crematoria   | Yes  | No  |
| Cleansing   | Yes  | No  |
| Control of public nuisances   | Yes  | No  |
| Control of undertakings that sell liquor to the public  | No   | No  |
| Facilities for the accommodation, care and burial of animals  | No   | No  |
| Fencing and fences  | No   | No  |
| Licensing of dogs   | No   | No  |
| Licensing and control of undertakings that sell food to the public  | No   | No  |
| Local amenities   | Yes  | No  |
| Local sport facilities  | Yes  | No  |
| Markets   | Yes  | No  |
| Municipal abattoirs   | No   | No  |
| Municipal parks and recreation  | Yes  | No  |
| Municipal roads   | Yes  | No  |

|   |     |    |
|---|-----|----|
| Noise pollution                                       | No  | No |
| Pounds  | Yes | No |
| Public places   | Yes | No |
| Refuse removal, refuse dumps and solid waste disposal | Yes | No |
| Street trading  | Yes | No |
| Street lighting                                       | Yes | No |
| Traffic and parking                                   | Yes | No |

## APPENDIX E: WARD INFORMATION

| Functionality of Ward Committees 2020/2021 JULY 2020 TO JUNE 2021 |  |            |                     |                                       |                                  |   |   |   |
|---|--|------------|---------------------|---------------------------------------|----------------------------------|---|---|---|
| Ward Name (Number)  | Name of Ward Councillor and elected Ward Committee Members |            |                     |                                       | Committee established (Yes / No) | Number of monthly Committee meetings held during the year | Number of monthly reports submitted to Speakers Office on time (One ) Per Quarter | Number of quarterly public ward meetings held during year |
|   | WARD COUNCILLOR  | SURNAME    | NAMES               | SECTOR REPRESENTED                    |                                  |   |   |   |
| 1   | <b>CLLR F F SIMELANE</b>                                   | Shongwe    | Thokozile Sibongile | Faith Based                           | YES                              | 43  | 4   | 11  |
|   |  | Dlamini    | Zakhele Zenzele     | Sports                                |                                  |   |   |   |
|   |  | Dlamini    | Sifiso Sikhumbuzo   | Education                             |                                  |   |   |   |
|   |  | Ngema      | Zakhele Mthobeni    | Youth                                 |                                  |   |   |   |
|   |  | Buthlezi   | Thandizwe Ishmael   | Senior Citizens/Physically Challenged |                                  |   |   |   |
|   |  | Dlamini    | Mathayi Moses       | Safety & Security                     |                                  |   |   |   |
|   |  | Masango    | Dumazile Glenrose   | Health&Soc Dev                        |                                  |   |   |   |
|   |  | Buthlezi   | Thandazile Nester   | Women                                 |                                  |   |   |   |
|   |  | Masango    | Derrick Lindizwe    | Transport                             |                                  |   |   |   |
|   |  | Ntshangase | Sebenzile Tracy     | Traditional                           |                                  |   |   |   |
| 2   | <b>Cllr N J Mkhwanazi</b>                                  | Mathenjwa  | Qondile Esther      | Faith Based                           | YES                              | 43  | 4   | 4   |
|   |  | Myeni      | Sifiso Henry        | Civil Society                         |                                  |   |   |   |
|   |  | Kleinbooi  | Duduzile Betty      | Women                                 |                                  |   |   |   |
|   |  | Mkhwebane  | Nkosinathi Gilbert  | Transport                             |                                  |   |   |   |
|   |  | Mahlobo    | Sandile Freddy      | Safety& Security                      |                                  |   |   |   |

|   |  |            |                         |                       |     |    |   |    |
|---|--|------------|-------------------------|-----------------------|-----|----|---|----|
|   |  | Simelane   | Luke Mandla             | Business              |     |    |   |    |
|   |  | Nyawo      | Jabu Happiness          | Health & Social Dev   |     |    |   |    |
|   |  | Nxumalo    | Robert Mfanufikile      | Youth                 |     |    |   |    |
|   |  | Mathe      | Mduduzi Sipho           | Sports                |     |    |   |    |
|   |  | Mathebula  | Samuel Mandlenkosi      | Education             |     |    |   |    |
| 3 | <b>Cllr P S Ntshangase</b>                             | Sibiya     | Mthokozisi Thulani      | Business              | YES | 43 | 4 | 4  |
|   |  | Msibi      | Mthengeni Jabulani      | Traditional           |     |    |   |    |
|   |  | Sibiya     | Ayanda Anitah           | Health & Social Dev   |     |    |   |    |
|   |  | Khanyi     | Nkosinathi Patience     | Women                 |     |    |   |    |
|   |  | Msibi      | Siphamehlo Wiseman      | Physically Challenged |     |    |   |    |
|   |  | Sibiya     | Nkomokazipheleli Darius | Faith Based           |     |    |   |    |
|   |  | Sibiya     | Siyabonga Mdumiseni     | Youth                 |     |    |   |    |
|   |  | Sibiya     | Great Lindani           | Sports                |     |    |   |    |
|   |  | Sibiya     | Thulani C               | Safety & Security     |     |    |   |    |
|   |  | Madonsela  | Nomthandazo Monica      | Transport             |     |    |   |    |
| 4 | <b>CLLR E N MBUTHELEZI (Resigned On 10 March 2020)</b> | Mkhwanazi  | Ntombenhle Mirriam      | Women                 | YES | 43 | 4 | 9  |
|   |  | Mkhwanazi  | Nomfundo Pearl          | Business              |     |    |   |    |
|   |  | Mntungwa   | Bhekokwakhe Humprey     | Transport             |     |    |   |    |
|   |  | Khumalo    | Doris Thandwa           | Physically Challenged |     |    |   |    |
|   |  | Sithole    | Madoda Alton            | Safety & Security     |     |    |   |    |
|   |  |            |                         | SPORTS                |     |    |   |    |
|   |  | Shabangu   | Mzweleni Hopewell       | Youth                 |     |    |   |    |
|   |  | Xaba       | Nkosinathi Christopher  | Education/ Farmers    |     |    |   |    |
|   |  | Mngomezulu | Thoko Zanele            | Faith Based           |     |    |   |    |
|   |  | Mthimkhulu | Mduduzi                 | Traditional           |     |    |   |    |
| 5 | <b>Cllr N T Mavimbela</b>                              | Ngwenya    | Nozipho Patiece         | Safety & Security     | YES | 43 | 4 | 11 |
|   |  | Ntshangase | Ndlozilema Joseph       | Faith Based           |     |    |   |    |
|   |  | Nkosi      | Tshengisile Rebecca     | Women/Social Dev      |     |    |   |    |
|   |  |            |                         | Transport             |     |    |   |    |

|          |                            |            |                       |                             |            |           |          |           |
|----------|----------------------------|------------|-----------------------|-----------------------------|------------|-----------|----------|-----------|
|          |                            | Mtshali    | Jabulani J            | Traditional                 |            |           |          |           |
|          |                            | Ndinisa    | Madoda Ntingana       | Physically Challenged       |            |           |          |           |
|          |                            | Kunene     | Sipho Mfanufikile     | Sports                      |            |           |          |           |
|          |                            | Msimango   | Sandile Siyabonga B   | Youth                       |            |           |          |           |
|          |                            | Nkosi      | Elizabeth Sibongile   | Business                    |            |           |          |           |
|          |                            |            |                       | EDUCATION                   |            |           |          |           |
| <b>6</b> | <b>ClIr N P Mavuso</b>     | Sibiya     | Welcome Bhokinkosi    | Youth & Sports              | <b>YES</b> | <b>43</b> | <b>4</b> | <b>7</b>  |
|          |                            | Malinga    | Mvumeleni Anderson    | Traditional                 |            |           |          |           |
|          |                            | Mavuso     | Betram Bonwayinkosi   | Transport                   |            |           |          |           |
|          |                            | Masuku     | Staffnurse Hazel      | Women                       |            |           |          |           |
|          |                            | Sibiya     | Prudence Celumusa     | Health & Social Dev         |            |           |          |           |
|          |                            | Malinga    | Zibuse Amon           | Safety & Security           |            |           |          |           |
|          |                            | Sibiya     | Vuyiswa Valentine     | Physically Challenged       |            |           |          |           |
|          |                            | Sibiya     | Happy Zone            | Farm Workers                |            |           |          |           |
|          |                            | Dludlu     | Nhlanhla Icabord      | Tourism/Environment         |            |           |          |           |
|          |                            | Sibiya     | Celinhlanhla Glorey   | Education                   |            |           |          |           |
| <b>7</b> | <b>ClIr T A Ntshangase</b> | Ntshangase | Andries Mgazifihleni  | Safety & Security           | <b>YES</b> | <b>43</b> | <b>4</b> | <b>17</b> |
|          |                            | Shabangu   | Selby Mduduzi         | Traditional                 |            |           |          |           |
|          |                            | Maupa      | Ziphokuhle Nurse      | Health & Social / Transport |            |           |          |           |
|          |                            | Ngwenya    | Kiki Happiness        | Women/Physically Challenged |            |           |          |           |
|          |                            | Khumalo    | Dumile Samuel         | Senior Citizens             |            |           |          |           |
|          |                            | Mamba      | Gugulakhe Christopher | Tourism/Environment         |            |           |          |           |
|          |                            | Sikhosana  | Nkululeko Khulekan C  | Youth                       |            |           |          |           |
|          |                            | Mavuso     | Hambofayo Zacharia    | Agriculture/Faith Based     |            |           |          |           |
|          |                            | Skhosana   | Phindavele            | Business                    |            |           |          |           |
|          |                            | Yende      | Samson Zwelinjani     | Civil Society               |            |           |          |           |
| <b>8</b> |                            | Nkosi      | Mpisiyakhe Excellent  | Transport                   | <b>YES</b> | <b>43</b> | <b>4</b> | <b>8</b>  |

|    |                               |            |                        |                       |     |    |   |    |
|----|-------------------------------|------------|------------------------|-----------------------|-----|----|---|----|
|    | <b>Cllr B C Ndlangamandla</b> | Mhlongo    | Siphiwe Prayer         | Youth                 |     |    |   |    |
|    |                               | Ntshangase | Lungisile Treasure     | Women                 |     |    |   |    |
|    |                               | Dlamini    | Phathi Welcome         | Education             |     |    |   |    |
|    |                               | Dlamini    | Senzeleni Jellita      | Physically Challenged |     |    |   |    |
|    |                               | Nxumalo    | Busisiwe Zanele        | Sports                |     |    |   |    |
|    |                               | Shabangu   | Celwaphi Alexinah      | Faith Based           |     |    |   |    |
|    |                               | Dhlamini   | Nkosinathi Cyril       | Safety & Security     |     |    |   |    |
|    |                               | Masondo    | Thokozile Albertina    | Traditional           |     |    |   |    |
|    |                               | Sibiya     | Bongani                | Business              |     |    |   |    |
| 9  | <b>Cllr B C Gumbi</b>         | Simelane   | Londekile S            | Education             | YES | 43 | 4 | 11 |
|    |                               | Kunene     | Primrose Phakamile     | Youth                 |     |    |   |    |
|    |                               | Sikhosana  | Siphiwe Aletah         | Women                 |     |    |   |    |
|    |                               | Myeni      | Thobekile Patience     | Transport             |     |    |   |    |
|    |                               | Shamase    | Nomusa Portia          | Physically Challenged |     |    |   |    |
|    |                               | Thabede    | Nkosingiphile Patrick  | Sports                |     |    |   |    |
|    |                               | Ntshakala  | Mbhekiseni Nicjholus   | Faith Based           |     |    |   |    |
|    |                               | Buthlezi   | Thandazile Constance   | Safety & Security     |     |    |   |    |
|    |                               | Ntshangase | Bokonya Samson         | Traditional           |     |    |   |    |
|    |                               | Nsibande   | Samukelisiwe Thulisile | Business              |     |    |   |    |
| 10 | <b>Cllr B Mvelase</b>         | Xaba       | Thoko Beatrice         | Traditional           | YES | 43 | 4 | 8  |
|    |                               | Hlatshwayo | Nokulunga Nurse        | Women                 |     |    |   |    |
|    |                               | Molefe     | Simon Thulane          | Business              |     |    |   |    |
|    |                               | Hlatshwayo | Siyabonga              | Youth                 |     |    |   |    |
|    |                               | Mavuso     | Nelisiwe Elizabeth     | Faith Based           |     |    |   |    |
|    |                               | Thabede    | Siziwe Margaret        | Professionals/Health  |     |    |   |    |
|    |                               | Mndebele   | Bhekinkosi Phathi      | Sports                |     |    |   |    |
|    |                               | Mhlongo    | Themba                 | Transport             |     |    |   |    |
|    |                               | Ndwandwe   | Simangele              | Physically Challenged |     |    |   |    |

|        |                               |                  |                        |                               |     |    |   |   |
|--------|-------------------------------|------------------|------------------------|-------------------------------|-----|----|---|---|
| 11     | <b>Cllr I A Stokfeer</b>      | Dlamini          | Babazile Sipho         | Safety & Securit              | YES | 43 | 4 | 8 |
|        |                               | Ndlanzi          | Randerman Siyabonga    | Education                     |     |    |   |   |
|        |                               | Khumalo          | Mndeni Roseman         | Transport                     |     |    |   |   |
|        |                               | Mabaso           | Nhlanhla               | Youth                         |     |    |   |   |
|        |                               | Mthethwa         | Bonginkosi Vincent     | Health& Social Dev            |     |    |   |   |
|        |                               | Nkosi            | Lihle Hazel            | Physically Challenged         |     |    |   |   |
|        |                               | Sibiya           | Thabani Sipho          | Business                      |     |    |   |   |
|        |                               | Dlamini          | Shogi Mshigo           | Traditional                   |     |    |   |   |
|        |                               | Sibiya           | Celuxolo Eunice        | Women                         |     |    |   |   |
|        |                               | Dlamini          | Scelo Leon             | Safety & Security             |     |    |   |   |
| 12     | <b>Cllr S V Ndlangamandla</b> | Maduna           | Isaac                  | Sports                        | YES | 43 | 4 | 9 |
|        |                               | Mpanza           | Mhlakazeni Elliot      | Safety & Security             |     |    |   |   |
|        |                               | Mtungwa          | Mhlomiseni Robert      | Traditional                   |     |    |   |   |
|        |                               | Radebe           | Petros                 | Agriculture/Transport         |     |    |   |   |
|        |                               | Zwane            | Mzamo Richman          | Youth                         |     |    |   |   |
|        |                               | Mhlongo          | Mandlenkosi Richman    | Education                     |     |    |   |   |
|        |                               | Nkosi            | Nunuive Goodness       | Physcally Challenged          |     |    |   |   |
|        |                               | Mavuso           | Nomathemba Maureen     | Business/Ngo/Organise<br>d    |     |    |   |   |
|        |                               | Ntshangase       | Thembi Sandra          | Women                         |     |    |   |   |
|        |                               | Ntshangase       | Lindelani Thubelihle   | Health&Welfare                |     |    |   |   |
| 13     | <b>Cllr D Nyawo</b>           | Hadebe           | Ntokozo                | Sports                        | YES | 43 | 4 | 7 |
|        |                               | Dlamini          | Isabel Busangani       | Youth/Education               |     |    |   |   |
|        |                               | Mkhulisi         | Duduzile Gladys        | Agriculyure/Environme<br>nt   |     |    |   |   |
|        |                               | Mahlobo          | Vukile Sylvia          | Safety/Security<br>/Transport |     |    |   |   |
|        |                               | Ntshangase       | MhlabeLangene Nicholus | Community Based               |     |    |   |   |
| Khanye | Nobuhle Christinah            | Women .Religious |                        |                               |     |    |   |   |

|    |                         |               |                       |                                       |     |    |   |   |
|----|-------------------------|---------------|-----------------------|---------------------------------------|-----|----|---|---|
|    |                         | Ntuli         | Nomusa Maureen        | Health/Welfare                        |     |    |   |   |
|    |                         | Zungu         | Vusumuzi Emmanuel     | Sports/Arts&Culture                   |     |    |   |   |
|    |                         | Ngwenya       | Mfanawenkosi R        | Traditional                           |     |    |   |   |
|    |                         | Ntshangase    | Joshuandodenobuqil    | Business/Informal Traders             |     |    |   |   |
|    |                         | Dlamini       | Ntombi Goodness       | Senior Citisens/Physically Challenged |     |    |   |   |
| 14 | <b>Cllr E N Nxumalo</b> | Dlamini       | Mhlonipheni Fanana    | Sports                                | YES | 43 | 4 | 9 |
|    |                         | Ndlazi        | MLungisi Samson       | Youth                                 |     |    |   |   |
|    |                         | Magagula      | Khulisile Gladys      | Physically Challenged                 |     |    |   |   |
|    |                         | Mathe         | Bhekuyise Shadrack    | Farmers                               |     |    |   |   |
|    |                         | Gumbi         | Nkosinathi            | Transport                             |     |    |   |   |
|    |                         | Gumbi         | Gugu Sydney           | Traditional                           |     |    |   |   |
|    |                         | Nkosi         | Shobane Jenene        | Safety & Security                     |     |    |   |   |
|    |                         | Mathobela     | Simangele Goodness    | Women                                 |     |    |   |   |
|    |                         | Mabika        | Florence Ncane        | Faith Based                           |     |    |   |   |
|    |                         | Mthethwa      | Nkosiphile            | Health& Social Dev                    |     |    |   |   |
| 15 | Cllr J S Myeni          | Khumalo       | Nozipho Maria         | Safety And Security                   | YES | 43 | 4 | 9 |
|    |                         | Zungu         | Duduzile Annacletta   | Business/Informal Traders             |     |    |   |   |
|    |                         | Simelane      | Fundokwakhe Chantel   | Youth                                 |     |    |   |   |
|    |                         |               |                       | SPORTS,ARTS/CULTURE                   |     |    |   |   |
|    |                         | <b>Vacant</b> |                       | Traditional                           |     |    |   |   |
|    |                         | Zulu          | Thobile Preetygirl    | Agriculture                           |     |    |   |   |
|    |                         | Simelane      | Thulisile Ntombizodwa | Physically Challenged                 |     |    |   |   |
|    |                         | Nkosi         | Nqompo Andries        | Transport                             |     |    |   |   |
|    |                         | Mthembu       | Nothando Pearl        | Education                             |     |    |   |   |
|    |                         | Myeni         | Nurse Eunice          | Women                                 |     |    |   |   |



**APPENDIX G:**  
**RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE**

| <b>Municipal Audit Committee Recommendations</b> |   |  |
|--|---|--|
| <b>Date of Committee</b>                         | <b>Audit Committee recommendations during Year 2020/2021</b>  | <b>Recommendations adopted(Yes/No)</b> |
| <b>17-Jul-20</b>                                 | The minutes of the meeting to be confirmed by the signature of the Audit Committee Chairperson for approval.  | Yes                                    |
|  | The SCM report to be presented to the next Audit Committee Meeting  | Yes                                    |
|  | The Annual Internal Audit plan to be approved by the Audit Committee  | Yes                                    |
|  | The Internal Audit Charter to be approved by the Audit committee  | Yes                                    |
|  | The Audit Committee members resolved to have a separate meeting to review the Audit Committee Charter   | Yes                                    |
|  | The Audit Committee members resolved to review the internal audit methodology during a separate meeting amongst themselves  | Yes                                    |
|  | The Audit Committee suggested that the in-committee matters should not be discussed during the meeting as they have already been briefed on the reported matters. | Yes                                    |
| <b>26-Oct-20</b>                                 | The minutes of the meeting to be confirmed by the signature of the Audit Committee Chairperson for approval.  | Yes                                    |

**APPENDIX H:**  
**LONG TERM CONTRACTS**

**Long Term Contracts (20 Largest Contracts Entered into during Year 2020/2021)**

|   |  |                                   |                                    |                                    | R' 000                    |
|---|--|-----------------------------------|------------------------------------|------------------------------------|---------------------------|
| <b>Name of Service Provider<br/>(Entity or Municipal<br/>Department)</b>                                | <b>Description of Service<br/>Rendered</b>   | <b>Start Date of<br/>Contract</b> | <b>Expiry date of<br/>Contract</b> | <b>Project manager</b>             | <b>Contract<br/>Value</b> |
| TERRIFIX  | HIRE OF YELLOW EQUIPMENT   | 17-Jul-18                         | 16-Jul-21                          | ACTING DIRECTOR TECHNICAL          | 14 258<br>099,22          |
| STANDARD BANK   | SOURCING OF FUNDS TO OURCHASE ERF NO:<br>61/140,416,418 & TIPPER TRUCKS  | 17-Feb-20                         | 16-Feb-25                          | CHIEF FINANCIAL OFFICER            | 12 000<br>000,00          |
| CCG SYSTEM  | IMPLEMENTATION OF AN INTEGRATED<br>MUNICIPAL FINANCIAL MANAGEMENT SYSTEM<br>(ERP) AND MUNICIPAL STANDARD CHART OF<br>ACCOUNT (MSCOA) | 17-Feb-20                         | 16-Feb-25                          | CHIEF FINANCIAL OFFICER            | 11 701<br>010,00          |
| MELA OKUHLE TRADING<br>ENTERPRISE   | NCOTSHANE STORMWATER PHASE 1A  | 9-Jan-20                          | 8-Jan-23                           | ACTING DIRECTOR TECHNICAL          | 8 981<br>221,70           |
| MINATLOU FLEET<br>MANAGEMENT  | FLEET MANAGEMENT SERVICES  | 17-Jul-18                         | 16-Apr-21                          | CHIEF FINANCIAL OFFICER            | 6 829<br>181,73           |
| SMM TRADING   | HIRE OF YELLOW EQUIPMENT   | 17-Jul-18                         | 16-Jul-21                          | CHIEF FINANCIAL OFFICER            | 6 767<br>232,50           |
| STANDARD BANK   | FINANCING OF THE PURCHASE OF MOTOR GRADER<br>AND A LOWBED TRUCK  | 29-Jan-16                         | 31-Jan-21                          | CHIEF FINANCIAL OFFICER            | 6 500<br>000,00           |
| TRAVEL WITH FLAIR   | TRAVEL AGENT   | 18-Feb-18                         | 17-Feb-21                          | CHIEF FINANCIAL OFFICER            | 6 384<br>855,30           |
| AFRI-INFRA GROUP/GOBA<br>LAWU/RESILENCE/TOYOTA/IN<br>GADLANGADLA/BEST 2/MST<br>CIVIL/SAFARI CONVERSIONS | REFURBISHMENT MKUZE FALLS AND KOPPIE<br>ALLEEN   | 25-May-20                         | 31-Jul-20                          | DIRECTOR PLANNING &<br>DEVELOPMENT | 4 000<br>000,00           |

|                                  |   |           |           |                           |                 |
|----------------------------------|---|-----------|-----------|---------------------------|-----------------|
| DYNAMIC DASHING SOLUTIONS        | FINANCIAL CONSULTANTS   | 6-Feb-18  | 5-Feb-21  | CHIEF FINANCIAL OFFICER   | 3 827<br>173,32 |
| CCG SYSTEM                       | COMPILING A GRAP AND mSCOA COMPLIANT FIXED ASSET REGISTER   | 2-Mar-20  | 1-Mar-23  | CHIEF FINANCIAL OFFICER   | 3 816<br>790,75 |
| MERAFE HOLDINGD                  | UD QWESTER TIPPER TRUCK   | 24-Jan-20 | 23-Jul-20 | CHIEF FINANCIAL OFFICER   | 3 452<br>108,62 |
| BIG MAC                          | HIRE OF YELLOW EQUIPMENT  | 17-Jul-18 | 16-Jul-21 | ACTING DIRECTOR TECHNICAL | 3 402<br>583,20 |
| NDLELAMP GENERAL TRADING         | HIRE OF YELLOW EQUIPMENT  | 17-Jul-18 | 16-Jul-21 | ACTING DIRECTOR TECHNICAL | 3 232<br>880,00 |
| MZIBANI CONSULTING               | THE DEVELOPMENT OF A COMPREHENSIVE INFRASTRUCTURE PLAN AND A DETAILED PROPOSED PROGRAMME OF IMPLEMENTATION THEREOF IN ALL WARDS WIYHIN THE MUNICIPALITY | 23-Sep-20 | 22-Sep-23 | ACTING DIRECTOR TECHNICAL | 3 125<br>000,00 |
| BLACK DOT PROPERTIES CONSULTANTS | VALUATION ROLL  | 17-Jul-18 | 16-Jul-21 | CHIEF FINANCIAL OFFICER   | 3 047<br>480,00 |
| MZANSI AFRICA CIVIL              | GRAVEL ROAD MAINTENANCE   | 20-Sep-18 | 19-Sep-21 | ACTING DIRECTOR TECHNICAL | 2 577<br>354,23 |
| PK FINANCIAL CONSULTANTS         | FINANCIAL CONSULTANTS   | 6-Feb-18  | 5-Feb-21  | CHIEF FINANCIAL OFFICER   | 2 397<br>440,27 |
| AON                              | SHORT TERM INSURANCE  | 20-Jul-18 | 19-Jul-21 | CHIEF FINANCIAL OFFICER   | 2 106<br>324,00 |
| MZIBANI CONSULTING               | ROADS AND STORMWATER MASTERPLAN AND IMPLEMENTATION PROGRAMME THEREOF IN ALL WARDS   | 15-Jul-20 | 14-Jan-21 | ACTING DIRECTOR TECHNICAL | 1 975<br>000,00 |

| <b>Public Private Partnerships Entered into during 2020/2021</b> |                    |                 |             |                 |                         |
|--|--------------------|-----------------|-------------|-----------------|-------------------------|
| Name and Description of Project                                  | Name of Partner(s) | Initiation Date | Expiry date | Project manager | R' 000<br>Value 2019/20 |
| N/A  | N/A                | N/A             | N/A         | N/A             | N/A                     |
| N/A  | N/A                | N/A             | N/A         | N/A             | N/A                     |
| N/A  | N/A                | N/A             | N/A         | N/A             | N/A                     |
| N/A  | N/A                | N/A             | N/A         | N/A             | N/A                     |
| N/A  | N/A                | N/A             | N/A         | N/A             | N/A                     |
| N/A  | N/A                | N/A             | N/A         | N/A             | N/A                     |
| N/A  | N/A                | N/A             | N/A         | N/A             | N/A                     |
| N/A  | N/A                | N/A             | N/A         | N/A             | N/A                     |
| N/A  | N/A                | N/A             | N/A         | N/A             | N/A                     |
| N/A  | N/A                | N/A             | N/A         | N/A             | N/A                     |
|  |                    |                 |             |                 | <i>T H.2</i>            |

**APPENDIX I:**  
**SERVICE PROVIDERS PERFORMANCE**

The service provider’s performance assessment is done in line with section number 46 (a, b & c) of chapter 6 the Municipal Systems Act and Regulation 32 of 200 Section 116 of the Municipal Finance Management Act regulates contract management, monitoring of contracts on monthly basis. The report herein below outlines the assessment of each contracted service that the municipality has with external service providers. The rating of service providers is based on the legend mentioned hereunder.

**Rating Score Index**

| <b>Assessment Key</b>                       |               |
|---|---------------|
| <b>Terminology</b>                          | <b>Rating</b> |
| Outstanding Performance                     | 5             |
| Performance significantly above expectation | 4             |
| Fully effective                             | 3             |
| Performance not fully Satisfactory          | 2             |
| Unacceptable Performance                    | 1             |



| Bid Number | Central database # of external Service Provider | Date Contract Awarded | Service provided in terms of the SLA                     | Value of project | Comparison with previous year 2019/2020 |              | Current Financial Year 2020/2021 |              | Assessment of Service Providers Performance |   |   |   |   |  |
|------------|---|-----------------------|--|------------------|---|--------------|----------------------------------|--------------|---|---|---|---|---|--|
|            |   |                       |  |                  | Target                                  | Actual       | Target                           | Actual       | 5   | 4 | 3 | 2 | 1 |  |
| 567/07/19  | MAAA0245903                                     | 2020/01/09            | THE UPGRADE OF MKHWAKWENI SPORTSFIELD IN WARD 13 PHASE 2 | R 5 327 530.92   | Good quality of work                    | Good         | Good quality of work             | Good         | 5   |   |   |   |   |  |
| 568/08/19  | MAAA0073774                                     | 2020/01/09            | NCOTSHANE STORMWATER PHASE 1A                            | R 8 981 221.70   | Good quality of work                    | Good         | Good quality of work             | Good         | 5   |   |   |   |   |  |
| 573/10/19  | MAAA0029819                                     | 2020/03/17            | KWASHOBA SPORTFIELD IN WARD 8 PHASE 2                    | R1 905 175.00    | Good quality of work                    | Good         | Good quality of work             | Good         | 5   |   |   |   |   |  |
| 575/11/19  | MAAA0327632                                     | 2020/03/17            | HLAMBANYATHI CRECHE IN WARD 14                           | R 1 281 401.99   | Good quality of work                    | Good         | Good quality of work             | Good         | 5   |   |   |   |   |  |
| 577/19/19  |   | 2020/03/17            | BELGRADE PAVING  | 8455411.28       |   |              | Good quality of work             | Good         | 5   |   |   |   |   |  |
| 578/11/19  | MAAA0186184                                     | 2020/02/17            | INTHUTHUKO SPORTSFIELD IN WARD 12 - PHASE 2              | R 3 315 076.46   | Good quality of work                    | Good         | Good quality of work             | Satisfactory |   |   | 3 |   |   |  |
| 579/11/19  | MAAA0098738                                     | 2020/03/17            | UPGRADING OF MAGADLELA TO SIMANDLA STREET                | R 6 546 911.99   | Good quality of work                    | Poor         | Good quality of work             | Satisfactory |   |   | 3 |   |   |  |
| 580/11/19  | MAAA0186184                                     | 2020/02/26            | CONSTRUCTION OF EMKHIWANENI SPORTFIELD (WARD 9)          | R 6 826 648.40   | Good quality of work                    | Satisfactory | Good quality of work             | Satisfactory |   |   | 3 |   |   |  |
| 588/08/20  | MAAA0000000                                     | 2020/12/09            | HYGIENE MATERIAL   | R 552 020.76     | -                                       | -            | Good quality of work             | Satisfactory |   | 4 |   |   |   |  |

|                           |             |            |   |                |               |               |                      |               |          |          |          |          |          |  |
|---------------------------|-------------|------------|---|----------------|---------------|---------------|----------------------|---------------|----------|----------|----------|----------|----------|--|
| 601/08/20                 | MAAA0318392 | 12/10/2020 | SUPPLY AND DELIVERY OF BLACK BIN  | R 767 625.00   | -             | -             | Good quality of work | Good          | 5        |          |          |          |          |  |
| 602/08/20                 | MAAA0318392 | 12/10/2020 | SUPPLY AND DELIVERY OF GREEN BIN  | R 810 750.00   | -             | -             | Good quality of work | Good          | 5        |          |          |          |          |  |
| 620/12/20                 | MAAA0217873 | 10/07/2020 | STREETLIGHT PROJECT IN PONGOLA  | R 4 629 423    | -             | -             | Good quality of work | Good          | 5        |          |          |          |          |  |
|                           |             |            |   |                | <b>Target</b> | <b>Actual</b> | <b>Target</b>        | <b>Actual</b> | <b>5</b> | <b>4</b> | <b>3</b> | <b>2</b> | <b>1</b> |  |
| 621/12/20                 |             | 15/07/2020 | ROADS AND STORMWATER MASTERPLAN AND IMPLEMENTATION PROGRAMME THEREOF IN ALL WARDS | R 1 975 000.00 | -             | -             | Good quality of work | Good          | 5        |          |          |          |          |  |
| 630/03/21                 | MAAA0000000 | 2020/11/30 | SUPPLY & DELIVERY OF WHITE LC PRADO 2.8 GD 6AT TX 25Q (271)                       | R 832 485.00   | -             | -             | Good quality of work | Good          | 5        |          |          |          |          |  |
| 631/03/21                 |             | 2020/11/30 | SUPPLY & DELIVERY OF BLACK C49 FORTUNRT 2.8 GD-6 4X4 A\TX2                        | R 1 441 573    | -             | -             | Good quality of work | Good          | 5        |          |          |          |          |  |
| 624/02/21<br>(CONSULTANT) |             | 01/09/2020 | FENCING NCOTSHANE CEMETRY   | R 241 688      | -             | -             | Good quality of work | Good          |          | 4        |          |          |          |  |
| 625/02/21<br>(CONSULTANT) |             | 01/09/2020 | FENCING PONGOLA CEMETRY   | R 173 709      | -             | -             | Good quality of work | Good          |          | 4        |          |          |          |  |
| 626/02/21<br>(CONSULTANT) |             | 01/09/2020 | FENCING BELGRADE HALL   | R 200 533      | -             | -             | Good quality of work | Good          |          | 4        |          |          |          |  |

|                  |             |            |  |               |               |               |                             |                     |          |          |          |          |          |  |
|------------------|-------------|------------|--|---------------|---------------|---------------|-----------------------------|---------------------|----------|----------|----------|----------|----------|--|
| <b>619/11/20</b> |             | 12/08/2020 | LAPTOPS & BAGS   | R 307 451     | -             | -             | <i>Good quality of work</i> | <i>Good</i>         | <b>5</b> |          |          |          |          |  |
| <b>590/07/20</b> | MAAA003510  | 2021/03/29 | THE COMPLETION OF WARD 14 COMMUNITY HALL   | R 3 296 263   | -             | -             | <i>Good quality of work</i> | <i>Good</i>         | <b>5</b> |          |          |          |          |  |
|                  |             |            |  |               | <b>Target</b> | <b>Actual</b> | <b>Target</b>               | <b>Actual</b>       | <b>5</b> | <b>4</b> | <b>3</b> | <b>2</b> | <b>1</b> |  |
| <b>593/04/21</b> | MAAA0681241 | 2021/05/24 | CONSTRUCTION OF DWARSLAND CRECHE IN WARD 1   | R 2 458 907   | -             | -             | <i>Good quality of work</i> | <i>Good</i>         | <b>5</b> |          |          |          |          |  |
| <b>599/08/20</b> | MAAA0400531 | 2020/12/19 | CALL FOR PROPOSAL FROM SERVICE PROVIDERS TO ASSIST WITH IDP CONSULTANCY SERVICES FOR 36 MONTHS | R 3 150 000   | -             | -             | <i>Good quality of work</i> | <i>Satisfactory</i> | <b>5</b> |          |          |          |          |  |
| <b>640/03/21</b> |             | 2021/03/01 | REFURBISHMENT OF MKUZE FALLS GAME LODGE PHASE 2  | R 2 190 000   | -             | -             | <i>Good quality of work</i> | <i>Good</i>         | <b>5</b> |          |          |          |          |  |
| <b>632/03/21</b> |             | 2020/07/16 | DRILLING OF BOREHOLES IN SIMANDLANGENTSHA EAST WARDS (1,7,8,9,10,13 AND 15)                    | R 5 825 000   | -             | -             | <i>Good quality of work</i> | <i>Good</i>         | <b>5</b> |          |          |          |          |  |
| <b>628/03/21</b> |             | 2020/08/13 | THE COMPLETION OF PONGOLA TARRED ROADS AND THE RESTORATION OF PONGOLA WALKWAYS                 | R1 857 384.90 | -             | -             | <i>Good quality of work</i> | <i>Good</i>         | <b>5</b> |          |          |          |          |  |

## **APPENDIX J:**

### **DISCLOSURE OF FINANCIAL INTERESTS**

| <b>Disclosures of Financial Interests</b>                        |                        |   |
|--|------------------------|---|
| <b>Period 1 July 2020 to 30 June of Year 2021 (Current Year)</b> |                        |   |
| <b>Position</b>  | <b>Name</b>            | <b>Description of Financial interests* (Nil / Or Details)</b>   |
| <b>Mayor</b>   | Cllr SR Mhlongo        | Nil   |
| <b>Member of Exco</b>  | Cllr B Mvelase         | Eskom pension R 5900, House at Ncotshane valued at 500000, grazing farm at Ncotshane valued at R 200000         |
|  | Cllr I A Stokfeer      | House valued at R 1.8 Million   |
|  | Cllr BR Shongwe        | Taxi Owner (with income of R800 a day   |
|  | Cllr K E Nxumalo       | DOE work as an Educator with remuneration of R 28 000   |
| <b>Councillor</b>  |                        |   |
|  | Cllr B C Gumbi         | House at Mdonini area valued at R 500000  |
|  | Cllr T A Ntshangase    | DOE work as Educator with R 25000 income, House at Sivule valued at R 700 000                                   |
|  | Cllr V G Masuku        | 100% interest in Kwabukani trading cc, Directorship at KDT community Trust, House valued at R350 00 at Ntumbane |
|  | Cllr N J Mkhwanazi     | Nil   |
|  | Cllr G H Mpanza        | Nil   |
|  | Cllr J S Myeni         | House valued at 300 000 at Dekville area  |
|  | Cllr S V Ndlangamandla | Nil   |
|  | Cllr C B Ndlangamandla | Nil   |
|  | Cllr N Mntungwa        | Nil   |
|  | Cllr F F Simelani      | Ingungumbane co-op with Nil income, Uphongolo LFA NPO with Nil income, House at Dwarsland valued at R 86100     |
|  | Cllr A Z Thabede       | House 1166m <sup>2</sup> at Ncotshane valued at R 750 000   |
|  | Cllr D N Nyawo         | House at Mhhushulu  |
|  | Cllr N P Mavuso        | Nil   |
|  | Cllr J W Buthelezi     | Nil   |
|  | Cllr P S Ntshangase    | Nil   |
|  | Cllr S R Ntshangase    | Nil   |
|  | Cllr D M Nkanjabanga   | Nil   |

|  |                    |   |
|--|--------------------|---|
|  | Cllr J C Theron    | 100% in Mnzaan Game valued at R400000, Interest in Kawivest 3029 cc and Kwalitron cc, income from Mnzaan Games of R10000-R15000 |
|  | Cllr B R Shongwe   | Taxi owner with income of R 800 per day   |
|  | Cllr V M Sikhosana | House at Waterbus   |
|  | Cllr NT Mavimbela  | House at Belgrade valued at R 780 000   |
|  | Cllr BC Nhlabathi  | Nil   |
|  | Cllr N E Nxumalo   | Nil   |
|  | Cllr P S Sibeko    | Nil   |
|  | Cllr M S Masuku    | Nil   |

**Notes**

|                         |                 |   |
|-------------------------|-----------------|---|
|                         |                 |   |
| Municipal Manager       | Mr WM Nxumalo   | 20 Ordinary Shares at Media 24 valued at R200, Directorship at Casbeth Investment Pty (Ltd) with Nil remuneration, House at Nordale valued at R 400 000 |
| Chief Financial Officer | Mr JV Nkosi     | 1 Share valued at R10 000 at Rachson, House 800m <sup>2</sup> at Richards Bay valued at R 1 450 000   |
| Directors               | Mr BG Mhlogo    | None  |
|                         | Mr B A Mkhonza  | House at Vryheid valued at R 1 050 000  |
|                         | Mrs NR Msimango | None  |

## **APPENDIX K (1):**

### **REVENUE BY PERFORMANCE VOTE**

| Revenue Performance by Vote   |                           |                           |                           |                           |                         |                    |
|---|---------------------------|---------------------------|---------------------------|---------------------------|-------------------------|--------------------|
|   |                           |                           |                           |                           | R                       |                    |
| Vote Description  | Year 2019/2020            | Current: Year 2020/2021   |                           |                           | Year 2020/2021 Variance |                    |
|   | Actual                    | Original Budget           | Adjusted Budget           | Actual                    | Original Budget         | Adjustments Budget |
| Vote 1 - Council  | 136 387<br>000,00         | 19 864<br>632,00          | 19 864<br>632,00          | 19 864<br>632,00          | -                       | -                  |
| Vote 2 - Office of the MM   | -                         | 12 915<br>483,00          | 12 915<br>483,00          | 12 915<br>483,00          | -                       | -                  |
| Vote 3 - Finance Services   | 48 796<br>773,00          | 82 174<br>764,00          | 79 034<br>956,00          | 54 356<br>511,00          | -<br>0,51               | -<br>0,45          |
| Vote 4 - Corporate Services   | 623<br>158,00             | 29 518<br>194,00          | 29 518<br>194,00          | 29 444<br>132,00          | -<br>0,00               | -<br>0,00          |
| Vote 5 - Community Services   | 3 965<br>569,00           | 42 356<br>599,00          | 43 694<br>420,00          | 43 268<br>755,00          | -<br>0,02               | -<br>0,01          |
| Vote 6 - Community Services   | 11 090<br>944,00          | 39 380<br>791,00          | 41 380<br>791,00          | 43 222<br>597,00          | -                       | -                  |
| Vote 7 - Planning & Development   | 2 536<br>877,00           | 14 382<br>929,00          | 14 882<br>929,00          | 14 958<br>429,00          | -<br>0,04               | -<br>0,01          |
| Vote 8 - Technical Services   | 79 162<br>559,00          | 88 516<br>498,00          | 126 614<br>766,00         | 140 598<br>128,00         | -<br>0,37               | -                  |
|   |                           |                           |                           |                           |                         | -                  |
| <b>Total Revenue by Vote</b>  | <b>282 562<br/>880,00</b> | <b>329 109<br/>890,00</b> | <b>367 906<br/>171,00</b> | <b>358 628<br/>667,00</b> | <b>-<br/>0,08</b>       | <b>-<br/>0,46</b>  |
| <i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3</i> |                           |                           |                           |                           |                         | T K.1              |



## APPENDIX K (2): REVENUE COLLECTION BY VOTE

| Revenue Collection Performance by Source  |                           |                           |                           |                           |                            |                           |
|---|---------------------------|---------------------------|---------------------------|---------------------------|----------------------------|---------------------------|
|   |                           |                           |                           |                           |                            | R '000                    |
| Description   | Year<br>2019/2020         | Year 2020/2021            |                           |                           | Year 2020/2021<br>Variance |                           |
|   | Actual                    | Original<br>Budget        | Adjustments<br>Budget     | Actual                    | Original<br>Budget         | Adjustme<br>nts<br>Budget |
| Property rates  | 39 633<br>514,00          | 68 894<br>815,00          | 65 611<br>293,00          | 44 033<br>098,00          | -                          | -                         |
| Service Charges -<br>electricity revenue  | 41 998<br>837,00          | 45 138<br>453,00          | 44 953<br>400,00          | 59 215<br>823,00          | 0,24                       | 0,24                      |
| Service Charges - water<br>revenue  | -                         | -                         | -                         | -                         | -                          | -                         |
| Service Charges -<br>sanitation revenue   | -                         | -                         | -                         | -                         | -                          | -                         |
| Service Charges - refuse<br>revenue   | 11 090<br>944,00          | 11 636<br>303,00          | 11 636<br>303,00          | 11 746<br>750,00          | 0,01                       | 0,01                      |
| Service Charges - other   | -                         | -                         | -                         | -                         | -                          | -                         |
| Rentals of facilities and<br>equipment  | 611<br>190,00             | 603<br>473,00             | 603<br>473,00             | 631<br>412,00             | 0,04                       | 0,04                      |
| Interest earned - external<br>investments   | 1 844<br>995,00           | 1 469<br>310,00           | 1 469<br>310,00           | 1 805<br>117,00           | 0,19                       | 0,19                      |
| Interest earned -<br>outstanding debtors  | 12 118<br>566,00          | 12 058<br>739,00          | 14 058<br>739,00          | 12 889<br>812,00          | 0,06                       | 0,09                      |
| Dividends received  | -                         | -                         | -                         | -                         | -                          | -                         |
| Fines   | 2 080<br>250,00           | 1 840<br>091,00           | 2 753<br>283,00           | 3 309<br>350,00           | 0,44                       | 0,17                      |
| Licences and permits  | 1 077<br>758,00           | 1 866<br>840,00           | 1 866<br>840,00           | 1 366<br>263,00           | -                          | -                         |
| Agency services   | 616<br>208,00             | 868<br>204,00             | 1 249<br>593,00           | 1 001<br>137,00           | 0,13                       | 0,25                      |
| Transfers recognised -<br>operational   | 145 811<br>101,00         | 156 147<br>700,00         | 185 835<br>450,00         | 185 925<br>401,00         | 0,16                       | 0,00                      |
| Other revenue   | 29<br>584,00              | 1 858<br>662,00           | 1 842<br>149,00           | 881<br>636,00             | -                          | -                         |
| Gains on disposal of PPE  | -                         | -                         | 203<br>467,00             | -                         | -                          | -                         |
| Actuarial Gain/ Loss  | -                         | -                         | -                         | -                         | -                          | -                         |
| <b>Total Revenue (excluding<br/>capital transfers and<br/>contributions)</b>  | <b>256 912<br/>947,00</b> | <b>302 382<br/>590,00</b> | <b>332 083<br/>300,00</b> | <b>322 805<br/>799,00</b> | <b>0,06</b>                | <b>0,03</b>               |
| <i>Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.</i> |                           |                           |                           |                           |                            | T K.2                     |

## APPENDIX L CONDITIONAL GRANTS



**Conditional Grants: excluding MIG**

| <b>R' 000</b>                                       |                        |                           |                |                 |                           |  |
|---|------------------------|---------------------------|----------------|-----------------|---------------------------|--|
| <b>Details</b>                                      | <b>Original Budget</b> | <b>Adjustments Budget</b> | <b>Actual</b>  | <b>Variance</b> |                           | <b>Major conditions applied by donor (continue below if necessary)</b> |
|   |                        |                           |                | <b>Budget</b>   | <b>Adjustments Budget</b> |  |
| <b>CAPITAL CONDITIONAL GRANTS</b>                   |                        |                           |                |                 |                           |  |
| Municipal Infrastructure Grant                      | 28 134 000             | 37 212 321,30             | 37 212 321,30  | -32%            | 100%                      |  |
| Integrated National Electrification Programme Grant | 9 210 000              | 7 000 095,00              | 7 000 095,00   | 24%             | 100%                      | CONDITIONS SPECIFIED ON THE AFS  |
| Sub-Rank Facility Grant (ROLL OVER)                 | 3 417,40               | 3 417,40                  | -              | 100%            | 100%                      | CONDITIONS SPECIFIED ON THE AFS  |
| Street Light & High Mast Grant                      | -                      | 7 458,01                  | 7 458          | 0%              | 100%                      | CONDITIONS SPECIFIED ON THE AFS  |
| <b>OPERATIONAL CONDITIONAL GRANTS</b>               |                        |                           |                |                 |                           |  |
| Equitable Share                                     | 146 625 000            | 175 830 000,00            | 175 830 000,00 |                 |                           |  |
| Single Land Use Scheme                              | -                      | 3 500,00                  | 3 500          | 0%              | 100%                      | CONDITIONS SPECIFIED ON THE AFS  |
| Finance Management Grant                            | 2 800 000              | 2 800 000                 | 2 800 000      | 0%              | 100%                      | CONDITIONS SPECIFIED ON THE AFS  |
| Provincialisation of Libraries Grant                | 1 809 000              | 1 809 000                 | 1 809 000      | 0%              | 100%                      | CONDITIONS SPECIFIED ON THE AFS  |
| Library Community Services Grant                    | 452 000                | 452 000                   | 452 000        | 0%              | 100%                      | CONDITIONS SPECIFIED ON THE AFS  |
| Expanded Public Works Programme Grant               | 3 055 000              | 3 055 000                 | 3 055 000      | 0%              | 100%                      | CONDITIONS SPECIFIED ON THE AFS  |
| Title Deeds Ncotshane                               | 89 511                 | 582 492                   | 582 492        | -551%           | 100%                      | CONDITIONS SPECIFIED ON THE AFS  |
| Koppie Allien                                       | -                      | 1 335 594,00              | 1 335 594,00   | 0%              | 100%                      | CONDITIONS SPECIFIED ON THE AFS  |
| Mkuze Falls   | -                      | 3 056 377                 | 3 056 377      | 0%              | 100%                      | CONDITIONS SPECIFIED ON THE AFS  |

|   |                    |                        |                        |             |              |                                 |
|---|--------------------|------------------------|------------------------|-------------|--------------|---------------------------------|
| Human settlement  | 47 808 918         | 47 808<br>918,00       | 47 374<br>039          | 1%          | 100%         | CONDITIONS SPECIFIED ON THE AFS |
| Integrated Economic Development Plan  | -                  | 500<br>000,00          | -                      | 0%          | 100%         |                                 |
| <b>Total</b>  | <b>239 986 846</b> | <b>281 456<br/>173</b> | <b>280 517<br/>876</b> | <b>-17%</b> | <b>12,00</b> |                                 |
| <p><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.</i></p> |                    |                        |                        |             |              | TL                              |



## APPENDIX M 1-2 CAPITAL EXPENDITURE

**Capital Expenditure - New Assets Programme\***

R '000

| Description                                   | Year 2019/2020 | Year 2020/2021  |                   |                    | Planned Capital expenditure |            |           |
|---|----------------|-----------------|-------------------|--------------------|-----------------------------|------------|-----------|
|   | Actual         | Original Budget | Adjustment Budget | Actual Expenditure | 2021/2022                   | 2022/2023  | 2023/2024 |
| <b>Capital expenditure by Asset Class</b>     |                |                 |                   |                    |                             |            |           |
| <b>Infrastructure - Total</b>                 | 5 780          | 17 467          | 23 097            | 21 890             | 12 797                      | 12 134     | 2 000     |
| <b>Infrastructure: Road transport - Total</b> | 5 780          | 16 251          | 17 272            | 15 597             | 12 697                      | 12 134     | 2 000     |
| <i>Roads, Pavements &amp; Bridges</i>         | 2 413 392      | 9 250 595       | 10 271 630        | 7 915 547          | 5 777 185                   | 0          | 0         |
| <i>Storm water</i>                            | 3 366 596      | 7 000 000       | 7 000 000         | 7 681 278          | 6 920 000                   | 12 134 064 | 2 000 000 |
| <b>Infrastructure: Electricity - Total</b>    | -              | -               | -                 | -                  | -                           | -          | -         |
| <i>Generation</i>                             |                |                 |                   |                    |                             |            |           |
| <i>Transmission &amp; Reticulation</i>        |                |                 |                   |                    |                             |            |           |
| <i>Street Lighting</i>                        |                |                 |                   |                    |                             |            |           |
| <b>Infrastructure: Water - Total</b>          | -              | 1 216           | 5 825             | 6 293              | 100                         | -          | -         |
| <i>Dams &amp; Reservoirs</i>                  |                | 1 216 102       | 5 825 000         | 6 292 953          | 100 000                     | 0          | 0         |
| <i>Water purification</i>                     |                |                 |                   |                    |                             |            |           |
| <i>Reticulation</i>                           |                |                 |                   |                    |                             |            |           |
| <b>Infrastructure: Sanitation - Total</b>     | -              | -               | -                 | -                  | -                           | -          | -         |
| <i>Reticulation</i>                           |                |                 |                   |                    |                             |            |           |
| <i>Sewerage purification</i>                  |                |                 |                   |                    |                             |            |           |
| <b>Infrastructure: Other - Total</b>          | -              | -               | -                 | -                  | -                           | -          | -         |
| <i>Waste Management</i>                       |                |                 |                   |                    |                             |            |           |
| <i>Transportation</i>                         |                |                 |                   |                    |                             |            |           |
| <i>Gas</i>                                    |                |                 |                   |                    |                             |            |           |
| <i>Other</i>                                  |                |                 |                   |                    |                             |            |           |
| <b>Community - Total</b>                      | 20 778         | 18 136          | 20 454            | 22 468             | 7 297                       | -          | -         |
| Parks & gardens                               |                |                 |                   |                    |                             |            |           |
| Sportsfields & stadia                         | 11 560 044     | 15 331 437      | 16 622 857        | 19 525 281         | 7 296 984                   | 0          | 0         |
| Swimming pools                                |                |                 |                   |                    |                             |            |           |



|                                  |           |           |           |           |  |  |  |
|----------------------------------|-----------|-----------|-----------|-----------|--|--|--|
| Community halls                  | 2 401 720 | 991 900   | 991 900   | 1 486 869 |  |  |  |
| Child care facilities            | 2 587 435 | 1 812 266 | 2 839 269 | 1 455 437 |  |  |  |
| Recreational facilities          |           |           |           |           |  |  |  |
| Fire, safety & emergency         |           |           |           |           |  |  |  |
| Security and policing            |           |           |           |           |  |  |  |
| Taxi Ranks/Bus Terminals         | 4 229 234 |           |           |           |  |  |  |
| Clinics                          |           |           |           |           |  |  |  |
| Museums & Art Galleries          |           |           |           |           |  |  |  |
| Cemeteries                       |           |           |           |           |  |  |  |
| Social rental housing            |           |           |           |           |  |  |  |
| Other                            |           |           |           |           |  |  |  |
| <i>Table continued next page</i> |           |           |           |           |  |  |  |

**Capital Expenditure - New Assets Programme\***

R '000

| Description                                | Year 2019/2020 | Year 2020/2021  |                   |                    | Planned Capital expenditure |               |               |
|--|----------------|-----------------|-------------------|--------------------|-----------------------------|---------------|---------------|
|  | Actual         | Original Budget | Adjustment Budget | Actual Expenditure | 2021/2022                   | 2022/2023     | 2023/2024     |
| <b>Capital expenditure by Asset Class</b>  |                |                 |                   |                    |                             |               |               |
| <b>Heritage assets - Total</b>             | 95             | -               | -                 | -                  | -                           | -             | -             |
| Buildings                                  | 94 676         |                 |                   |                    |                             |               |               |
| Other                                      |                | 0               |                   |                    |                             |               |               |
| <b>Investment properties - Total</b>       | -              | -               | -                 | -                  | -                           | -             | -             |
| Housing development                        |                |                 |                   |                    |                             |               |               |
| Other                                      |                |                 |                   |                    |                             |               |               |
| -  |                |                 |                   |                    |                             |               |               |
| <b>Other assets</b>                        | <b>7 861</b>   | <b>4 800</b>    | <b>19 267</b>     | <b>12 356</b>      | <b>16 811</b>               | <b>40 290</b> | <b>52 713</b> |
| General vehicles                           |                | 0               | 2 274 058         | 2 267 977          |                             |               |               |
| Specialised vehicles                       | 3 452 109      | 4 800 000       | 16 992 988        | 10 088 104         | 4 604 800                   | 27 105 650    | 31 518 150    |
| Plant & equipment                          |                |                 |                   |                    | 7 184 529                   | 6 404 524     | 21 000 000    |
| Computers - hardware/equipment             | 2 554 474      |                 |                   |                    | 2 221 220                   | 879 329       | 195 329       |
| Furniture and other office equipment       |                |                 |                   |                    | 0                           | 2 000 000     | 0             |
| Abattoirs                                  |                |                 |                   |                    |                             |               |               |
| Markets                                    |                |                 |                   |                    |                             |               |               |
| Civic Land and Buildings                   |                |                 |                   |                    |                             |               |               |
| Other Buildings                            |                |                 |                   |                    |                             |               |               |
| Other Land                                 | 1 853 970      |                 |                   |                    | 2 000 000                   | 3 900 000     | 0             |
| Surplus Assets - (Investment or Inventory) |                |                 |                   |                    |                             |               |               |
| Other                                      |                |                 |                   |                    | 800 000                     | 0             | 0             |
| <b>Agricultural assets</b>                 | -              | -               |                   | -                  | -                           | -             | -             |
| <i>List sub-class</i>                      |                |                 |                   |                    |                             |               |               |

|   |               |               |               |               |               |               |               |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|   |               |               |               |               |               |               |               |
| <b>Biological assets</b>  | -             | -             |               | -             | -             | -             | -             |
| <i>List sub-class</i>   |               |               |               |               |               |               |               |
|   |               |               |               |               |               |               |               |
| <b>Intangibles</b>  | -             | -             | -             | -             | -             | -             | -             |
| Computers - software & programming  |               |               |               |               |               |               |               |
| Other ( <i>list sub-class</i> )   |               |               |               |               |               |               |               |
|   |               |               |               |               |               |               |               |
| <b>Total Capital Expenditure on new assets</b>                                  | <b>34 514</b> | <b>40 402</b> | <b>62 818</b> | <b>56 713</b> | <b>36 905</b> | <b>52 424</b> | <b>54 713</b> |
|   |               |               |               |               |               |               |               |
| <b>Specialised vehicles</b>   | -             | -             |               | -             | -             | -             | -             |
| Refuse  |               |               |               |               |               |               |               |
| Fire  |               |               |               |               |               |               |               |
| Conservancy   |               |               |               |               |               |               |               |
| Ambulances  |               |               |               |               |               |               |               |
| * Note: Information for this table may be sourced from MBRR (2009: Table SA34a) |               |               |               |               |               |               | T M.1         |

**Capital Expenditure - Upgrade/Renewal Programme\***

R '000

| Description                                | Year 2019/2020 | Year 2020/2021  |                   |                    | Planned Capital expenditure |           |           |
|--|----------------|-----------------|-------------------|--------------------|-----------------------------|-----------|-----------|
|  | Actual         | Original Budget | Adjustment Budget | Actual Expenditure | 2021/2022                   | 2022/2023 | 2023/2024 |
| <b>Capital expenditure by Asset Class</b>  |                |                 |                   |                    |                             |           |           |
| <b>Infrastructure - Total</b>              | -              | -               |                   | -                  | -                           | -         | -         |
| Infrastructure: Road transport -Total      | -              | -               |                   | -                  | -                           | -         | -         |
| <i>Roads, Pavements &amp; Bridges</i>      |                |                 |                   |                    |                             |           |           |
| <i>Storm water</i>                         |                |                 |                   |                    |                             |           |           |
| <b>Infrastructure: Electricity - Total</b> | -              | -               |                   | -                  | -                           | -         | -         |
| <i>Generation</i>                          |                |                 |                   |                    |                             |           |           |
| <i>Transmission &amp; Reticulation</i>     |                |                 |                   |                    |                             |           |           |
| <i>Street Lighting</i>                     |                |                 |                   |                    |                             |           |           |
| <b>Infrastructure: Water - Total</b>       | -              | -               |                   | -                  | -                           | -         | -         |
| <i>Dams &amp; Reservoirs</i>               |                |                 |                   |                    |                             |           |           |
| <i>Water purification</i>                  |                |                 |                   |                    |                             |           |           |
| <i>Reticulation</i>                        |                |                 |                   |                    |                             |           |           |
| <b>Infrastructure: Sanitation - Total</b>  | -              | -               |                   | -                  | -                           | -         | -         |
| <i>Reticulation</i>                        |                |                 |                   |                    |                             |           |           |
| <i>Sewerage purification</i>               |                |                 |                   |                    |                             |           |           |
| <b>Infrastructure: Other - Total</b>       | -              | -               |                   | -                  | -                           | -         | -         |
| <i>Waste Management</i>                    |                |                 |                   |                    |                             |           |           |
| <i>Transportation</i>                      |                |                 |                   |                    |                             |           |           |
| <i>Gas</i>                                 |                |                 |                   |                    |                             |           |           |
| <i>Other</i>                               |                |                 |                   |                    |                             |           |           |
| <b>Community</b>                           | -              | -               |                   | 412                | 15 171                      | -         | -         |
| Parks & gardens                            |                |                 |                   |                    |                             |           |           |
| Sportsfields & stadia                      |                |                 |                   |                    | 14 388 597                  | 0         | 0         |
| Swimming pools                             |                |                 |                   |                    |                             |           |           |

|   |  |   |           |         |         |   |   |
|---|--|---|-----------|---------|---------|---|---|
| Community halls                           |  |   |           |         | 688 029 | 0 | 0 |
| Libraries                                 |  |   |           |         |         |   |   |
| Recreational facilities                   |  |   |           |         |         |   |   |
| Fire, safety & emergency                  |  |   |           |         |         |   |   |
| Security and policing                     |  |   |           |         |         |   |   |
| Buses                                     |  |   |           |         |         |   |   |
| Child care facilities                     |  |   |           |         | 94 604  | 0 | 0 |
| Museums & Art Galleries                   |  |   |           |         |         |   |   |
| Cemeteries                                |  | 0 | 3 000 000 | 412 212 |         |   |   |
| Social rental housing                     |  |   |           |         |         |   |   |
| Other                                     |  |   |           |         |         |   |   |
|   |  |   |           |         |         |   |   |
| <b>Heritage assets</b>                    |  | - | -         |         | -       | - | - |
| Buildings                                 |  |   |           |         |         |   |   |
| Other                                     |  |   |           |         |         |   |   |
| <i>Table continued next page</i>          |  |   |           |         |         |   |   |
| <i>Table continued from previous page</i> |  |   |           |         |         |   |   |

**Capital Expenditure - Upgrade/Renewal Programme\***

| R '000                                     |         |                 |                   |                    |                             |        |        |
|--|---------|-----------------|-------------------|--------------------|-----------------------------|--------|--------|
| Description                                | Year -1 | Year 0          |                   |                    | Planned Capital expenditure |        |        |
|  | Actual  | Original Budget | Adjustment Budget | Actual Expenditure | FY + 1                      | FY + 2 | FY + 3 |
| <b>Capital expenditure by Asset Class</b>  |         |                 |                   |                    |                             |        |        |
| <b><u>Investment properties</u></b>        | -       | -               |                   | -                  | -                           | -      | -      |
| Housing development                        |         |                 |                   |                    |                             |        |        |
| Other                                      |         |                 |                   |                    |                             |        |        |
| <b><u>Other assets</u></b>                 | -       | 1 523           |                   | 887                | -                           | -      | -      |
| General vehicles                           |         |                 |                   |                    |                             |        |        |
| Specialised vehicles                       |         |                 |                   |                    |                             |        |        |
| Plant & equipment                          |         |                 |                   |                    |                             |        |        |
| Computers - hardware/equipment             |         | 1 522 810       | 962 810           | 886 748            |                             |        |        |
| Furniture and other office equipment       |         |                 |                   |                    |                             |        |        |
| Abattoirs                                  |         |                 |                   |                    |                             |        |        |
| Markets                                    |         |                 |                   |                    |                             |        |        |
| Civic Land and Buildings                   |         |                 |                   |                    |                             |        |        |
| Other Buildings                            |         |                 |                   |                    |                             |        |        |
| Other Land                                 |         |                 |                   |                    |                             |        |        |
| Surplus Assets - (Investment or Inventory) |         |                 |                   |                    |                             |        |        |
| Other                                      |         | 0               | 1 660 000         | 0                  |                             |        |        |
| <b><u>Agricultural assets</u></b>          | -       | -               |                   | -                  | -                           | -      | -      |
| <i>List sub-class</i>                      |         |                 |                   |                    |                             |        |        |
| <b><u>Biological assets</u></b>            | -       | -               |                   | -                  | -                           | -      | -      |
| <i>List sub-class</i>                      |         |                 |                   |                    |                             |        |        |

|   |   |       |  |       |        |   |   |       |
|---|---|-------|--|-------|--------|---|---|-------|
| <b>Intangibles</b>  | - | -     |  | -     | -      | - | - |       |
| Computers - software & programming  |   |       |  |       |        |   |   |       |
| Other ( <i>list sub-class</i> )   |   |       |  |       |        |   |   |       |
| <b>Total Capital Expenditure on renewal of existing assets</b>                  | - | 1 523 |  | 1 299 | 15 171 | - | - |       |
| <b>Specialised vehicles</b>   | - | -     |  | -     | -      | - | - |       |
| Refuse  |   |       |  |       |        |   |   |       |
| Fire  |   |       |  |       |        |   |   |       |
| Conservancy   |   |       |  |       |        |   |   |       |
| Ambulances  |   |       |  |       |        |   |   |       |
| * Note: Information for this table may be sourced from MBRR (2009: Table SA34b) |   |       |  |       |        |   |   | T M.2 |









## APPENDIX N: CAPITAL PROGRAMME BY PROJECTS

| Capital Programme by Project: Year 2020/2021        |      |                 |                   |            |                        |                       |
|---|------|-----------------|-------------------|------------|------------------------|-----------------------|
| Capital Project                                     | Ward | Original Budget | Adjustment Budget | Actual     | Variance (Act - Adj) % | Variance (Act - OB) % |
| <b>R</b>  |      |                 |                   |            |                        |                       |
| <b>MUNICIPAL MANAGER 1</b>                          |      |                 |                   |            |                        |                       |
| Video Camera  |      |                 | 33 882            | 33 882     | 0%                     | 100%                  |
| <b>COUNCIL'S EXPENSES 2</b>                         |      |                 |                   |            |                        |                       |
| COUNCIL CHAMBER REFURBISHMENT                       |      |                 |                   |            |                        |                       |
| <b>ELECTRICITY 30</b>                               |      |                 |                   |            |                        |                       |
| <b>TRAFFIC</b>                                      |      |                 |                   |            |                        |                       |
| Law enforcement equipment                           |      | -               | 250 000           |            | #DIV/0 !               | #DIV/0 !              |
| Wendy Houses  |      | 400 000         | -                 |            |                        |                       |
| Nefcorn Printer for breaks testing                  |      | -               | 30 000            |            |                        |                       |
| Printer   |      | -               | 20 000            |            |                        |                       |
| Fridge  |      | 10 000          | 10 000            |            |                        |                       |
| Microwave   |      | 2 000           | 2 000             |            |                        |                       |
| Petrol blowers                                      |      |                 |                   |            |                        |                       |
| Depor   |      |                 |                   |            |                        |                       |
| <b>SPORT &amp; RECREATION 20</b>                    |      |                 |                   |            |                        |                       |
| <b>Sport Facilities</b>                             |      |                 |                   |            | #DIV/0 !               | #DIV/0 !              |
| <b>Flood lights</b>                                 |      |                 |                   |            |                        |                       |
| <b>CORPORATE SERVICES 4</b>                         |      |                 |                   |            |                        |                       |
| Furniture and fittings                              |      | 250 000         |                   |            | #DIV/0 !               | #DIV/0 !              |
| Disaster recovery sites                             |      | 660 000         | -                 | 140 632,35 |                        |                       |
| Desktop and laptops fo the advertised posts         |      | 258 843         | 457 686           | 326 444,18 |                        |                       |
| Replacement of computers of the existing employees  |      | 503 967         | 305 124           | 419 671,95 |                        |                       |
| Parkhome Offices                                    |      | 800 000         | -                 |            |                        |                       |
| UPS Server  |      | -               | 200 000           |            |                        |                       |
| Projectors & Screens / Projector For Budget Manager |      | 100 000         | -                 |            |                        |                       |
| Waste Management Tractor*2                          |      | 1 100 000       | 1 100 000         |            |                        |                       |
| Skid unit(fire vehicle)                             |      | 2 200 000       | 2 200 000         |            |                        |                       |

|   |  |                   |                   |                   |          |          |
|---|--|-------------------|-------------------|-------------------|----------|----------|
| Medium Commercial Truck-Waste           |  | 1 500 000         | 1 500 000         |                   |          |          |
| Construction Motor Grader               |  | -                 | 5 282 155         | 5 282 155         | 0%       | 100%     |
| Extra Heavy Construction Motor Grader   |  | -                 | -                 | -                 | 0%       | 0%       |
| Tractor Loader Backhoe (TLB)            |  | -                 | 1 487 338         | 1 487 338         | 0%       | 100%     |
| Tractor Loader Backhoe (TLB)            |  | -                 | 1 487 338         | 1 487 338         | 0%       | 100%     |
| Construction Water Truck                |  | -                 | 2 104 884         |                   | 0%       | 0%       |
| Single Drum Roller 16t                  |  | -                 | 1 831 273         | 1 831 273         | 0%       | 100%     |
| Motor Vehicle Hon. Mayor                |  | -                 | 832 485           | 832 485           | 0%       | 100%     |
| Motor Vehicle Hon. Dep Mayor            |  | -                 | 720 787           | 717 746,05        | 0%       | 100%     |
| Bakkie                                  |  | -                 | 720 787           | 717 746,05        | 0%       | 100%     |
| <b>TECHNICAL SERVICES</b>               |  |                   |                   |                   |          |          |
| Roads Infrastructure                    |  | 9 250 595         | 10 271 630        | 7 915 547,00      | -30%     | -17%     |
| Community Halls                         |  | 991 900           | 991 900           | 1 486 869,21      | 33%      | 33%      |
| Sportfields                             |  | 15 331 437        | 16 622 857        | 19 525 281,47     | 15%      | 21%      |
| Ncotshane Stormwater                    |  | 7 000 000         | 7 000 000         | 7 681 277,92      | 9%       | 9%       |
| Drilling of Boreholes                   |  | 1 216 102         | 5 825 000         | 6 292 952,99      | 7%       | 81%      |
| <b>COMMUNITY SERVICES 13</b>            |  |                   |                   |                   |          |          |
| Community Halls Furniture               |  |                   |                   |                   |          |          |
| Community Creche                        |  | 1 812 266         | 2 839 269         | 1 455 436,87      |          |          |
| Belgrade Hall Fencing                   |  |                   |                   |                   |          |          |
| Community Halls Water Tanks             |  |                   | 100 000           | 53 698,70         |          |          |
| Community Halls Chairs                  |  |                   | 200 000           | 160 140,00        |          |          |
| Thu Song Fridge                         |  |                   | 10 000            | 6 727,50          |          |          |
| <b>SOLID WASTE</b>                      |  |                   |                   |                   |          |          |
| Fencing of the Cemetary Town            |  |                   | 1 100 000         | 115 168,34        |          |          |
| Fencing of the Cemetary Ncotshane       |  |                   | 1 900 000         | 297 043,57        |          |          |
| Skip Bins                               |  |                   | 100 000           |                   |          |          |
| Wheeled Refuse Bins Branded 3 000 units |  |                   | 1 560 000         |                   |          |          |
| <b>Fencing</b>                          |  |                   |                   |                   | #DIV/0 ! |          |
| "Project B"                             |  |                   |                   |                   | #DIV/0 ! | #DIV/0 ! |
|   |  |                   |                   |                   |          |          |
|   |  | <b>43 387 110</b> | <b>69 096 396</b> | <b>58 266 856</b> |          |          |





**VOLUME 2:**

**ANNUAL FINANCIAL STATEMENT**







