



Abaqulusi Local Municipality

Final 2022/2023 – 2026/2027 Integrated Development Plan

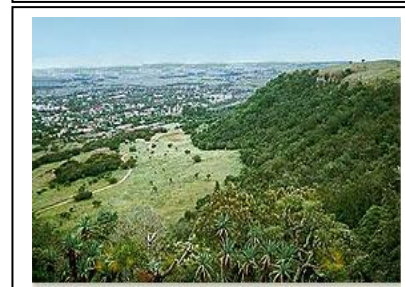
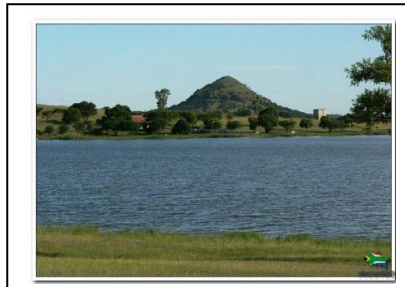
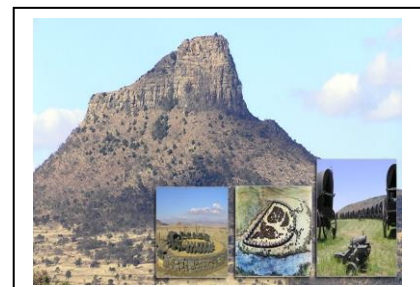


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Section A: Executive Summary

1. Introduction

This Final 2022/2023 – 2026/2027 Integrated Development Plan (IDP) represents the beginning of the 5th Generation IDP's that are to be developed around the Republic of South Africa and the new term of Municipal Councils as result of the Local Elections held on 1 November 2021.

IDP's are prepared according to Chapter 5 and Section 25 (1) of the Municipal Systems Act (2000), which states that: "Each municipal council must, within a prescribed period after the start of its elected term, adopt a single, all-inclusive and strategic plan for the development of the municipality which-

- ✓ **Links, integrates and coordinates plans and takes into account proposals for the *development of the municipality*;**
- ✓ ***Aligns the resources and capacity of the municipality with the implementation of the plan;***
- ✓ ***Complies with the provisions of this Chapter; and***
- ✓ ***Is compatible with national and provincial development plans and planning requirements binding on the municipality in terms of legislation."***

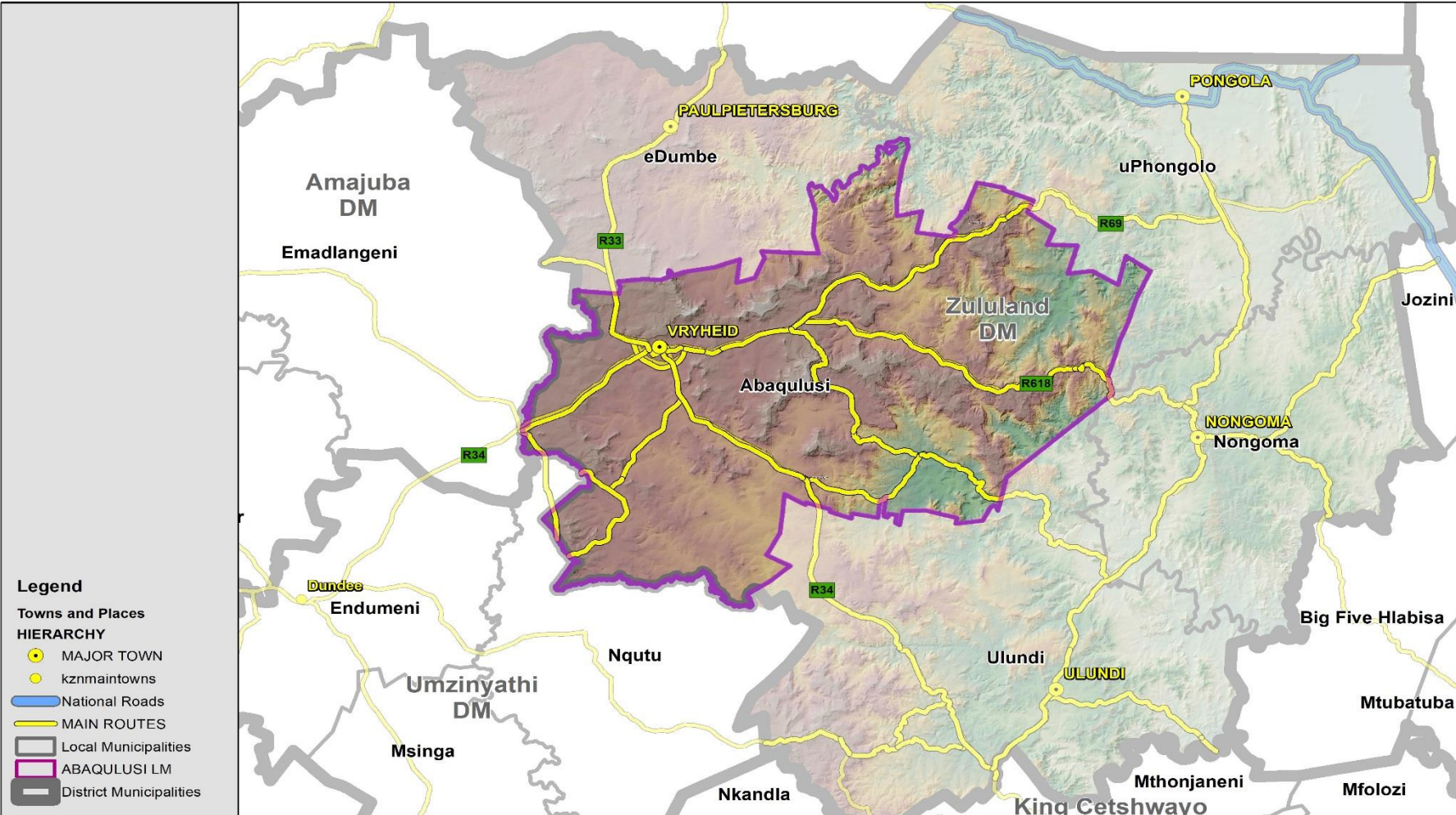
As indicated above, this plan will be the primary strategic tool that guide the Abaqulusi Council and Administration over the next 5 years in achieving its goals and addressing the various challenges that exist.

2. Who Are We?

2.1 Background and Spatial Overview of Abaqulusi Municipality

The Abaqulusi Local Municipality is located in the Northern part of KwaZulu-Natal Province and forms part of the Zululand District Municipality. It is named after the Abaqulusi, a Zulu clan whose descendants live in the vicinities of Vryheid, Utrecht, eDumbe and eNgoje. Abaqulusi Municipality comprises of many settlements, both rural and urban, with Vryheid being its main urban settlement/town. Other areas of interest that fall within the boundaries of Abaqulusi also include Louwsburg, eMondlo, Hlobane, Corronation and Bhekuzulu. The municipality is split into 23 Wards and its geographical cover is estimated at 4185km² in extent making it one of the spatially largest municipality's in the province, occupied by a population of approximately 243 795 people, according to the Community Survey 2016. The population of Abaqulusi has been growing steadily since 2011, from 211 060 to 243 795 people, recording an increase of 32 735 people over a 5 year period. At present, Abaqulusi Municipality constitutes approximately 27% of the Zululand District Municipality making it the largest populated local municipality compared to the other local municipalities within the District. The 4 other local municipalities that make up the Zululand Family include eDumbe, uPhongolo, Nongoma and Ulundi. The municipality is also characterised as the main hub for the district and is also very strategically positioned, sharing its border with all 4 local municipalities within the district, as well as with Amajuba and Umzinyathi District families. The Locality Maps below spatially depicts the Abaqulusi Municipality's location within the Zululand District Municipality and the KwaZulu-Natal Province.


Map 1: District Locality Map



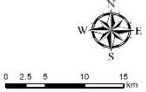
Legend

Towns and Places HIERARCHY

- MAJOR TOWN
- kznmaintowns
- National Roads
- MAIN ROUTES
- Local Municipalities
- ABAQULUSI LM
- District Municipalities



ABAQULUSI LOCAL MUNICIPALITY



Projection: TM, WG31

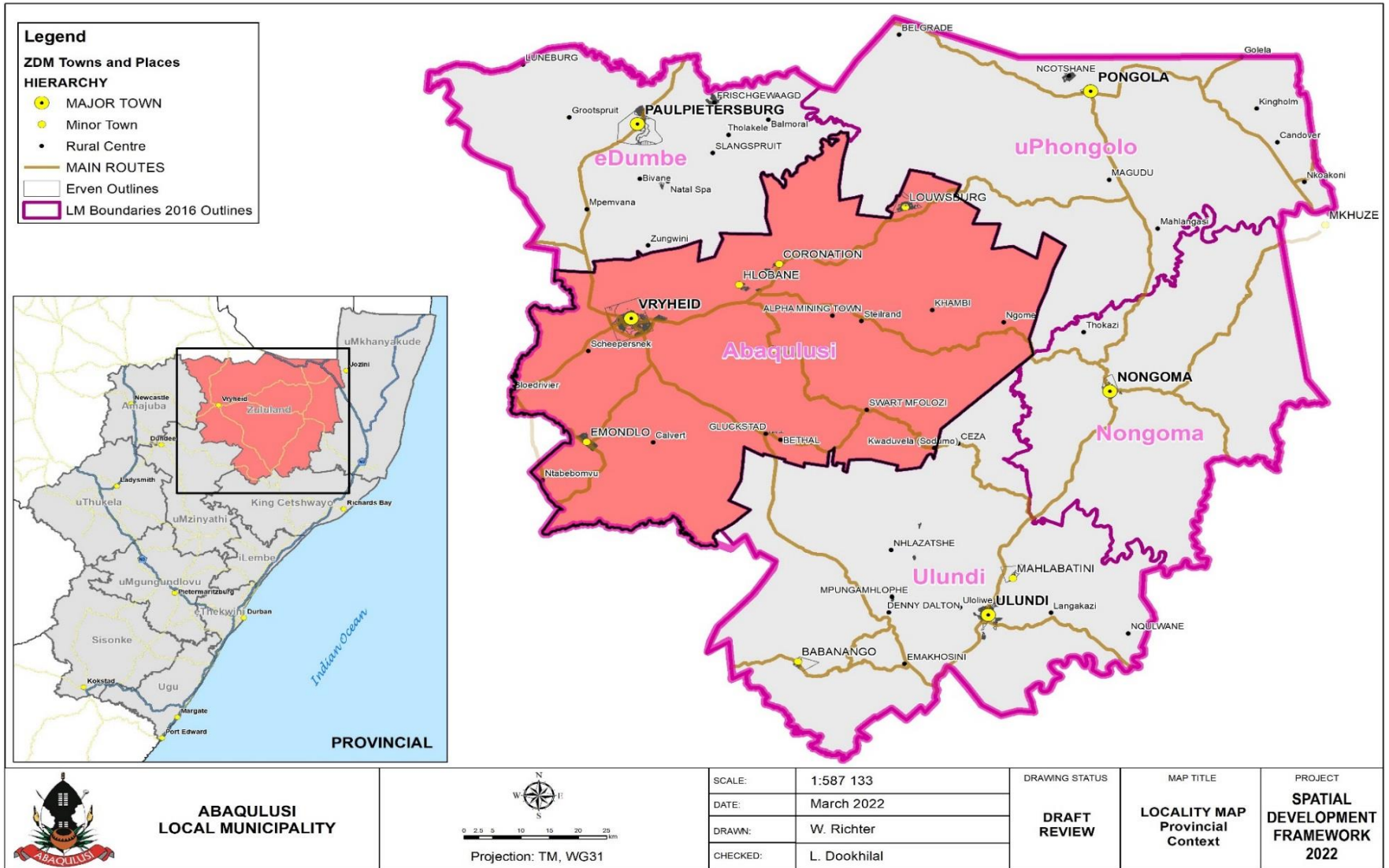
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CHECKED:	L. Dookhilal

DRAWING STATUS	DRAFT REVIEW
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MAP TITLE	ADJACENT MUNICIPALITIES
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PROJECT	SPATIAL DEVELOPMENT FRAMEWORK 2022
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Map 2: Regional Locality Map



2.2 Summarised Demographic Profile

The importance of demography lies in its contribution to helping government and society better prepare to deal with the issues and demands of population growth, aging and migration. The statistics and predictions resulting from demographic studies can, for example, aid in the development of adequate school systems, estimate the required funding for senior services and develop workable healthcare systems. A wide variety of social outcomes are impacted by demographic processes and distributions. The demographics within Abaqulusi Municipality as per STATS SA Community Survey 2016 is as follows:

I. Population Sizes

Persons	Census 2011	Community Survey 2016
Total population	211 060	243 795
Growth rates	1.0	0.03
Change (%)	10.5	15.5
Population density	50	58

Source: STATS SA CS 2016

II. Population Distribution

Settlements	Census 2011	Community Survey 2016
Urban formal	39.1%	38.6%
Traditional/Rural	32.7%	35.6%
Farms	28.2%	25.7%

Source: STATS SA CS 2016

III. Population Composition

Persons proportion	Census 2011	Community Survey 2016
Young (0-14 years)	36.7%	37.9%
Youth (15-34 years)	36.5%	39.8%
Working age (15-64 years)	58.6%	57.8%
Elderly (65 years or older)	4.7%	4.3%
Sex ratio (men/100 women)	91	93
Dependency ratio	70.5	70.8

Source: STATS SA CS 2016

IV. Population Groups

Race	Census 2011	Community Survey 2016
Black African	95.4%	96.9%
Coloured	0.5%	0.7%
White	3.5%	2.3%
Indian/Asian	0.4%	0.2%

Source: STATS SA CS 2016

2.3 Summarised Socio-Economic Profile

A socio-economic profile of the municipality is very critical in assisting a municipality with how to plan and properly utilise its resources. It is an important exercise that provides data on three primary areas of concern, ie. Social Services, Economic Services and Spatial/Developmental Services. The Socio-Economic profile of Abaqulusi Municipality is as follows:

I. Households and Services

Households/Services	Census 2011	Community Survey 2016
Total households	43 299	51 910
Average household size	4.9	4.7
Female headed household	50.0%	50.2%
Child headed households	1.7%	2.0%
Access to piped water	83.5%	72.7%
Access to electricity	72.1%	79.7%
Access to sanitation	40.9%	87.8%
Tenure status (% owned)	66.6%	63.3%

Source: STATS SA CS 2016

II. Households goods

Type of Goods	Census 2011	Community Survey 2016
Radio	74.9%	69.6%
Television	63.8%	74.4%
Cellular phone	89.4%	93.1%
Refrigerator	56.8%	68.0%

Source: STATS SA CS 2016

III. Poverty

Category	Census 2011	Community Survey 2016
Poverty head count	11.2%	11.4%
Intensity of poverty	41.9%	43.3%

Source: STATS SA CS 2016

IV. Educational Status

Highest Level of Education	Census 2011	Community Survey 2016
No schooling (aged 20+)	16.9%	8.1%
% completed matric (aged 20+)	28.1%	33.4%
% completed higher education	6.6%	6.2%

Source: STATS SA CS 2016

V. Employment

Employment Status	Census 2001	Census 2011
Labour absorption rate	19.4%	22.3%
Unemployment rate	59.4%	35.4%
<i>Unemployment by sex</i>		
Male	53.8%	32.0%
Female	65.2%	38.8%
Youth unemployment	69.2%	45.1%
Labour participation rate	47.8%	34.5%

Source: STATS SA CS 2016

VI. Refuse removal

Category of Refuse Removal	Census 2011		Community Survey 2016	
	Number	Percentage	Number	Percentage
Removed by local authority	17985	42%	22 022	42.4
Own refuse dump	20764	48%	21 774	41.9
Communal refuse dump	511	1%	889	1.7
Dump or leave rubbish anywhere	2728	6%	7 225	13.9



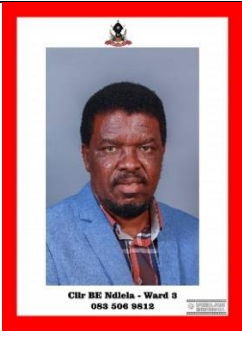
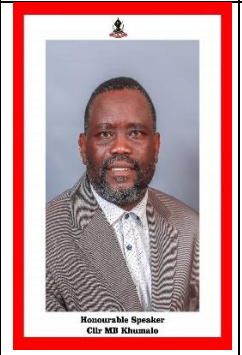
Source: STATS SA CS 2016







VII. Housing





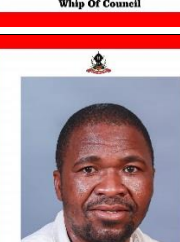
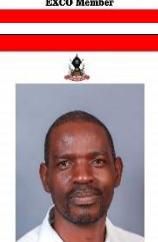
Category of Dwelling	Census 2011		Community Survey 2016	
	Number	Percentage	Number	Percentage
Formal dwelling	34 134	78.8	37 746	72.7
Traditional dwelling	7 863	18.1	9 407	18.1
Informal dwelling	929	0.2	4 675	9.0
Other	374	0.08	82	0.2













Source: STATS SA CS 2016













2.4 Meet our Council






Councillor Identity	Councillor Profile	Councillor Identity	Councillor Profile
	Name: SB Mkhwanazi Designation: Ward Councillor Political Representation: IFP Ward: 1		Name: KZ Mbatha Designation: Ward Councillor Political Representation: IFP Ward: 2
	Name: BE Ndlela Designation: Ward Councillor Political Representation: IFP Ward: 3		Name: MB Khumalo Designation: Hounourable Speaker/ Ward Councillor Political Representation: IFP Ward: 4

 <p>Cllr TE Vilakazi - Ward 5 083 137 4337</p>	<p>Name: TE Vilakazi Designation: Ward Councillor Political Representation: IFP Ward: 5</p>	 <p>Cllr BW Mdlalose - Ward 6 079 721 4003</p>	<p>Name: BW Mdlalose Designation: Ward Councillor Political Representation: IFP Ward: 6</p>
 <p>Cllr MD Khumalo - Ward 7 076 640 4433</p>	<p>Name: MD Khumalo Designation: Ward Councillor Political Representation: IFP Ward: 7</p>	 <p>Cllr BP Buthelezi - Ward 8 076 808 7332</p>	<p>Name: BP Buthelezi Designation: Ward Councillor Political Representation: IFP Ward: 8</p>
 <p>Cllr M Viktor MPAC Chairperson</p>	<p>Name: M Viktor Designation: Ward Councillor / MPAC Chairperson Political Representation: DA Ward: 9</p>	 <p>Cllr NM Sibiya - Ward 10 076 728 1544</p>	<p>Name: NM Sibiya Designation: Ward Councillor Political Representation: ANC Ward: 10</p>




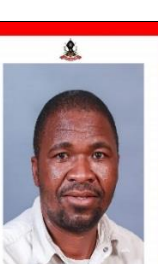


 <p>Cllr SS Mthembu - Ward 11 081 275 4769</p>	<p>Name: SS Mthembu Designation: Ward Councillor Political Representation: IFP Ward: 11</p>	 <p>Cllr NN Mdlalose EXCO Member</p>	<p>Name: NN Mdlalose Designation: Ward Councillor / EXCO Political Representation: ANC Ward: 12</p>
 <p>Cllr AP Mbatha Whip Of Council</p>	<p>Name: AP Mbatha Designation: Ward Councillor / Whip of Council Political Representation: IFP Ward: 13</p>	 <p>Cllr LWC Mtshali EXCO Member</p>	<p>Name: LWC Mtshali Designation: Ward Councillor / EXCO Political Representation: IFP Ward: 14</p>
 <p>Cllr ML Mtshali EXCO Member</p>	<p>Name: ML Mtshali Designation: Ward Councillor / EXCO Political Representation: IFP Ward: 15</p>	 <p>Cllr HV Khumalo - Ward 16 075 285 0935</p>	<p>Name: HV Khumalo Designation: Ward Councillor Political Representation: ANC Ward: 16</p>





 <p>Cllr XJ Sangweni - Ward 17 074 448 9600</p>	<p>Name: XJ Sangweni Designation: Ward Councillor Political Representation: IFP Ward: 17</p>	 <p>Cllr ZM Ngcobo - Ward 18 078 647 8173</p>	<p>Name: ZM Ngcobo Designation: Ward Councillor Political Representation: IFP Ward: 18</p>	 <p>Cllr XJ Zungu - Ward 23 079 700 4666</p>	<p>Name: XJ Zungu Designation: Ward Councillor Political Representation: IFP Ward: 23</p>	 <p>PR Cllr FK Nene 071 491 1905</p>	<p>Name: FK Nene Designation: PR Councillor / EXCO Political Representation: NFP</p>
 <p>Hon. Deputy Mayor Cllr MA Mazibuko</p>	<p>Name: MA Mazibuko Designation: Honourable Deputy Mayor/Ward Councillor / EXCO Political Representation: IFP Ward: 19</p>	 <p>Cllr CB Hlatshwayo - Ward 20 081 456 0052</p>	<p>Name: CB Hlatshwayo Designation: Ward Councillor Political Representation: ANC Ward: 20</p>	 <p>PR Cllr LM Xulu 083 430 6234</p>	<p>Name: LM Xulu Designation: PR Councillor Political Representation: NFP</p>	 <p>PR Cllr AT Mdletshe 078 240 0178</p>	<p>Name: AT Mdletshe Designation: PR Councillor Political Representation: NFP</p>
 <p>Cllr KM Ntuli - Ward 21 078 386 0743</p>	<p>Name: KM Ntuli Designation: Ward Councillor Political Representation: IFP Ward: 21</p>	 <p>Cllr MM Lambiso - Ward 22 078 166 5485</p>	<p>Name: MM Lambiso Designation: Ward Councillor Political Representation: IFP Ward: 22</p>	 <p>PR Cllr iNkosi MD Buthelezi 079 410 1235</p>	<p>Name: iNkosi MD Buthelezi Designation: PR Councillor Political Representation: NFP</p>	 <p>PR Cllr E Cronje 068 087 2254</p>	<p>Name: E Cronje Designation: PR Councillor Political Representation: VF Plus</p>

 <p>PR Cllr HB Khumalo 083 321 2218</p>	<p>Name: HB Khumalo Designation: PR Councillor/ EXCO Political Representation: ANC</p>	 <p>PR Cllr LN Khan 078 664 7593</p>	<p>Name: LN Khan Designation: PR Councillor Political Representation: ANC</p>	 <p>PR Cllr ST Mbokazi 073 652 7104</p>	<p>Name: ST Mbokazi Designation: PR Councillor Political Representation: ANC</p>	 <p>PR Cllr BI Ngema 073 061 3766</p>	<p>Name: BI Ngema Designation: PR Councillor Political Representation: ANC</p>
 <p>PR Cllr PP Selepe 078 187 1064</p>	<p>Name: PP Selepe Designation: PR Councillor Political Representation: ANC</p>	 <p>PR Cllr L Dube 078 868 4277</p>	<p>Name: L Dube Designation: PR Councillor/EXCO Political Representation: ANC</p>	 <p>PR Cllr VV Dlamini 073 923 3134</p>	<p>Name: VV Dlamini Designation: PR Councillor Political Representation: ANC</p>	 <p>PR Cllr PF Buthelezi 066 101 1769</p>	<p>Name: PF Buthelezi Designation: PR Councillor Political Representation: EFF</p>
 <p>PR Cllr SN Buthelezi 078 348 3098</p>	<p>Name: SN Buthelezi Designation: PR Councillor Political Representation: ANC</p>	 <p>PR Cllr SN Ndlela 073 187 1940</p>	<p>Name: SN Ndlela Designation: PR Councillor Political Representation: ANC</p>	 <p>PR Cllr RZ Nzuzwa 071 464 0900</p>	<p>Name: RZ Nzuzwa Designation: PR Councillor Political Representation: EFF</p>	 <p>PR Cllr Maphisa 078 940 8000</p>	<p>Name: MC Maphisa Designation: Honourable Mayor / EXCO / PR Councillor Political Representation: IFP</p>

 <p>PR Cllr NP Ndlela 079 699 9419</p>	<p>Name: NP Ndlela Designation: PR Councillor Political Representation: IFP</p>	 <p>PR Cllr MP Williams 084 766 0880</p>	<p>Name: MP Williams Designation: PR Councillor Political Representation: IFP</p>
 <p>PR Cllr S Shelembe 079 611 0443</p>	<p>Name: S Shelembe Designation: PR Councillor Political Representation: DA</p>	 <p>PR Cllr BP Nhlengethwa 079 701 7800</p>	<p>Name: BP Nhlengethwa Designation: PR Councillor/ EXCO Political Representation: EFF</p>
	<p>Name: MB Mabaso Designation: PR Councillor Political Representation: ANC</p>		

2.5 Meet our Executive Committee (EXCO)

Councillor Identity	Councillor Profile	Councillor Identity	Councillor Profile
 <p>PR Cllr Maphisa 078 045 8005</p>	<p>Name: MC Maphisa Designation: Honourable Mayor / EXCO / PR Councillor Political Representation: IFP</p>	 <p>Hon. Deputy Mayor Cllr MA Mazibuko</p>	<p>Name: MA Mazibuko Designation: Honourable Deputy Mayor/Ward Councillor / EXCO Political Representation: IFP Ward: 19</p>
 <p>Cllr LWC Mtshali EXCO Member</p>	<p>Name: LWC Mtshali Designation: Ward Councillor / EXCO Political Representation: IFP Ward: 14</p>	 <p>Cllr ML Mtshali EXCO Member</p>	<p>Name: ML Mtshali Designation: Ward Councillor / EXCO Political Representation: IFP Ward: 15</p>
 <p>Cllr NN Mdlalose EXCO Member</p>	<p>Name: NN Mdlalose Designation: Ward Councillor / EXCO Political Representation: ANC Ward: 12</p>	 <p>PR Cllr HB Khumalo 083 321 2218</p>	<p>Name: HB Khumalo Designation: PR Councillor/ EXCO Political Representation: ANC</p>

 <p>PR Cllr L Dube 078 368 4777</p>	<p>Name: L Dube Designation: PR Councillor/ EXCO Political Representation: ANC</p>	 <p>PR Cllr FK Nene 071 401 1008</p>	<p>Name: FK Nene Designation: PR Councillor / EXCO Political Representation: NFP</p>
 <p>PR Cllr BP Nhlengethwa 078 701 7892</p>	<p>Name: BP Nhlengethwa Designation: PR Councillor/ EXCO Political Representation: EFF</p>	 <p>Hounourable Speaker Cllr MB Khumalo</p>	<p>Name: MB Khumalo Designation: Hounourable Speaker/ Ward Councillor Political Representation: IFP Ward: 4</p>

3. Abaqulusi Municipal Long Term VISION

“To be the progressive, prosperous and sustainable economic hub of Zululand towards 2035”

4. Key Challenges and Proposed Interventions

Key Performance Area: Basic Service Delivery and Infrastructure Development			
Key Challenges	Problem Statement (Definition)	Proposed Interventions	Status Quo
1. Aging Infrastructure	Infrastructure within the urban areas of Abaqulusi municipality has being characterised as old and unreliable due to the number of interruptions experienced in services offered over the years.	-Prioritised planned maintenance with available budget -Development of maintenance plans	-Budget for planned repairs and maintenance is available, however very limited. -Maintenance plans are now in place to guide repairs and maintenance
2. Lack of Equipment and Stock	Financial constraints and difficulties hinder the supply of services as there are shortages in equipment and material required to execute a certain task.	-Municipal stores to report regularly on the levels of stock and equipment available	-This is still an on-going concern.
3. Non-filling of Critical posts	Over the years the municipality has experienced difficulties in filling critical vacant posts and often found that these positions were filled with ‘acting’ officials.	-Review of the Organogram and prioritising critical vacant posts with available budget	-Municipality has now filled its critical positions except for the MM post which is to be filled by 30 April 2022 -Organogram is reviewed annually in line with the budget and needs.

4. Poor quality work from Service Providers	Service providers contracted to work for the municipality were also found to not be performing from time to time and this severely impacted on municipal finances and service delivery.	-Review of Service Level Agreements and Introduce mechanisms to deal with poor performance. -Provide strict oversight on Contracts Management	-Close monitoring of Service Providers is still an issue, however mechanisms to rate their performance is in place.
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Key Performance Area: Municipal Transformation and Institutional Development			
Key Challenges	Problem Statement (Definition)	Proposed Interventions	Status Quo
1. OHS Committee not functioning	This position in the municipality has been vacant for many years and the associated function was never prioritised, hence no OHS Committee in place to oversee safety issues in and around the workplace.	-Appointment of OHS personnel -Establishment of OHS Committee and monitor their functionality	An OHS official has now being appointed and the OHS Committee is now fully functional.
2. No safe room for storage of HR Documents	Records keeping in the municipality is currently decentralised as there are records kept in various departments. This poses a huge risk to the integrity and safety of the records.	-Development of a central municipal safe room	This is an on-going concern.
3. Shortage of IT Infrastructure	Supply of IT hardware and software is problematic within the municipality	-Prioritised acquisition of	This is an on-going concern.

	due to financial constraints.	hardware and software	
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Key Performance Area: Financial Viability and Management			
Key Challenges	Problem Statement (Definition)	Proposed Interventions	Status Quo
1. Delayed payments made to service providers	Due to financial constraints, the municipality experiences difficulties in making payments to its creditors within a 30 day period.	-All payments to be made within 30 days -Strict monitoring of payments to Service Providers	This is an on-going concern.
2. Loss of revenue due to theft of services	Constant theft and loss of municipal services experienced monthly, severely impacting on service delivery and the financials of the municipality.	-Setup hotline to report theft of services -Conduct awareness campaigns with communities about theft of services	This is an on-going concern.
3. High Levels of Indigents	Too many indigents creates pressure on the financial system and supply of services.	-Monitor and update Indigent register regularly	This is an on-going concern.
4. High claims of overtime	Overtime claimed exceeds the budgeted amount and often the hours claimed are too high.	-Appoint shift workers and ensure authorisation is received for overtime	This is an on-going concern.

Key Performance Area: Good Governance and Community Participation			
Key Challenges	Problem Statement (Definition)	Proposed Interventions	Status Quo
1. Lack of Community Satisfaction Survey	Municipality does not conduct a survey to gauge customer satisfaction	-Community satisfaction surveys to be conducted at least twice a year	This is an on-going concern.
2. No Risk Committee in Place	Absence of Section HODs created a problem in establishing a Risk Committee	-Establish Risk committee and monitor functionality	Risk Committee is now in place
3. Delayed implementation of Audit Committee Recommendations	Failure to implement recommendations from Audit Committee timeously results in audit queries	-Establish a turnaround time to respond to audit committee recommendations	This is an on-going concern.

Key Performance Area: LED and Social Development			
Key Challenges	Problem Statement (Definition)	Proposed Interventions	Status Quo
1. Limited development opportunities	Financial climate has made it difficult for large scale developments to occur and the shortage of suitable land has further hindered the process.	-Land availability -Rates Rebates -Discounted services	-Municipality is currently identifying land it owns in order to make available for development. -Rates rebates and discounted services are also offered as a means to attract investments and development

2. High levels of unemployment	Large youthful population within the area characterised with unemployment due to lack of employment opportunities	-Employ people through EPWP programme and support SMMEs and Informal Traders	-EPWP is fully implemented -SMMEs are assisted daily -Large development are encouraged to employ local citizens -This is an on-going concern.
3. Capacity Constraints	Internal and external capacity to drive LED and Social Development	-Appoint LED Manager -Assist local educational and training institutions to expand -Improve Relationship Building	-LED Manager has now been appointed -Workshops and forums are held with local forums and businesses

Key Performance Area: Cross-Cutting (Spatial, Environmental and Disaster)			
Key Challenges	Problem Statement (Definition)	Proposed Interventions	Status Quo
1. No wall-to-wall scheme	Difficult to control development outside area of schemes	-Review SDF -Develop wall to wall land use scheme	-SDF is reviewed annually -Urban component of wall-to-wall scheme is complete. Rural component of scheme is to be

			completed by June 2022.
2. GIS System not linked to Billing and Valuation Roll	Tracing illegal developments and linking properties to utilities is often a challenge	-Link GIS system to all municipal departments	-This is an on-going concern
3. Illegal land use and development	Land invasions with illegal settlements have popped up over the years	-Peace Officer training to existing staff -Workshops to be conducted with communities	-This is an on-going concern
4. Lack of Disaster Management resources	Limited budget and human resources within the disaster management unit makes it difficult to attend to disasters timeously and effectively	-Prioritise and budget for Disaster management equipment	-This is an on-going concern
5. Landfill site is in a poor condition	1 main landfill site that's serves the broader Abaqulusi Population has created an environmental risk over the years.	-Rehabilitate Landfill site -Identify other suitable landfill sites	-This is an on-going concern however rehabilitation has begun.

5. What can be expected from Abaqulusi Local Municipality over the next 5 Years?

Over the next 5 years, the Abaqulusi Local Municipality will endeavour to ensure that it fulfils its primary mandate as a Sphere of Local Government, ie. Provide quality basics services to its people by promoting democracy, transparency and accountability. In summary, the following Outputs, Outcomes and Deliverables can be expected:

Output	Outcome/Deliverables
-Quality delivery of Basic Services and well maintained existing infrastructure	Reduced levels of backlogs and increased accessibility of basic services
-Well experienced and qualified staff compliment -All Critical posts (S56 and S54) filled	Empowered and well Capacitated Municipality that can deliver services
-Municipal Financial policies, procedures and systems in place	Financially viable municipality
-Customer Care and Public Participation	Transparent and Accountable municipality
-An enabling environment that promotes economic and social growth	Socio-Economically viable community

6. Broad Municipal Goals, Objectives and Key Performance Indicators

As prescribed by National Government, the framework within which Local Government strives to deliver should be focused on 5 Key Performance Areas, ie.

- a) **Basic Service Delivery and Infrastructure Development**
- b) **Municipal Transformation and Institutional Development**
- c) **Financial Viability and Management**
- d) **Good Governance and Community Participation**
- e) **LED and Social Development**
- f) **Cross-Cutting (Spatial, Environmental and Disaster)**

The 6th Key Performance Area was an addition made by the KZN Province.

In measuring the performance of the Abaqulusi Local Municipality, a summary of the Municipal Goals, Objectives and Key Performance Indicators are introduced below:

Key Performance Area: Basic Service Delivery and Infrastructure Development		
Goal	Development Objectives	Key Performance Indicators
To reduce levels of infrastructure backlogs by providing Basic Services, Facilities and maintaining existing infrastructure	Expand accessibility in various wards	<ul style="list-style-type: none"> • Km of new roads constructed • Number of causeways constructed
	Maintain existing Roads in rural & urban areas	<ul style="list-style-type: none"> • Km of existing roads maintained
	Building and Maintaining Storm Water Infrastructure	<ul style="list-style-type: none"> • Meters of new storm water drains installed • Meters of existing storm water drains maintained

Expand Sanitation accessibility in various wards.	<ul style="list-style-type: none"> • Meters of new sewer lines installed • Meters of existing sewer lines maintained and replaced
Maintain and replace existing Sanitation Infrastructure	
Expand water accessibility in various wards	<ul style="list-style-type: none"> • Number of new households connected to water system
Maintain and replace existing Water Infrastructure	<ul style="list-style-type: none"> • Meters of water pipes maintained and replaced
Expand electrical availability in various wards	<ul style="list-style-type: none"> • Number of new households connected to electricity network • Number of new electrical meters installed
Maintain existing network electricity in urban and rural areas and provide alternate energy	<ul style="list-style-type: none"> • Number of high mast light installed • Number of public lights repaired • Number of high mast lights repaired • Number of mini and major substations repaired • Number of robots maintained • Number of transformers upgraded • Meters of HT Overhead lines replaced • Provision of alternative energy
Expand availability of Sports fields and Parks in various wards	<ul style="list-style-type: none"> • Number of new sports fields and parks constructed • Number of existing sports fields and parks maintained
Maintain Existing Sports fields and Parks	

Expand availability of Community Halls in various wards	<ul style="list-style-type: none"> Number of new Community Halls constructed Number of existing Community Halls maintained
Maintain existing Community Halls	
Expand availability of Cemeteries in various wards	<ul style="list-style-type: none"> Number of new Cemeteries established Number of existing cemeteries maintained
Maintain existing Cemeteries	
Enhance Early Childhood Development	<ul style="list-style-type: none"> Number of new crèches built
Expand accessibility and maintenance of Libraries in various wards	<ul style="list-style-type: none"> Number of new Libraries Constructed Number of existing Libraries maintained
Expand Refuse Services in various wards	<ul style="list-style-type: none"> Number of new households with access to refuse removal services
Provide sustainable human settlements to the people of AbaQulusi	<ul style="list-style-type: none"> Date of adoption of the Housing Sector Plan Number of Housing Forums held Number of Consumer Education Programmes conducted

Key Performance Area: Municipal Transformation and Institutional Development		
Goal	Development Objectives	Key Performance Indicators
<i>Empower and capacitate institutional structures and promotion of transparent cooperative governance.</i>	To ensure that the municipality practice sound Human Resources management	<ul style="list-style-type: none"> Number of Labour Relations workshops Held Number of Local Labour Forum Meetings Held Date of adoption of HR Policies, Plans and Strategies Date of adoption of the Organogram % of Vacant positions filled
	To ensure that the new and existing staff are capacitated to fulfil their functions and promote career development and comply with safety measures	<ul style="list-style-type: none"> Date of adoption of the Workplace Skills Plan Date of adoption of the Induction Plan Number of OHS Committee Meetings Held Date of adoption of Training Plan Date of adoption of Wellness Programme Date of completion of Municipal Skills Audit for Staff and Councillors
	To ensure that Council and its committee fulfil their executive and legislative functions and play an effective oversight role over administration	<ul style="list-style-type: none"> Date of adoption of Council Annual Programme Number of EXCO Meetings Held Number of Council Meetings Held Number of Portfolio Committee Meetings Held Number of MPAC Meetings Held

		<ul style="list-style-type: none"> • % of Council Resolutions Implemented
	To ensure effective management of fleet	<ul style="list-style-type: none"> • Date of adoption of Reviewed Fleet Management Policy
	To provide a secure ICT infrastructure which delivers appropriate levels of Confidentiality, integrity, availability, stability and growth	<ul style="list-style-type: none"> • Number of ICT Procedural Workshops held with Staff and Council • Number of Computers Replaced • Number of Computers maintained • Number of new software upgrades conducted

Key Performance Area: Financial Viability & Management		
Goal	Development Objectives	Key Performance Indicators
<i>Ensure sound financial viability and accountability</i>	Ensure the Municipal Revenue Streams are optimised are	<ul style="list-style-type: none"> • % of revenue collected vs billing • Number of updates conducted on Indigent Register
	To ensure effective expenditure control	<ul style="list-style-type: none"> • Number of reconciliations conducted • % of payments made timeously according to regulation
	To strengthen the Supply Chain Unit and Processes	<ul style="list-style-type: none"> • Date of submission of the municipal Procurement Plan • Number of trainings provided to officials involved in Procurement
	To Maintain Fixed Assets of the Municipality in terms of GRAP	<ul style="list-style-type: none"> • Number of updates conducted on the Asset Register
	Ensure that financial reporting conforms to all legal and institutional requirements	<ul style="list-style-type: none"> • Date of adoption of the Budget • Number of S71 Reports submitted to Council • Number of S52 Reports submitted to Council

		<ul style="list-style-type: none"> • Number of S72 Reports submitted to Council
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Key Performance Area: Good Governance and Community Participation		
Goal	Development Objectives	Key Performance Indicators
<i>To be a Responsible, accountable, effective and efficient developmental Municipality</i>	To revive and strengthen Communications	<ul style="list-style-type: none"> • Date of adoption of Communication Strategy
	To engage and improve customer satisfaction	<ul style="list-style-type: none"> • Date Customer Care Centre established • Number of Customer Care satisfaction surveys conducted • Date municipal 'Hotline' is established • Number of additional satellite offices established
	To provide an assurance on the effectiveness of governance, risk management and internal control	<ul style="list-style-type: none"> • Number of Internal Audit reports to Council
	To revive and improve the effectiveness of audit committee meetings	<ul style="list-style-type: none"> • Number of Audit Committee meetings held • Number Audit Committee Reports submitted to Council
	To improve the effectiveness of risk management within the organisation	<ul style="list-style-type: none"> • Date Risk Management Committee established • Date Risk Management Register developed • Number of Risk Management Committee Meetings held • Number of Risk Reports submitted to Council

To ensure effective decision-making, budgeting and management of resources	<ul style="list-style-type: none"> • Date of adoption of the IDP/Budget Process Plan • Number of IDP Rep Forums Hosted • Number of IDP Roadshows conducted 	
To promote a system of transparency and accountability within the municipality	<ul style="list-style-type: none"> • Date of adoption of the PMS Framework • Number of SDBIP Quarterly Reports submitted to Council 	
To Create an all-inclusive participatory developmental municipality	<ul style="list-style-type: none"> • Number of B2B Reports submitted to Provincial KZN CoGTA • Number of B2B Reports submitted to National CoGTA • Number of Ward committee meetings held 	
To enhance service delivery through the improvement of public consultation and communications	<ul style="list-style-type: none"> • Date of adoption of Batho Pele Service Delivery Charter and Improvement Plan • % of implementation of Batho Pele SDIP • Number of Batho Pele campaigns held 	

Key Performance Area: Local Economic Development and Social Development		
Goal	Development Objectives	Key Performance Indicators
<i>To promote socio-economic growth and job opportunities.</i>	Unleashing agricultural potential in Abaqulusi	<ul style="list-style-type: none"> • Date of adoption of Agricultural Sector Plan • Number of Agriculture forums held • Number of Agriculture cooperatives established
	Continuous assistance of entrepreneurship and job creation	<ul style="list-style-type: none"> • Number of SMME Seminars/Trainings held • Number of informal trader sites allocated
	Reduce poverty in all wards	<ul style="list-style-type: none"> • Number of poverty alleviation projects delivered • Number of jobs created through the EPWP Programme
	Promote and identify tourism opportunities	<ul style="list-style-type: none"> • Number of Tourism awareness campaigns held • Number of Tourism programmes initiated • Date of adoption of Tourism Strategy
	Promote economic development	<ul style="list-style-type: none"> • Date of adoption of the LED Strategy • Date of adoption of Investment Strategy • Date of adoption of Marketing Strategy • Number of commercial centres developed • Date of adoption of Mining Strategy

Ensure Proper Acquisition and disposal of real estate according to municipality by-laws	<ul style="list-style-type: none"> • Date of adoption of Land Release Strategy • Date of adoption of real-estate by-laws
Promote Sports and Recreation in Abaqulusi	<ul style="list-style-type: none"> • Date of Sports and Recreation committee established • Number of Sports and Recreation committee meeting held • Number of Sporting events/competitions held • Number of meeting held with Department of Sports and Recreation
Establish and promote youth development programmes	<ul style="list-style-type: none"> • Date of Youth Committee established • Number of Youth committee meetings held • Number of Youth Empowerment sessions/events held
Establish and promote cultural programmes	<ul style="list-style-type: none"> • Date of Arts and Culture Committee established • Number of Arts and Culture committee meetings held • Number of Talent promotion/competitions held • Number of meetings held with department of Arts and Culture
Ensure availability of social services programmes to the community of AbaQulusi by	<ul style="list-style-type: none"> • Date of Social Services committee established • Number of meetings held with Department of Social Development • Number of social events/programmes held

Establish and promote healthy living and HIV/AIDS awareness programmes	<ul style="list-style-type: none"> • Date of AIDS Council established • Number of AIDS awareness programmes held
Establish and promote community empowerment programmes for children, aged, disabled and vulnerable groups	<ul style="list-style-type: none"> • Date of Specials Programmes committee established • Number of Special Groups Programmes held
Enhancing safety and security	<ul style="list-style-type: none"> • Date of adoption of Safety and Security Plan • Number of CPF Meetings attended • Number of crime awareness programmes held

Key Performance Area: Cross Cutting (Spatial, Environment and Disaster Management)

Goal	Development Objectives	Key Performance Indicators
<i>To redress the spatial imbalances and promote sustainable environmental planning.</i>	To ensure effective management of current and desirable land uses	<ul style="list-style-type: none"> • Date of adoption of Reviewed SDF • Date of adoption of Precinct Plans • Date of adoption of Wall-to-wall scheme • Number of information workshops held
	To have an effective and efficient GIS System	<ul style="list-style-type: none"> • Number of GIS Upgrades conducted • Date of completion of integrating GIS system

To ensure the sustainability of the built environment	<ul style="list-style-type: none"> • % of building plans assessed • Number of information workshops held
Ensure Effective & Efficient response to community emergencies	<ul style="list-style-type: none"> • Attend and Participate in Disaster Management Forums • Date DMSP Adopted
Establish and promote environmental health awareness programmes	<ul style="list-style-type: none"> • Date of Environmental Committee established • Number of environmental committee meetings held • Number of Meetings held with department of Environmental Affairs

7. How was this Plan Developed?

Effective and efficient service delivery cannot be achieved through the development and review of the IDP alone without a proper linkage of the IDP, Budget and PMS. The IDP is known as a 5 Year Strategic Plan which should be supported by a 3 Year Budget. In order to ensure full implementation of the IDP and Budget, a Service Delivery and Budget Implementation Plan is developed and essentially known as the Municipality's One Year Operational Plan. Furthermore, the Monitoring and Evaluation of the implementation of SDBIP is driven by the municipality's Performance Management System. Recognising the importance of these linkages for life- changing service delivery, this process plan considered the required alignment as it is reflected in the sequence of activities to be undertaken

DATE	ACTIVITY	RESPONSIBILITY
JUNE/JULY 2021		
22 June 2021	Table Draft 2022/2023 IDP and Budget Process Plan to EXCO	Director: Development Planning
25 June 2021	Table Draft 2022/2023 IDP and Budget Process Plan to Council	Director: Development Planning
31 June 2021	Submission of Draft 2022/2023 IDP Process Plan to COGTA for comment	Director: Development Planning
01 July 2021	Advertise Draft 2022/2023 IDP Process Plan to Public for comment	Director: Development Planning
15 July 2021	Submission of 4 th Quarter PMS Report by all Departments	Municipal Manager and All Directors
31 July 2021	Finalize Performance Agreements for Section 54/56	Municipal Manager
AUGUST 2021		
17 August 2021	Table 1 st Draft Annual Report to Audit Committee	Municipal Manager
20 August 2021	Table 1 st Draft Annual Report to MPAC	Municipal Manager
24 August 2021	<ul style="list-style-type: none"> -Table 1st Draft Annual Report to EXCO -Table Final 2022/2023 IDP and Budget Process Plan to EXCO 	Municipal Manager and Director: Development Planning

DATE	ACTIVITY	RESPONSIBILITY
26 August 2021	-Table 1 st Draft Annual Report to Council -Table Final 2022/2023 IDP and Budget Process Plan to Council	Municipal Manager and Director: Development Planning
31 August 2021	-Submission of Draft Annual Report and AFS to Treasury	Municipal Manager and CFO
SEPTEMBER 2021		
17 September 2021	KZN IDP Indaba	KZN CoGTA and Director: Development Planning
29 September 2021	IDP Steering Committee meeting to address 2021/2022 IDP MEC Comments	Municipal Manager, All Directors and Managers
OCTOBER 2021		
04-17 October 2021	IDP and Budget Roadshows (Needs Analysis) (Subject to COVID-19 Regulations)	Office of the Mayor, Municipal Manager, All Directors
15 October 2021	Submission of First Quarter Performance Reports and POE	Municipal Manager and All Directors
22 October 2020	Submission of first Quarter Performance Report to Internal Audit	Municipal Manager
NOVEMBER 2021		

DATE	ACTIVITY	RESPONSIBILITY
04 November 2021	District IDP Alignment Session with KZN CoGTA	ZDM and KZN CoGTA
12 November 2021	First Quarter Performance Review (Informal)	Municipal Manager and All Directors
16-18 November 2021	Draft Budget and IDP Working Session (Feedback from Roadshows and preparation for 2022-2023 IDP and Budget)	Municipal Manager, All Directors and Managers
19 November 2021	IDP Best Practice-Alignment Session	KZN CoGTA and Director: Development Planning
DECEMBER 2021		
07 December 2021	Table First Quarter Performance Reports to EXCO	Municipal Manager
09 December 2021	Table First Quarter Performance Reports to Council	Municipal Manager
10 December 2021	IDP Rep Forum (Subject to COVID-19 Regulations)	Municipal Manager, All Directors and Office of the Mayor
JANUARY 2022		
05 January 2022	Submission of Second Quarter/ Half Year Performance Report	Municipal Manager and All Directors

DATE	ACTIVITY	RESPONSIBILITY
12 January 2022	Submission of Second Quarter/ Half Year Performance Report to Internal Audit	Municipal Manager
17 January 2022	Mid-Year Budget and Performance assessments/review	Municipal Manager and All Directors
20 January 2022	Table 2 nd Draft Annual Report and Mid-year Budget and Performance Report to MPAC	Municipal Manager and CFO
25 January 2022	Table 2 nd Draft Annual Report and Mid-year Budget and Performance Report to EXCO	Municipal Manager and CFO
27 January 2022	Table 2 nd Draft Annual Report and Mid-year Budget and Performance Report to COUNCIL	Municipal Manager and CFO
31 January 2022	Submission of 2 nd Draft Annual Report and Mid-year Budget and Performance Report to Treasury	Municipal Manager and CFO
FEBRUARY 2022		
01 February 2022	Advertise Annual Report	Municipal Manager
04 February 2022	IDP Stakeholders Meeting	KZN CoGTA and Director: Development Planning

DATE	ACTIVITY	RESPONSIBILITY
8-10 February 2022	Adjusted Budget and SDBIP Session	EXCO, Municipal Manager, All Directors and Managers
14-18 February 2022	Strategic Planning Session	EXCO, Municipal Manager, All Directors and Managers
22 February 2022	Table Adjusted Budget and SDBIP to EXCO	Municipal Manager and CFO
24 February 2022	Table Adjusted Budget and SDBIP to Council	Municipal Manager and CFO
MARCH 2022		
01 March 2022	Advertise Adjusted Budgeted and SDBIP	Municipal Manager and CFO
18 March 2022	MPAC-Oversight Report	Municipal Manager and CFO
29 March 2022	Table Draft 22/23 IDP, Budget, and Final Annual Report to EXCO	Director: Development Planning, Municipal Manager and CFO
31 March 2022	Table Draft 22/23 IDP, Budget, and Final Annual Report to Council	Director: Development Planning, Municipal Manager and CFO
APRIL 2022		

DATE	ACTIVITY	RESPONSIBILITY
01 April 2022	Advertise Draft 22/23 IDP, Budget, and Final Annual Report	Director: Development Planning, Municipal Manager and CFO
01 April-15 April 2022	IDP and Budget Roadshows (Discuss Draft IDP and Budget-Projects and Tariffs) (Subject to COVID-19 Regulations)	Office of the Mayor, Municipal Manager, All Directors
04 April 2022	Deliver Draft 22/23 IDP and Budget to CoGTA (MEC)	Director: Development Planning
14 April 2022	Submission of Third Quarter Performance Report	Municipal Manager and All Directors
22 April 2022	Submission of Third Quarter Performance Report to Internal Audit	Municipal Manager
April 2022	Draft IDP Feedback Session	KZN CoGTA
26-28 April 2022	Alignment of IDP, Budget and Develop 1 st Draft 22/23 SDBIP	EXCO, Municipal Manager, All Directors and Managers
MAY 2022		
13 May 2022	Third Quarter Performance Review (Informal)	Municipal Manager and All Directors
24 May 2022	Table Final 2022/2023 IDP and Budget to EXCO	Director: Development Planning, Municipal Manager and CFO

DATE	ACTIVITY	RESPONSIBILITY
26 May 2022	Table Final 2022/2023 IDP and Budget to Council	Director: Development Planning, Municipal Manager and CFO
JUNE 2022		
27 May – 03 June 2022	Develop 2 nd Draft 2021/2022 SDBIP	EXCO, Municipal Manager, All Directors and Managers
01 June 2022	Advertising of Final 2022/2023 IDP and Budget.	Director: Development Planning and CFO
01 June 2022	Submission of Final 2022/2023 IDP and Budget to COGTA	Director: Development Planning
09 June 2022	Submit 2 nd Draft 2022/2023 SDBIP to Mayor	Municipal Manager
16-23 June 2022	Develop Final 2022/2023 SDBIP	EXCO, Municipal Manager, All Directors and Managers
23 June 2022	Submit Final 2022/2023 SDBIP to Mayor for Signature	Municipal Manager
01 July 2022	Advertise Final SDBIP, Submission of Final SDBIP to Treasury	Municipal Manager

8. Capital Projects Completed in the Last 5 Years by Ward

Project Name	Project Cost	Financial Year	Ward
Louwsburg Taxi Rank – Ward 1	R5 498 961,77	2018/19	1
Electrification of Ward 2 - Esihlangwini	R3 130 044,00	2018/19	2
Mnuse East Mine Causeways – Ward 2	R5 852 905,67	2016/17	2
Electrification of Ward 3 - Cibilili	R6 623 313,00	2018/19	3
Bhozimini Gravel Road – Ward 4	R3 781 722,43	2016/17	4
Mpongoza Gravel Road Phase 1 – Ward 4	R2 083 812,77	2018/19	4
Makhukhula Community Hall – Ward 4	R6 626 772,84	2020/21	4
Mpongoza Access Road Phase 2 – Ward 4	R1 539 430,87	2020/21	4
Electrification of Ward 4 Phase 1 (Gluckstadt, Zwathi, Bethuel Mission, Nonkamfu)	R17 544 584,00	2019/20	4

Electrification of Triangle Village	R6 603 264,10	2016/17	5
Ntabankulu Cause-way – Ward 5	R419 787,12	2016/17	5
Upgrading of Coronation Community Hall – Ward 6	R3 237 688,47	2018/19	6
Cliffdale Community Hall – Ward 7	R6 029 092,04	2020/21	7
Electrification of Shoba Phase 1	R7 300 684,00	2018/19	7
Electrification of Shoba Phase 2	R2 000 000,00	2020/21	7
Upgrading of Cecil Emmet Sport Complex – Ward 8	R3 998 580,78	2016/17	8
Construction of High Street Bridge Ward 8	R12 495 360,70	2015/16	8
Vryheid Landfill Fencing – Ward 8	R5 073 783,12	2016/17	8
Construction of Storm-water Measures – Ward 8	R6 419 163,51	2015/16	8
Renovation Cecil Emmet Hall – Ward 08	R4 897 981,62	2018/19	8
Water leak repairs to Bloemveld main pipeline.	R2 000 000,00	2020/21	8

Refurbishment of Klipfontein Waste Water Treatment Works	R3 000 000,00	2020/21	8,9,10,1 1,13,22
Refurbishment of Klipfontein Water Treatment Works	R2 300 000,00	2020/21	8,9,10,1 1,13,22
Emergency Interventions Related to Covid 19	R5 049 998,87	2020/21	8,9,10,1 1,13,22
Rehabilitation of Bhekuzulu Hall – Ward 10	R3 975 135,89	2017/18	10
Bhekuzulu Multi-Purpose Centre Ward 11	R7 696 990,31	2020/21	11
Jimane Gravel Road – Ward 12	R11 050 645,52	2015/16	12
Jimani Cause-way Ward 12	R3 198 037,38	2016/17	12
KwaGwebu Creche – Ward 12	R1 705 830,70	2017/18	12
Road Kwabalele to Shelter near Police Station – Ward 12 and 20 Phase 1	R6 987 877,56	2018/19	20
Upgrading of Mezzelfontein Road	R2 106 756,13	2020/21	12

eMadoshini Paved Road Phase 2 – Ward 13	R6 781 169,48	2016/17	13
Bhekuzulu Road Paving – Ward 13	R3 395 707,10	2020/21	13
Provision of Water and Sanitation to Informal Settlements	R6 852 243,39	2020/21	13
eZibomvu Community Hall – Ward 14	R5 150 305,06	2017/18	14
Mdengenduku Creche – Ward 15	R2 134 644,18	2017/18	15
Upgrading of Mhlanga Road Phase 1– Ward 15	R3 081 027,43	2020/21	15
Emadresini Gravel Road	R3 218 499,20	2016/17	16
Khokhoba Gravel Road – Ward 16	R4 641 630,84	2016/17	16
Madresini Creche – Ward 16	R1 781 504,21	2018/19	16
Madresini Cemetery Fencing – Ward 16	R1 730 668,27	2018/19	16
eMadreseni Community Hall Ward 16	R5 990 600,18	2020/21	16

Mkhumbane Gravel Road – Ward 18	R3 414 569,65	2016/17	18
Ncengumusa Creche – Ward 18	R1 661 308,95	2019/20	18
Unblocking of blocked sewers in Vryheid, Bhekuzulu and Emondlo	R2 500 000,00	2020/21	10,11,13,18,22
Zwelisha Gravel Road – Ward 19	R2 727 913,98	2016/17	19
Zwelisha Creche – Ward 19	R1 401 213,43	2017/18	19
eZingadini Creche – Ward 20	R1 377 339,97	2017/18	20
eZingadini Low level Bridge – Ward 20	R2 961 830,81	2018/19	20
Tarring of Kwabalele to Police Station Phase 2 – Ward 12 & 20	R8 923 396,86	2020/21	12
Ezingadini Gravel Road	R1,846,703.00	2017/18	20
eZingadini Gravel Ring Road – Ward 20	R1 897 445,31	2017/18	20
Nyanda Cause-way Ward 21	R419 787,12	2016/17	21

eNgilandi Gravel Ring Road – Ward 21	R3 181 908,56	2017/18	21
Lakeside Paving Road Phase 1 – Ward 22	R5 190 000,00	2016/17	22
Lakeside Roads Phase 2 – Ward 22	R4 015 978,36	2020/21	22
Refurbishment of Crossroads Substation	R4 574 267,00	2020/21	22

Section B 1: Planning and Development Principles

In developing this Final Integrated Development Plan, the Abaqulusi Municipality has taken into consideration the Planning and Development Principles of the Spatial Planning and Land Use Management Act 2013 (Act No.16 of 2013) which is a National Legislation that is used to guide Spatial Planning and Land Use Management across South Africa.

Planning and Development Principles	How does Abaqulusi Municipality give effect to the Principles?
<p>(a) The principle of spatial justice, whereby—</p> <p>(i) past spatial and other development imbalances must be redressed through improved access to and use of land;</p> <p>(ii) spatial development frameworks and policies at all spheres of government must address the inclusion of persons and areas that were previously excluded, with an emphasis on informal settlements, former homeland areas and areas characterised by widespread poverty and deprivation;</p> <p>(iii) spatial planning mechanisms, including land use schemes, must incorporate provisions that enable redress in access to land by</p>	<p>1. Spatial Development Framework</p> <p>The Municipality has an SDF which underwent a major review in May 2016 and is reviewed annually thereafter. The SDF is the primary tool utilised in giving effect to the SPLUMA Principles as it assists the municipality and other stakeholders with the following:</p> <ul style="list-style-type: none"> • Direct decision-making that may impact in the Municipal area; • Direct development investment to areas that would ensure the most sustainable return of investment;

<p>disadvantaged communities and persons;</p> <p>(iv) land use management systems must include all areas of a municipality and specifically include provisions that are flexible and appropriate for the management of disadvantaged areas, informal settlements and former homeland areas;</p> <p>(v) land development procedures must include provisions that accommodate access to secure tenure and the incremental upgrading of informal areas; and</p> <p>(vi) a Municipal Planning Tribunal considering an application before it, may not be impeded or restricted in the exercise of its discretion solely on the ground that the value of land or property is affected by the outcome of the application</p>	<ul style="list-style-type: none"> • Guide Development in a spatially efficient way, ensuring linkage and alignment to regional and national development policies and programmes. • In response to specific trends and dynamics, direct investment to areas of greatest potential and to target areas of greatest need to promote economic growth and alleviate poverty. • Ensure improved linkages within Abaqulusi and beyond its boundaries to stimulate effective and sustainable integrated development. • Protect natural systems in Abaqulusi <p><u>*The municipality has set aside a budget of R750 000 for the development of a new SDF and SEA in the 2022/2023 financial year.</u></p>
<p>(b) the principle of spatial sustainability, whereby spatial planning and land use management systems must—</p> <p>(i) promote land development that is within the fiscal,</p>	<p>2. Wall-to-wall Scheme</p> <p>Currently, the Abaqulusi Municipality has a Land Use Management Scheme that only covers the Urban Areas within the municipal boundary. It is considered to be the Urban</p>

<p>institutional and administrative means of the Republic;</p> <p>(ii) ensure that special consideration is given to the protection of prime and unique agricultural land;</p> <p>(iii) uphold consistency of land use measures in accordance with environmental management instruments;</p> <p>(iv) promote and stimulate the effective and equitable functioning of land markets;</p> <p>(v) consider all current and future costs to all parties for the provision of infrastructure and social services in land developments;</p> <p>(vi) promote land development in locations that are sustainable and limit urban sprawl; and</p> <p>(vii) result in communities that are viable;</p>	<p>Component of the scheme. This component of the scheme was adopted in March 2021 and has been implemented from May 2021.</p> <p>At present, the municipality is currently busy developing the Rural component of the scheme whereby as Service Provider was appointed in November 2021. This component of the scheme is envisaged to be completed by June 2022.</p> <p>Upon completion of the Rural Scheme, the Service Provider will be tasked to merge both components, thereby providing a complete review of a Wall-to-wall Single Land Use Management Scheme.</p>
<p><u>(c) the principle of efficiency,</u> whereby—</p> <p>(i) land development optimises the use of existing resources and infrastructure;</p> <p>(ii) decision-making procedures are designed to minimise negative financial, social, economic or environmental impacts; and</p>	<p><u>3. Housing Sector Plan</u></p> <p>The municipality currently has a Housing Sector Plan which was adopted in January 2022.</p> <p>This plan will be utilised in ensuring that the spatial restructuring of the municipality is addressed through the</p>

<p>(iii) development application procedures are efficient and streamlined and timeframes are adhered to by all parties;</p>	<p>delivery of housing in strategic focal areas within the municipality.</p> <p><u>A new Housing Sector Plan will be developed during the 2022/2023 year with a R300 000 budget set aside.</u></p>
<p><u>(d) the principle of spatial resilience,</u> whereby flexibility in spatial plans, policies and land use management systems are accommodated to ensure sustainable livelihoods in communities most likely to suffer the impacts of economic and environmental shocks; and</p>	<p><u>4. Infrastructure Master Plan</u></p> <p>The municipality currently possess a boundary-wide Infrastructure Master Plan which provides details on the current status of services that exist and the capacity of services required. This specific tool is regarded to be very critical in the future planning of the municipality.</p>
<p><u>(e) the principle of good administration,</u> whereby—</p> <p>(i) all spheres of government ensure an integrated approach to land use and land development that is guided by the spatial planning and land use management systems as embodied in this Act;</p> <p>(ii) all government departments must provide their sector inputs and comply with any other prescribed requirements during the preparation or amendment of spatial development frameworks;</p>	<p><u>5. Municipal Precinct Plans</u></p> <p>The Abaqulusi municipal Precinct Plans adopted in 2017 provides the municipality with a detailed insight of the towns that have economically declined but possess the potential to grow from an economic and development point of view. These are towns that are strategically located and home to large portions of the municipal population. The precinct plans for these areas are utilised as</p>

(iii) the requirements of any law relating to land development and land use are met timeously;

(iv) the preparation and amendment of spatial plans, policies, and use schemes as well as procedures for development applications, include transparent processes of public participation that afford all parties the opportunity to provide inputs on matters affecting them; and

(v) policies, legislation and procedures must be clearly set in order to inform and empower members of the public.

business plans for attracting investment and addressing the principle of spatial resilience.

6. SPLUMA By-Law

The municipal SPLUMA By-Law which is a compulsory requirement of SPLUMA was gazetted in January 2017, hereby ensuring compliance to the Act and promoting the principle of good administration.

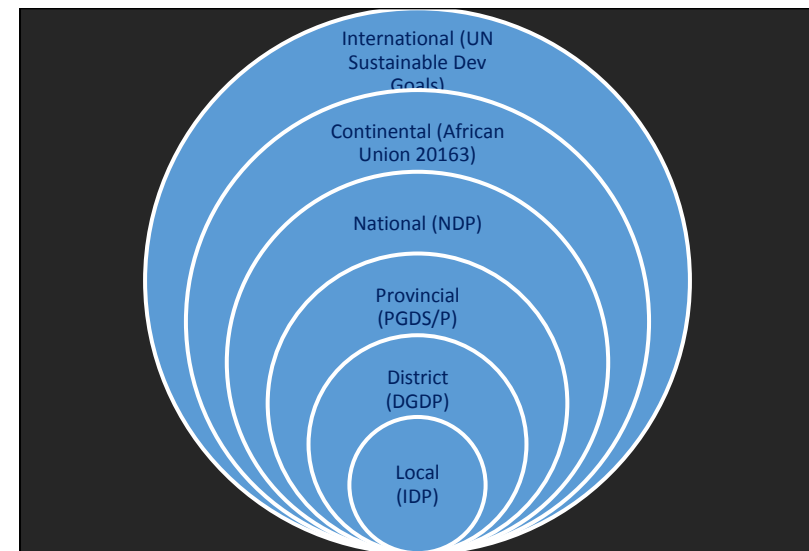
The Abaqulusi Local Municipality also considers itself to be well capacitated in terms of planning practitioners that are within the employ of the municipality. The staff compliment consist of the following:

- Director Planning: Professional Planner
- Manager: Town Planning : Professional Planner
- Manager: IDP : Professional Planner
- Senior Planner: Professional Planner
- Planning Technicians : 1 X Technical Planner and 1 x Candidate Planner
- Shared Service Senior Planner: Technical Planner

Section B 2: Government Policies and Priorities

As a local sphere of government, municipal planning cannot be done in isolation as it will have to aspire to achieve a broader goal. The level of planning at a municipal level should aim at achieving the goals of the District, Province, National, Continent and the World as a whole. In order to achieve such a feat, there are various Government Policies and Priorities that have been put in place and adopted.

The following figure illustrates the relationship/link between Abaqulusi Local Municipality and the World.



1. International Stage: United Nations Development Goals-Vision 2030

On September 25th 2015, countries adopted a set of goals to end poverty, protect the planet, and ensure prosperity for all as part of a new sustainable development agenda. Each goal has specific targets to be achieved over the next 15 years. For the goals to be reached, everyone needs to do their part and that includes governments, the private sector and civil society. The Goals are set out as follows:



2. Continental Stage: African Union – Vision 2063

Agenda 2063 was developed through an extensive consultative process of various African stakeholders, including Youth, Women, Civil Society Organizations’, the Diaspora, African Think Tanks and Research Institutions, Government Planners, Private Sector, the

Media, inter-faith leaders, the Forum for Former African Heads of State and Government, African Island States and others. Outcomes of these consultations form the basis for Aspirations of the African People, the driver of Agenda 2063. These aspirations as follows:

- 1) A prosperous Africa based on inclusive growth and sustainable development;**
- 2) An integrated continent, politically united, based on the ideals of Pan Africanism and the vision of Africa’s Renaissance;**
- 3) An Africa of good governance, respect for human rights, justice and the rule of law;**
- 4) A peaceful and secure Africa;**
- 5) An Africa with a strong cultural identity, common heritage, values and ethics;**
- 6) An Africa whose development is people-driven, relying on the potential of African people, especially its women and youth, and caring for children; and**
- 7) Africa as a strong, united, resilient and influential global player and partner.**

3. National Stage: National Development Plan – Vision 2035

In May 2010 President Jacob Zuma appointed the National Planning Commission, an advisory body made up of 26 experts drawn largely from

outside the government, to draft a vision and national development plan. The commission's Diagnostic Report, released in June 2011, set out South Africa's achievements and shortcomings since 1994. It identified a failure to implement policies and an absence of broad partnerships as the main reasons for slow progress, and set out nine primary challenges:

- 1) Too few people work;**
- 2) The standard of education for most black learners is of poor quality;**
- 3) Infrastructure is poorly located, under-maintained and insufficient to foster higher growth;**
- 4) Spatial patterns exclude the poor from the fruits of development;**
- 5) The economy is overly and unsustainably resource intensive;**
- 6) A widespread disease burden is compounded by a failing public health system;**
- 7) Public services are uneven and often of poor quality;**
- 8) Corruption is widespread;**
- 9) South Africa remains a divided society.**

In reaction to these fundamental challenges, the NDP 2035 Vision aims to achieve the following goals:

- 1) Creating jobs and livelihoods;**
- 2) Expanding infrastructure;**

- 3) Transition to a low-carbon economy;**
- 4) Transform urban and rural spaces;**
- 5) Improving education and training;**
- 6) Providing quality health care;**
- 7) Building a capable state;**
- 8) Fighting corruption and enhancing accountability;**
- 9) Transforming society and uniting the nation.**

4. Provincial Stage – Provincial Growth and Development Plan/Strategy – Vision 2035

In achieving the World, Continental and National goals that have been adopted by various organizations and governments, the KwaZulu-Natal Province developed the Provincial Growth and Development Plan/Strategy. This aim of this Plan/Strategy is to guide the local sphere of government in ensuring that the following goals are achieved:

- 1) Inclusive Economic Growth;**
- 2) Human Resource Development;**
- 3) Human & Community Development;**
- 4) Strategic Infrastructure;**
- 5) Environment Sustainability;**
- 6) Governance & Policy**
- 7) Spatial equity.**

KZN PGDS STRATEGIG FRAMEWORK

STRATEGIC GOALS

STRATEGIC OBJECTIVES



5. District Stage:

5.1 District Growth and Development Plan – Vision 2030

District Growth and Development Planning is a relatively new approach to address economic development at a local level. It has already achieved great success internationally and in South Africa. However, for it to have national, provincial and local application, it is necessary to be sustainable and effectively align to prevailing provincial and local initiatives, programmes, and interventions.

One of the most important purposes of a District Growth and Development Planning policy and strategy is to ensure that national, provincial and local initiatives and programmes are integrated and sustainable to maximize the growth and employment impact of economic and social development projects and programmes. At a district level, economic and social development policy is directly the rationalization of some of the existing provincial and local institutional structures, the suggestion of new institutions; to target direct programmes to those areas where it would have the greatest impact on local economies, to consolidate funding that flows into local areas for economic development and to provide support services that would assist local communities in realizing their economic goals and visions

As indicated above, the Zululand District Growth and Development Plan is a direct plan of action on how to achieve the goals of the Provincial Growth and Development Plan/Strategy.

As there are 7 Goals indicated on the Provincial Growth and Development Plan/Strategy, the Zululand District Growth and Development Plan has also adopted these 7 Goals that it will aim to achieve by 2030.

5.2 District Development Model: One Budget One Plan

The Zululand District Municipality's One Budget One Plan was developed primarily for the purpose of ensuring that local municipalities within its jurisdiction are working towards achieving a common goal. The Plan aims to ensure that all stakeholders associated with the district are identified and their inputs to enhancing the level of performance to improve the livelihoods of the Zululand citizens are captured. The Plan identifies the following 6 focus areas:

- 1) Demographic/Population Development***
- 2) Social Development***
- 3) Economic Development***
- 4) Infrastructure Development***
- 5) Institutional Governance***
- 6) Spatial Restructuring and Environmental Analysis***

6. Other Key Note Speeches

6.1 State of the Nation Address 2022

The State of the Nation Address (SONA) is an important political and economic statement by the President which outlines the Government's economic and social investment programme, and is a precursor to the National Budget, which this year will be delivered on 23 February 2022.

This year's SONA has been presented against the background of the following: nascent economic recovery from the impact of intermittent lockdown restrictions, the highest unemployment in 82 countries surveyed by Bloomberg, revelations of widespread corruption and malfeasance in SOES released in the first two instalments of the Zondo Commission into State Capture, poor Government response to the civil unrest in July 2021 in parts of Gauteng and KZN which cost 354 lives and damage and destruction to the economy of over R50 billion, and electoral defeat of the governing party in the November local government elections which has relegated the party to the opposition benches in key metros of Johannesburg, Tshwane and Nelson Mandela Bay.

I. Introduction to SONA

The President referenced the impact of the Covid-19 pandemic on the economy, admitting it had further exposed the deep social and economic divide in SA. He also spoke of the impact of the civil unrest in July 2021. Government will take steps to strengthen democracy and revitalise the

economy to end inequality and injustice. This includes ensuring those responsible for corruption will be criminally charged.

The present situation of deep poverty, unemployment and inequality is not sustainable as it is unacceptable, requiring fundamental reforms and change to revive the economy and create conditions for long-term stability and growth. Spoke of a common consensus born out of current challenges and recognition of the current unemployment, inequality and poverty.

State has to create conditions for private sector investment and an environment in which people can lead a better life. Announced a 100-day deadline to create a social compact to create jobs, end hunger and poverty based on the economic and reconstruction programme. Focus will be on overcoming impact of Covid-19, infrastructure investment, economic stimulus, energy and creating job opportunities.

National State of Disaster

Government intends to lift the National State of Disaster as soon as other supplementary legislation has been aligned to enable the government to respond to the pandemic and other health disasters. Currently, virtually all restrictions in response to Covid-19 have been lifted.

Creating Conditions for Private Sector Investment

Load shedding and high cost of doing business continue to affect the economy, investment promotion and job creation. Government has to create the environment for businesses to invest, grow and employ more people. SA's problems are structural and also being affected by lack of broadband spectrum, power shortages, poor infrastructure.

Government to implement far reaching reforms to unlock investment, reduce cost of doing business and increase competitiveness. Electricity crisis one of the greatest threats to economic revival and growth.

Ports and Railways

Transnet is addressing port and rail challenges and is currently focused on improving operational efficiencies at the ports through procuring additional equipment and implementing new systems to reduce congestion. Transnet will ask for proposals from private partners for the Durban and Ngqura Container Terminals within the next few months, which will enable partnerships to be in place at both terminals by October 2022. Transnet will start the process of providing third-party access to its freight rail network from April 2022 by making slots available on the container corridor between Durban and City Deep in Gauteng.

Telecoms

Government will facilitate the rapid deployment of broadband infrastructure across all municipalities by establishing a standard model for the granting of municipal permissions. These reforms will revolutionise the country's technological development, making faster broadband accessible to more people and reducing the costs of digital communications.

High Frequency Spectrum Auction

ICASA will commence with the auctioning of the high frequency communications spectrum in about three weeks from now. This will

unlock new spectrum for mobile telecommunications for the first time in over a decade.

Immigration

Government to further streamline immigration laws to attract skilled immigrants, and this includes streamlining and modernizing the visa application process to make it easier to travel to South Africa for tourism, business and work. The revised Critical Skills List has been published for the first time since 2014, following detailed technical work and extensive consultations with business and labour. The updated list reflects the skills that are in shortage today, to ensure that our immigration policy matches the demands of our economy. A comprehensive review of the work visa system is currently underway, led by a former Director-General of Home Affairs, Mr Mavuso Msimang. Government also exploring new visa categories to enable economic growth, such as start-up and remote working visa.

Water Infrastructure

Government to prioritise institutional reforms to ensure future water security, investment in water resources and maintenance of existing assets. Government has also embarked on the process of institutional reform in capacitating the Department of Water and Sanitation and reviewing water boards in as far as their mandates are concerned and ensuring that they serve municipalities in terms of the District Development Model. These reforms are being championed by the Minister of Water and Sanitation, who has visited every water source in the country.

A comprehensive turnaround plan is being implemented to streamline the process for water use license applications. The target is to clear the backlog of applications by June 2022 and to process 80% of all applications within 90 days during the next financial year. In addition, legislation for the establishment of the National Water Resources Infrastructure Agency will be published for public comment within the next month.

SMME Growth

Government to implement measures to unleash the potential of small businesses, micro businesses and informal businesses. Has also started discussions with social partners as part of the social compact process to review labour market regulations for smaller businesses to enable them to hire more people, while continuing to protect workers' rights. A new, redesigned loan guarantee scheme is being introduced to enable small businesses to bounce back from the pandemic and civic unrest. Red tape team led by ex Exxaro CEO Siphon Nkosi being established to review red tape affecting the SMMEs and recommend on how these can be streamlined.

Infrastructure

Energy, road, water management projects to be prioritised under the R100 billion Infrastructure Fund, focusing on water, sanitation, and student accommodation among other projects. The Infrastructure Fund is now working with state entities to prepare a pipeline of projects with an investment value of approximately R96 billion in student accommodation, social housing, telecommunications, water and

sanitation and transport. Several catalytic projects worth R21 billion are expected to start construction this year. Of this, R2.6 billion is contributed by government and the balance from the private sector and developmental finance institutions. Government will make an initial investment of R1.8 billion in bulk infrastructure, which will unlock seven private sector projects valued at R133 billion.

Social Infrastructure Mechanism

Focus will be on school infrastructure and speed up delivery of infrastructure including building new schools in rural areas. Government is introducing an innovative social infrastructure delivery mechanism to address issues that afflict the delivery of school infrastructure. The mechanism will address the speed, financing and funding, quality of delivery, mass employment and maintenance. The new delivery mechanism will introduce a Special Purpose Vehicle, working with prominent DFIs and the private sector, to deliver school education infrastructure.

Hydrogen Capability and Hydrogen Road Map

Government has built on its successful Hydrogen SA strategy to make major strides in positioning South Africa as a global leader in this new market. This includes the development of a Hydrogen Society Roadmap for the next ten years as well as a Green Hydrogen Strategy for the Northern Cape, supporting the development of a green hydrogen pipeline worth around R270 billion.

Localisation Plans

An important pillar of our Economic Reconstruction and Recovery Plan is to revitalise our manufacturing base and create globally competitive export industries. In the past year, we launched new master plans in the steel industry, furniture and global business services. Through these plans, business, government and labour are working together to increase production and create more jobs in the sector.

Investment Conference

Investment conference to be held on 24 March 2022 in Johannesburg to showcase the many investment opportunities available as South Africa continues its recovery from the COVID-19 pandemic, and report back on the progress of previous commitments. By the time of the third South Africa Investment Conference in November 2020, SA had reached R776 billion in investment commitments.

AfCTA

Following the resolutions of the African Union Summit over the past weekend, trading can now begin under the African Continental Free Trade Area agreement. South African companies are poised to play a key role in taking up the opportunities that this presents for preferential access to other African markets.

Global Business Sector

SA placed to attract companies keen to open call centre and business facilitation offices in SA. **Cannabis Industry**

Government to streamline regulations to attract investment in cannabis which has the potential to create 130 000 jobs. The hemp and cannabis sector has the potential to create more than 130,000 new jobs. Government to streamline the regulatory processes so that the hemp and cannabis sector can thrive like it is in other countries such as Lesotho.

Mining Sector

To attract investors into the mining minerals needed in the new global economy, government to finalise the mining exploration strategy. I will also continue to support the development of the upstream gas industry, as it holds huge potential for job creation and broader economic development.

Energy

New energy generation projects will be coming online over the next few years, including several renewable energy projects, among them the 2,600 MW from Bid Window 5 of the renewable energy programme, for which the preferred bidders were announced last year; 2,600 MW from Bid Window 6 of the renewal energy programme, which will soon be opened and 3,000 MW of gas power and 500 MW of battery storage, for which requests for proposals will be released later this year.

In addition, Eskom has established a separate transmission subsidiary, and is on track to complete its unbundling by December 2022. The utility has continued with its intensive maintenance programme, to reverse many years of neglected maintenance and underperformance of existing

plants. To regulate all of these reforms, Cabinet yesterday approved amendments to the Electricity Regulation Act for public.

Public and Social Employment

A revitalised National Youth Service will recruit its first cohort of 50,000 young people during the next year, creating opportunities for young people to contribute to their communities, develop their skills and grow their employability. The Department of Higher Education and Training will place 10,000 unemployed TVET graduates in workplaces from April 2022.

Social Grants

As reported, the government is extending the R350 monthly social grant introduced in response to the impact of Covid-19 for another year to March 2023.

Expropriation of Land

Expanding access to land is vital for efforts to reduce hunger and provide people with meaningful livelihoods. Government will move ahead with land reform in terms of the Constitution, and anticipate the approval of the Expropriation Bill during this year. The establishment of the Agriculture and Land Reform Development Agency will be finalised this year. The Department of Public Works and Infrastructure will finalise the transfer of 14,000 hectares of state land to the Housing Development Agency.

State Capture

The first two part of the Zondo Commission there was indeed state capture, with SOEs infiltrated by a criminal network. The report details devastating impact on SOEs and this had a direct and concrete negative impact on SA, especially poor and vulnerable people, weakened state ability to deliver services. Government to make sure it will never happen again and act on the commission's recommendations. By no later than June, plan of action will be presented to Parliament, and meanwhile it will strengthen whistle blowers who are a vital safeguard against corruption. Detailed review of legislation underway to strengthen and protect whistle blowers.

SOEs

Government has embarked on several immediate measures to restore SOEs stability and also implement far-reaching reforms to make SOEs more efficient, competitive, accountable and sustainable. The Presidential SOE Council has recommended that government adopt a centralised shareholder model for its key commercial state-owned companies. This would separate the state's ownership functions from its policy-making and regulatory functions, minimise the scope for political interference, introduce greater professionalism and manage state assets in a way that protects shareholder value. As part of this, preparatory work has begun for the establishment of a state-owned Holding Company to house strategic SOEs and to exercise coordinated shareholder oversight. To ensure that state-owned enterprises are effectively fulfilling their responsibilities, the Presidential SOE Council is

preparing recommendations on state-owned entities to be retained, consolidated or disposed of.

Civil Unrest in 2021

Cabinet accepts responsibility for security lapses which were exposed during the July 2021 unrest in parts of KZN and Gauteng. The security services have been tasked by the National Security Council to urgently develop implementation plans that address the range of recommendations made by the expert panel. These measures will go a long way to address the serious concerns about the breakdown of law and order in society.

6.2 KZN State of the Province Address 2022

The KwaZulu-Natal SOPA 2022 was delivered to the Province on 24 February 2022 in the Province's Capital city of Pietermaritzburg at the Royal Showgrounds, by the Honourable Premier of the Province, Mr Sihle Zikalala.

In summary, the key focus areas for improvement for the year 2022 in the province will be the following:

- 1) Economic Recovery and Creating Jobs**
- 2) Improving Access to Water and Sanitation**
- 3) Fighting Crime and Building Safer Communities**
- 4) Social Protection and Human Development**
- 5) Building the Capacity of the State**
- 6) Building a Better Africa and World**

Section C: Situational Analysis

1. Demographic Characteristics

Demographics are described as one of the most important statistical components that makes up a Country, Province, Municipality or any Organisation. Within the municipal context, demographics indicators are used to help plan for the future and guide decision-making. The following set of demographic indicators in the Abaqulusi Municipality are used in the planning of health care, educational facilities, housing provision, water provision, electricity provision, refuse removal, etc.

1.1 Demographic Indicators

1.1.1 Population Size and Growth Rate

The table and graph below shows that the total population for Abaqulusi local municipality is estimated at having 243 795 persons as per the Community Survey 2016, a 15.5 percentage change when compared to Census 2011 results. The intercensal growth rate (2011-2016) was found to be 0.03, significantly lower than that of Census 2011 due to the time frame for the two projects (Census 2011 time frame was 10 years while Community Survey 2016 time frame was 5 years).

Table 1: Population Size

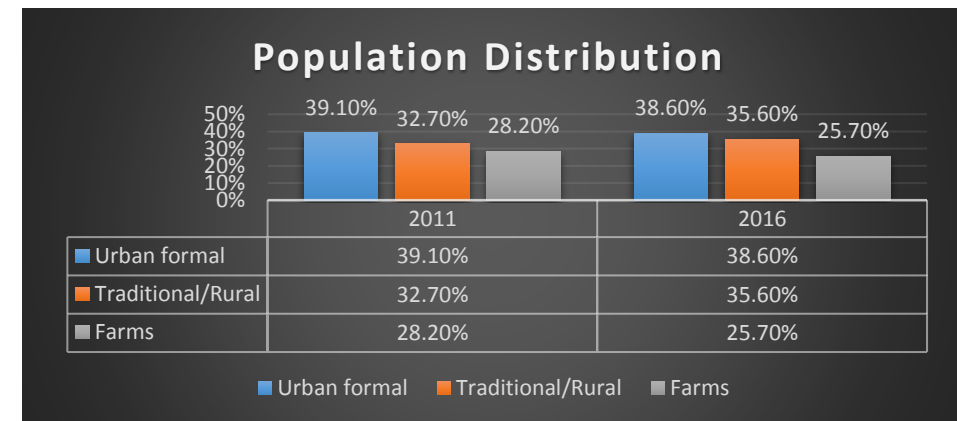
	Census 2011	Community Survey 2016
Population	211 060	243 795
Growth Rate	1%	0.03
% of Growth	10.5%	15.5%

Source: Stats SA-CS 2016

1.1.2 Spatial Population Distribution and Density

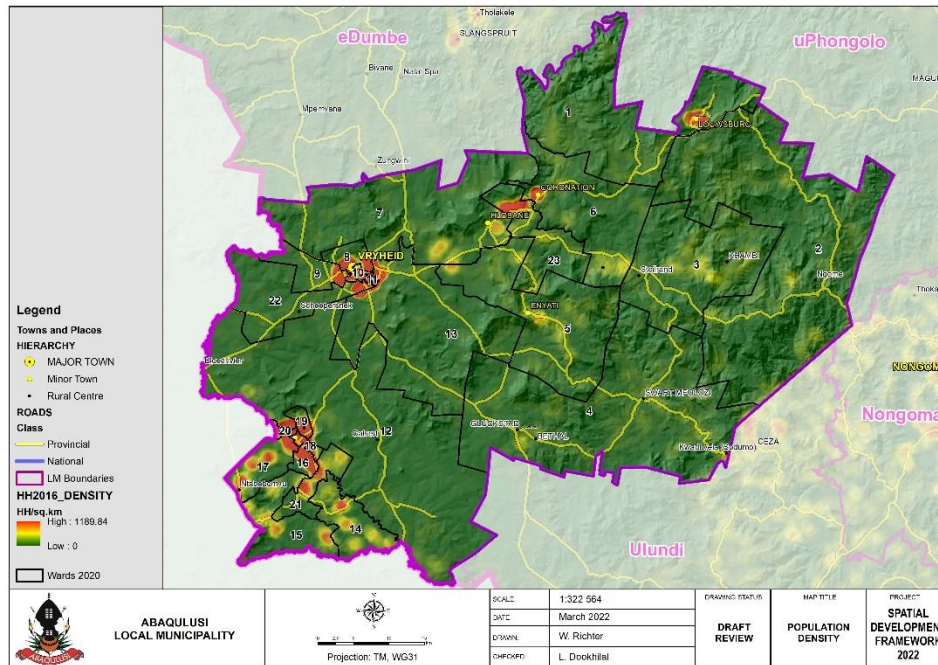
The Graph and Map below shows the distribution of the population according to three settlement types, i.e. Urban formal, Tradition/Rural and Farms. It can be observed that during the Community Survey 2016, the majority of the population was found to be living in urban formal settlement (38.6%), followed by traditional (35.6%) and lastly farms (25.7%). The same trend in terms of percentage distribution per settlement type was also observed during the Census 2011. The population density over the geographical area has also increased from 2011 which was 50 persons per km² to 58 persons per km² in 2016.

Figure 1: Population Distribution



Source: STATS SA CS 2016

Map 3: Population Distribution



1.1.3 Population Composition by Age Category and Dependency Ratio

From the table below, the results of the Community Survey 2016 shows that more than a third of Abaqulusi population was found to be the young ones (0-14 years) at 37.9%. The majority of the population was amongst those in the working age group (15-64 years) at 57.8%, with the proportion of the elderly people (65+ years) contributing about 4.3% to the Abaqulusi total population.

The youth proportion (15-34 years) was found to be almost 40% of the entire population.

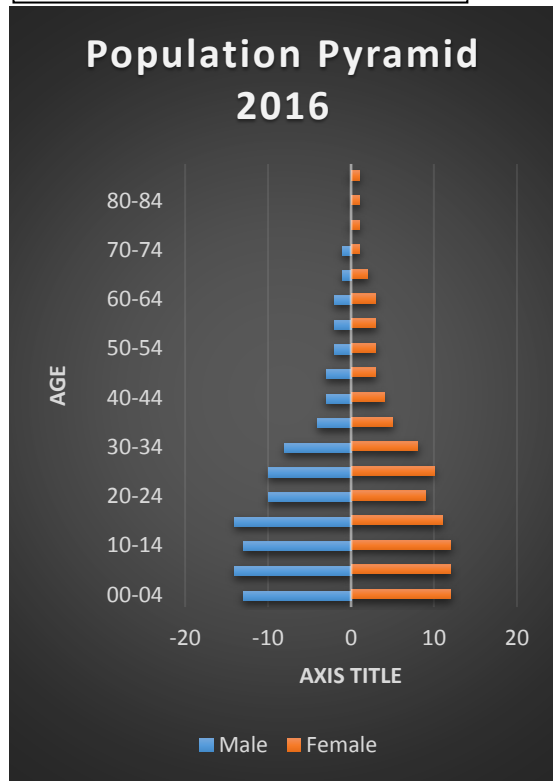
The dependency ratio measures the strain deemed to be carried by those within the working age group (15-64 years) “supporting” the dependent age groups, the young (0-14 years) and the elderly (65+ years). For both the Census 2011 and the Community Survey 2016, the dependency ratio was found to be 70.5 and 70.8 respectively.

Table 2: Population Composition by Age

Persons proportion	Census 2011	Community Survey 2016
Young (0-14 years)	36.7%	37.9%
Youth (15-34 years)	36.5%	39.8%
Working age (15-64 years)	58.6%	57.8%
Elderly (65 years or older)	4.7%	4.3%
Dependency ratio	70.5	70.8

Source: STATS SA CS 2016

Figure 2: Population Pyramid by Age/Sex



Age	Male	Female
00-04	15095	15028
05-09	15904	15200
10-14	15772	15354
15-19	16171	14328
20-24	11667	11981
25-29	11159	12208
30-34	9365	9916
35-39	4409	5923
40-44	3915	4471
45-49	3357	4294
50-54	2471	3844
55-59	2490	3658
60-64	2043	3335
65-69	1595	2504
70-74	1042	1720
75-79	507	1134
80-84	174	768
85+	274	717

Source: STATS SA CS 2016

1.1.4 Population Composition by Sex

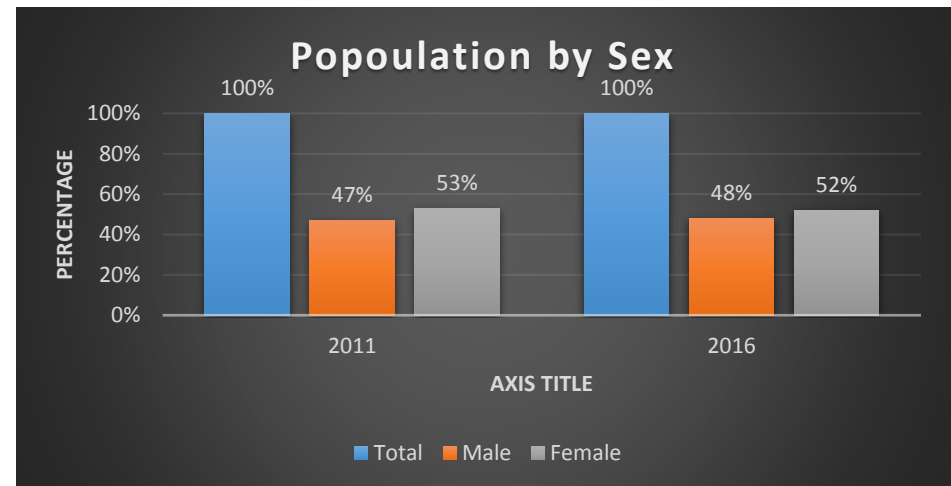
As per the table and graph below, a slight increase in the number of men was observed during the Community Survey 2016 as it was recorded at 93 men per 100 women compared to the 91 men per 100 women during the Census 2011.

Table 3: Population Composition by Sex

Sex	Census 2011	Community Survey 2016
Male	47% / 100 474	48% / 117 412
Female	53% / 110 586	52% / 126 383
Total	211 060	243 795
Sex ratio (men/100 women)	91	93

Source: STATS SA CS 2016

Figure 3: Population Composition by Sex



1.1.5 Population Composition by Group

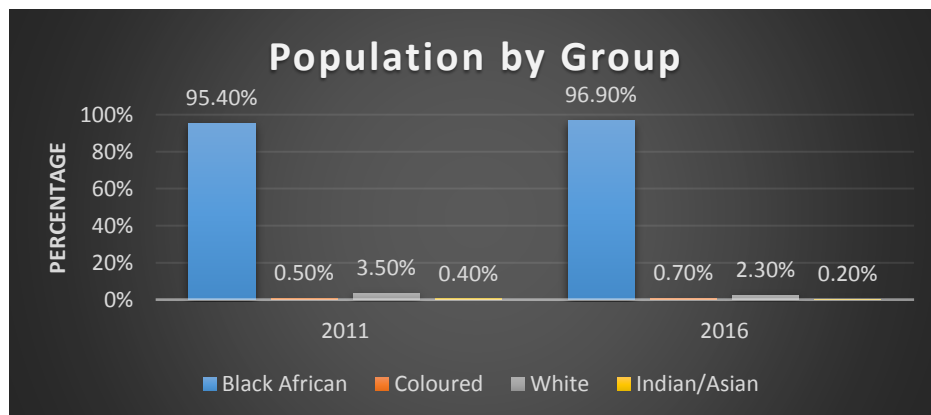
The proportion of Black African comprised the far highest population group within the Abaqulusi local municipality as it was found to be 96.9% during the Community Survey 2016. The combined proportion of the Coloured, White and Indian/Asian population groups makes up just above three percent (3%) of the total population for Abaqulusi local municipality.

Table 4: Population Composition by Group

Race	Census 2011	Community Survey 2016
Black African	95.4%	96.9%
Coloured	0.5%	0.7%
White	3.5%	2.3%
Indian/Asian	0.4%	0.2%

Source: STATS SA CS 2016

Figure 4: Population Composition by Group



2. Cross-Cutting Analysis

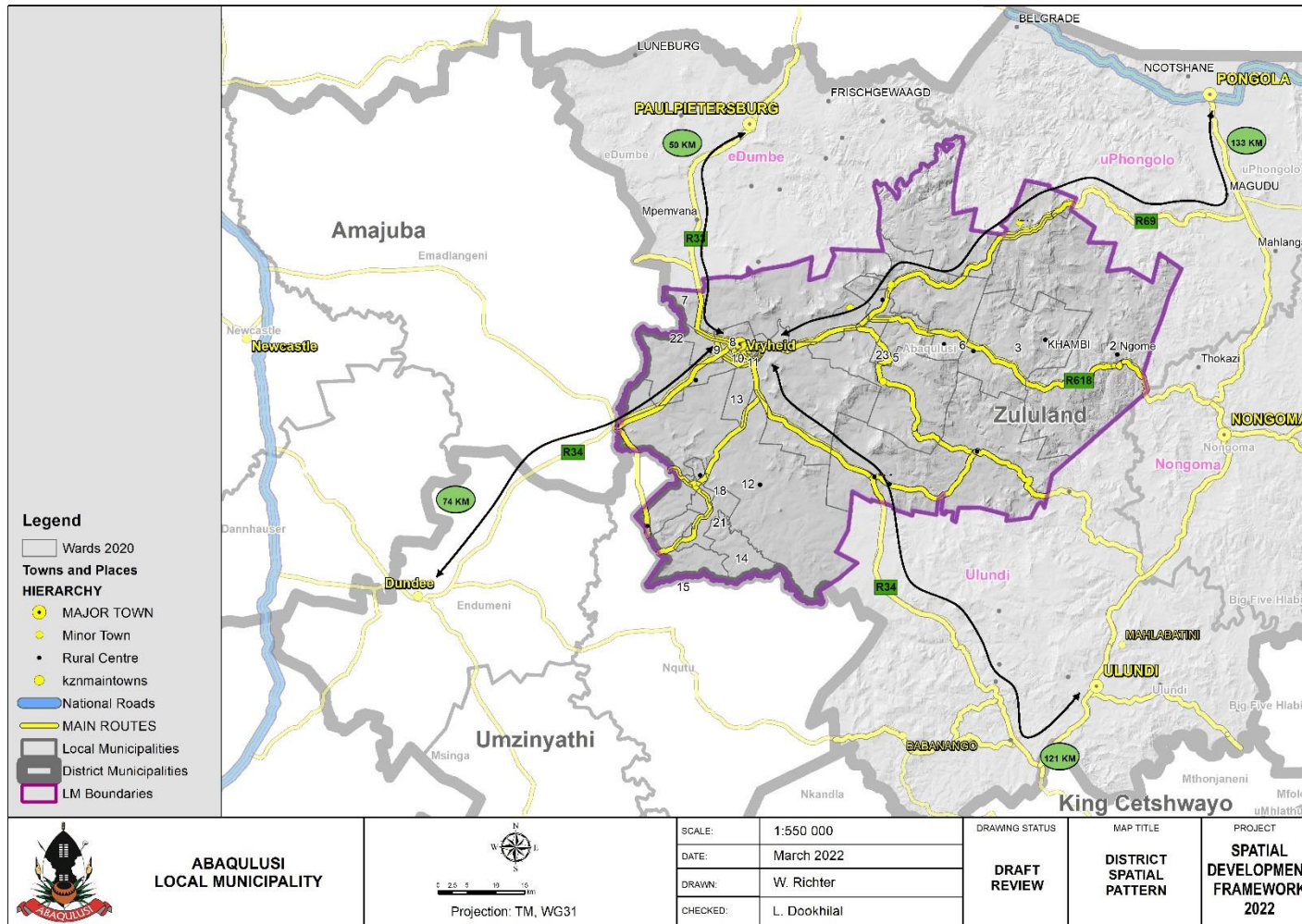
2.1 Regional Context

AbaQulusi Local Municipality is located in the Northern part of KwaZulu-Natal Province and forms part of the Zululand District Municipality. The main towns within the region are Vryheid, Ulundi, Dundee and Paulpietersburg and Pongola. Vryheid is the main commercial, industrial and business centre within the region, and seen as 'The Heart' of the Zululand District. The town itself has a well-developed physical, social and institutional infrastructure and is located at the intersection of the major transportation routes which traverse the region. The municipality is estimated at 4185km² in extent making it one of the largest in the province with a population of approximately +-243 795 people, according to Community Survey 2016.

It at present constitutes approximately 27% of the Zululand District Municipality and is one of the five local municipalities that make up Zululand District Municipality. The 4 other local municipalities that make up the Zululand Family include eDumbe, oPhongolo, Nongoma and Ulundi. The municipality is also characterised as the main hub for the district and is also very strategically positioned, sharing its border with all of the 4 local municipalities within the district.

The Abaqulusi Municipality plays a major role in terms of its geographical location and regional access in Northern KwaZulu Natal, and has developed as a peripheral economy in the Provincial context, due to its distance from the main markets and

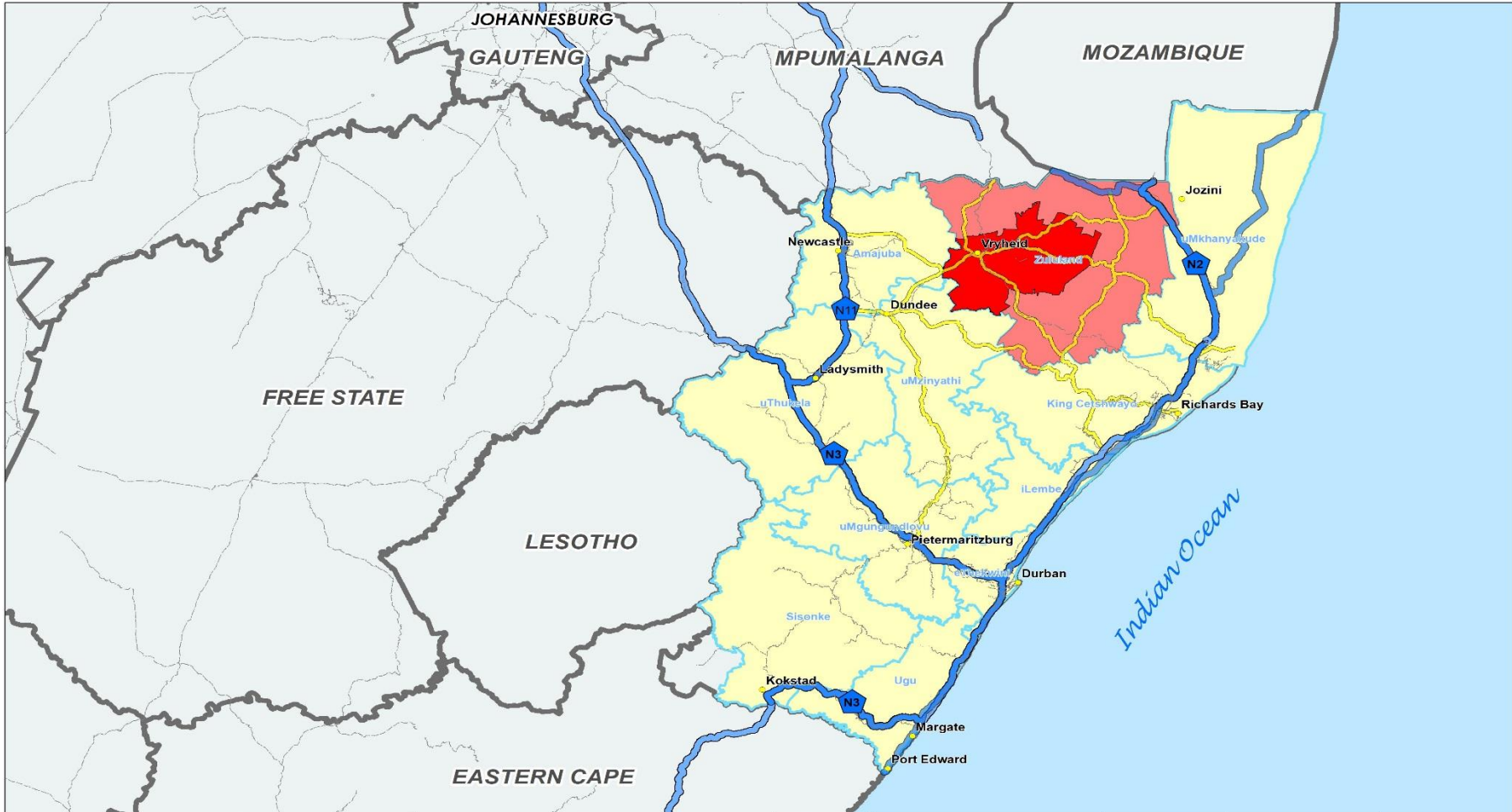
Map 4: District Linkage



corridors such as the N2 to Durban and Richards Bay, N3 to Pietermaritzburg and the N11 to Gauteng.

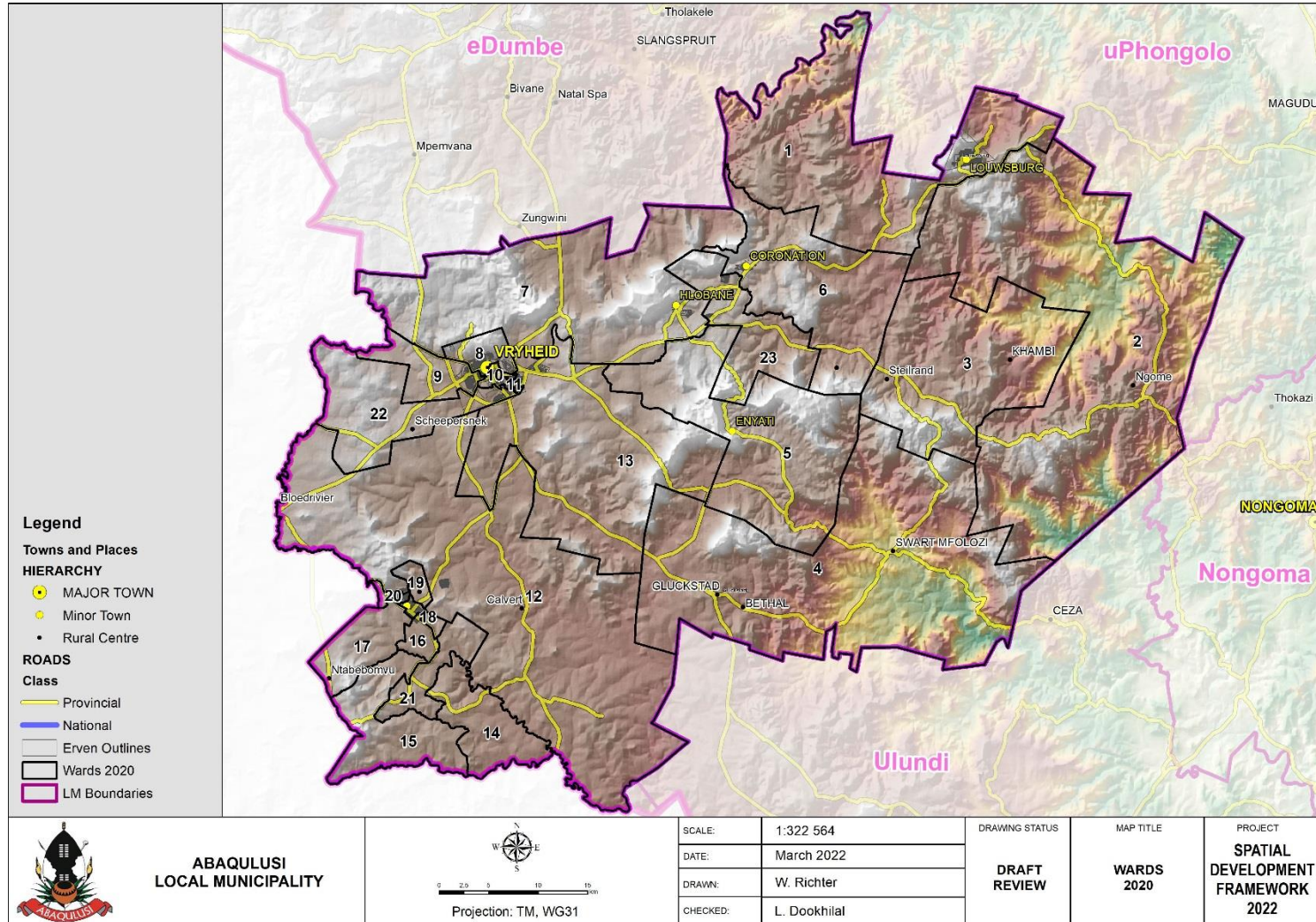
However, a secondary corridor, which is a coal line corridor runs from Richards Bay through Ulundi, to Vryheid and Paulpietersburg and into the mining areas of Mpumalanga. This is an important National rail and road network which passes/traverses through the Municipality. The other secondary corridors of National significance is the R 34 and R 69 transportation route. Vryheid is located at the intersection of the secondary corridors. The other major route of significance is the P 700 road that links Richards Bay to Gauteng via Ulundi and Vryheid.

Map 5: Regional Linkage



2.2 Administrative Entities

Map 6: Ward Boundaries



AbaQulusi Municipality is part of the Zululand District Municipality and has 23 municipal wards and 6 Traditional Authorities namely: Khambi, Othaka, Hlahlindlela, Mpangisweni, Mathongeni, Msiyane Traditional Councils. The maps below depict all 23 wards and the Traditional Authorities within the municipality.

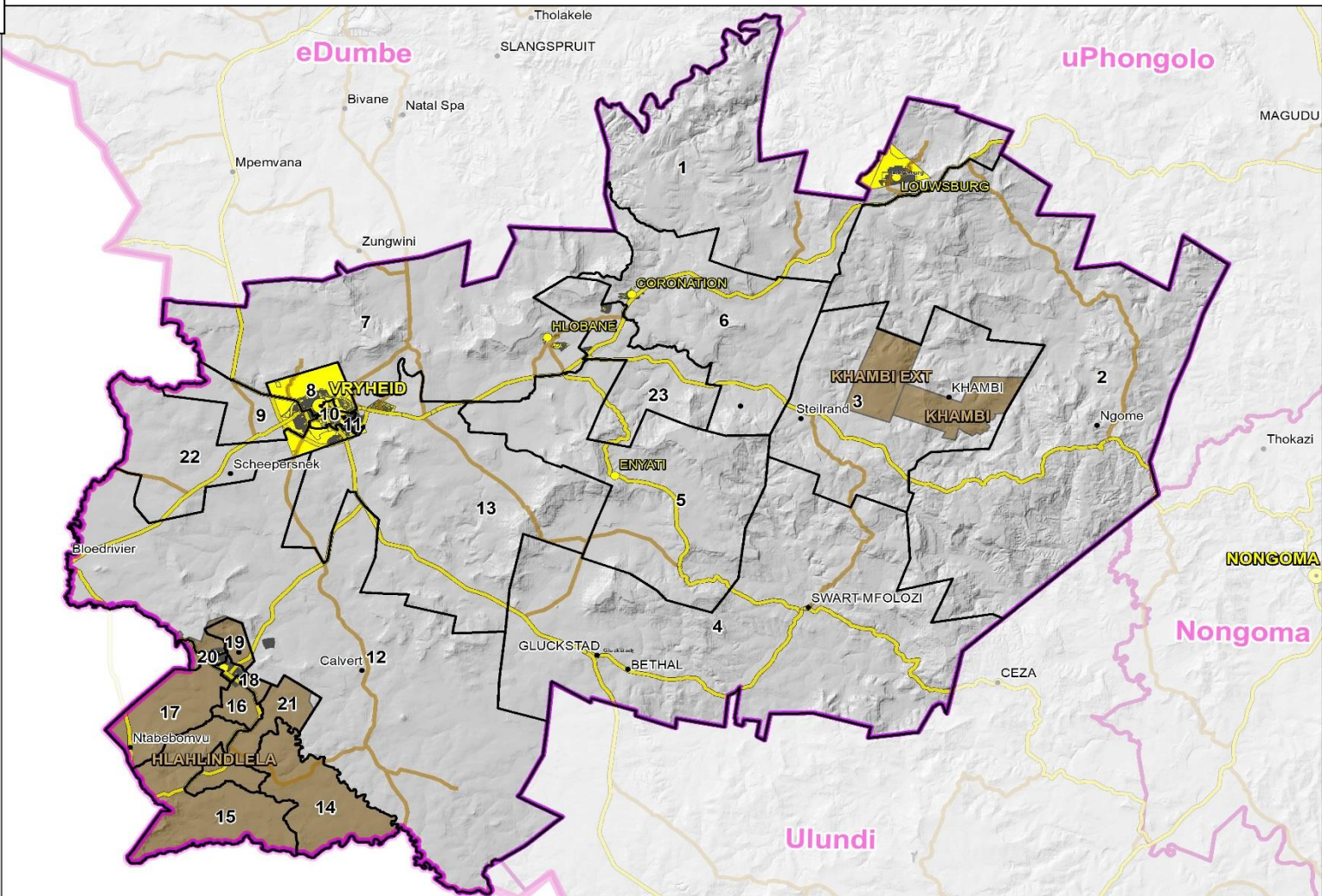
Map 7: Traditional Authority

Legend

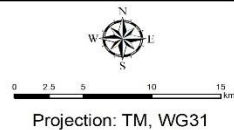
Towns and Places

HIERARCHY

- MAJOR TOWN
- Minor Town
- Rural Centre
- MAIN ROUTES
- Provincial
- Erven Outlines
- Wards 2020
- LM Boundaries
- Urban Cadastral
- Traditional Authorities



**ABAQULUSI
LOCAL MUNICIPALITY**



SCALE:	1:322 564
DATE:	March 2022
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CHECKED:	L. Dookhial

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DRAFT REVIEW

MAP TITLE
TRIBAL AUTHORITIES

PROJECT
SPATIAL DEVELOPMENT FRAMEWORK 2022

2.3 Structuring Elements

In order to plan efficiently, there needs to be a focus on investing resources in areas of opportunity in order to create maximum impact, there needs to be certain structuring elements to give guidance to develop and spatial planning. For the Abaqulusi Municipality Spatial Development Framework there are four Spatial Structuring Elements that can guide spatial development and decision-making in the town and these elements include: -

2.3.1 Nodes

'Nodes' is term usually ascribed to cities, towns and villages. This tends to work against the need to achieve rural development through integration of urban and rural areas. It is accordingly proposed the term node is to be less prominent and less significant in future SDFs with the emphasis rather being placed on identifying "human settlement" where integrated programmes can be shared. Such settlement can be both rural and urban in nature and could serve to bridge diversity between these communities.

Nodes are generally described as areas of mixed use development, usually having a higher intensity of activities involving retail, traffic, office, industry and residential land uses. These are the places where most interaction tasks place between people and organisations, enabling most efficient transactions and exchange of goods and services. Nodes are usually located at nodal interchanges to provide maximum access and usually act as catalysts for new growth and development.

Due to the intensity of activities/land uses found within nodes, they (nodes) can be further classified in terms of the level of service they offer i.e. Primary, Secondary and Tertiary nodes.

2.3.2 Corridors

A "Development Corridor" is normally used to symbolise the area where important economic activities are to be encouraged along a particular transport route. There is often difficulty in stakeholder perceptions regarding the term 'corridor' and the purpose of such planning tool. It is proposed that the use of the term 'transport route' be adopted in future because it places emphasis on the transportation activity, which is critical for economic clusters to grow in both urban and rural environments;

Development Corridors are identified for spatial and economic planning purposes, as roads and/or railway routes associated with the movement of goods and people. The high transportation function creates the opportunity for economic activity to take place along these movement corridors, particularly at junctions. These occur at various levels, from local development corridors along the main streets of the towns or even along rivers, to Regional and Provincial Corridors. Different types of corridors can be distinguished, such as development corridors, movement corridors and activity corridors.

Activity Street are defined as a local street that is located within the sphere of influence of an activity corridor and reinforces it to be classified as an activity street, vehicle and pedestrian access to mix of land uses as a priority

2.3.3 Urban Edge

An “urban edge” is normally used to define the limit of urban built up areas and enables limitations to high capacity infrastructure provision. As part of the effort to consolidate the urban areas and achieve a more compact town, the Spatial Development Framework proposes that an Urban Edge be introduced to all nodal areas. The urban Edge is a distinguish line that serves to manage, direct and control urban expansion.

The Urban Edge will be used to: -

- Contain Urban Sprawl
- Protect significant environments and resources
- Re-orientate Growth Expectations
- Densify built environments
- Restructure growth
- Rationalize service delivery area

Urban Edges were delineated by analysing and utilising the Precinct Plans and Conceptual Frameworks which were prepared for each major area. The urban edges include existing and proposed developments of the area. The plans below depict the urban edges for the major towns with the municipality.

2.3.4 Settlement Edges

A ‘settlement edge’, as illustrated on the diagram below, is the dividing line or boundary between areas of urban development (a settlement) and non-urban or rural development. It also defines the logical boundary between areas with different features and purposes, such as the

boundary between areas considered environmentally sensitive and those suitable for development.

Settlement edges are used to manage investment and characteristics of infrastructure levels according to the needs of communities and economic activities located within settlement edges or outside settlement edges; and are used to encourage more efficient use of underutilized land existing in a settlement or town, through development of vacant land or the re-use of “brownfield” degraded land areas.

According to the Development Edges: A Settlement Typology Updated Approach and Data Report, 2015, prepared by the Department of Rural Development and Land Reform, over the last decade, throughout the world, and in South Africa, there has been a new focus on approaches to managing urban growth. The acceptance and use of a number of planning concepts has received widespread support. Many of these concepts and practices are not necessarily new, but they have become part of an integrated toolbox of concepts addressing common approaches.

These approaches are responses to a number of concerns and the need to address a growing awareness of the interrelatedness of issues. The undesirable features that were identified were:

- Urban sprawl, which has several dimensions, unlimited outward and "leapfrog" expansion, as well as being extremely low density.
- Large scale conversion of open space and environmentally sensitive land to urban uses
- Worsening traffic congestion

- Costly requirements to expand roads and other infrastructure
- Conversion of valuable agricultural land to urban uses.

The following goals will be achieved through the identification of development/ settlement edges:-

- Achieving Balance (There are two dimensions to this concept of balance.)
- Achieving a Dynamic Balance between the Landscapes of Society
- Achieving Greater Urban Efficiencies
- Protecting Important Elements within Urban Settlements
- Promoting Small-Scale Agriculture
- Managing Urban Wastes
- Issues of Sustainability and Recycling
- Co-ordination of Line and Point Bulk Services to Achieve Efficiencies
- Avoiding Hazards
- Limiting the outward extension of new developments
- Raising densities in both new and existing areas
- Emphasizing public transport
- Creating what is called “sustainable” development (development that limits consumption of resources and is maintainable into the future)
- The approaches to achieve these directives included concepts such as:-
- The need to create compact cities that facilitate the provision of efficient infrastructure and transportation;
- The need to be ecologically sensitive;
- The need to manage, direct or limit urban growth, and the tool used to do this is to create an “Urban Edge”, which is also called an Urban Growth Boundary.

2.4 Existing Nodes and Corridors

2.4.1 Nodes

Vryheid is identified as a Primary Node in the District. In a municipal context, Vryheid is the main Commercial, Industrial and Administrative Centre and retains its Primary Nodes Status. In comparison to Pongola and Ulundi from a District Perspective, Vryheid has a much larger commercial and services sector, although the economy is also dependent on agriculture, and mining. It forms part of the district spatial systems and is identified in the district SDF as a primary node or main economic hub. This is despite Vryheid being recognized as a third order centre at a provincial level alongside Ladysmith and Dundee among others

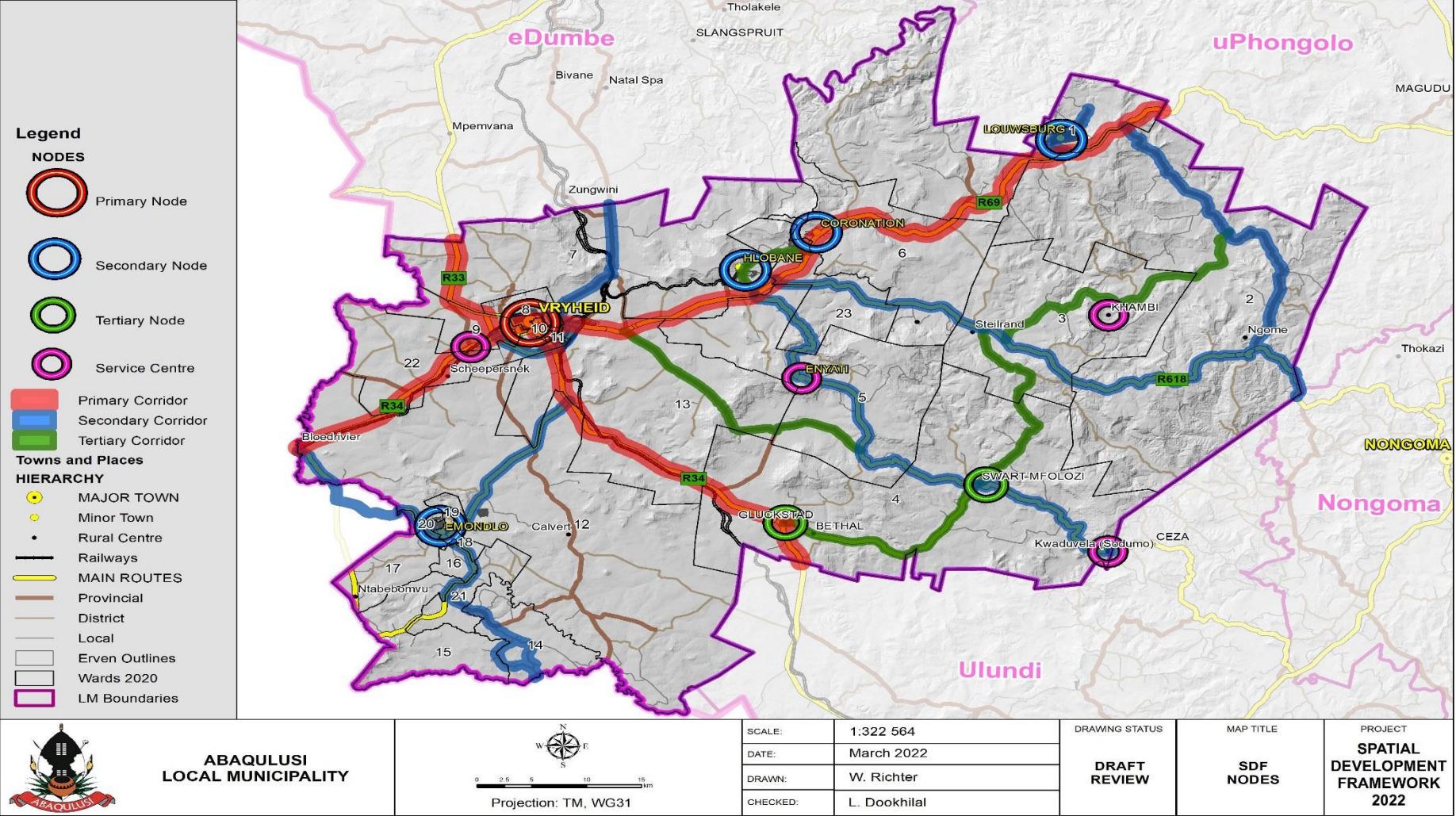
eMondlo, Hlobane/Corronation and Louwsburg have been identified as Tertiary nodes in the District SDF, but due to the significant role they play along the major corridors of the municipality, they are identified as Secondary Nodes within the municipal SDF structuring elements.

Tertiary nodes in the municipality include Swart-mfolozi and Enyati offering services such as:

- Primary and secondary schools.
- Clinics including mobile clinics.
- Pension pay points.
- Community halls and other community facilities.

The maps below indicates the spatial location of the various nodes within the Abaqulusi Municipality and its Nodal Status within the Province:

Map 8: Municipal Nodes



2.4.2 Corridors

A primary corridor refers to a densely populated well-travelled route which connects two major centres. Three main access and mobility routes have been identified as primary development (regional) corridors, namely:

- East – west linkage connecting Vryheid with areas such as Dundee and Newcastle to the south (R 34), and Pongola to the north (R 69). The east-west route (R 34 – R 69) as development corridor is one of the major access routes to the battlefields and Zululand tourism region. It also runs through at least three agricultural districts, that is, Dundee/Blood River, Vryheid and Louwsburg/Ngotshe.
- North-south linkages connecting Vryheid with Paulpietersburg (R 33) and beyond to the north and the coastal areas to the south (R 34). North-south route (R 33 – R 34) as a development corridor is a major regional arterial movement and trade route. It runs through agricultural districts and provides access to the Zululand Tourism Region.
- South-eastern linkage (R 618) which is the main road to Nongoma and goes through a number of settlements including Khambi.

Provincial Spatial Economic Development Strategy and the Zululand District Growth and Development Plan 2030, identify both routes as multi-sectoral corridors that present opportunities for agricultural, tourism and mining oriented development, and serves wide region identified as part of a poverty node in terms of the ISRDS. A number of areas with a relatively high concentration of different land uses have developed, and introduces a developmental dimension that what would

be a typical movement or logistics route. Development along these corridors should conform to the following guidelines:

- Both corridors are located on provincial roads and thus should adhere to the regulations as implemented by the Department of Transport.
- Development of a mixed land use nodes at the intersection of these corridors with secondary and tertiary corridors.
- Preservation of agricultural and with limited agro-processing activities.

A secondary corridor provides the same function as that of the primary, at a lower intensity. A number of existing roads have been identified as secondary or sub-regional development corridors in view of the opportunities they present for unlocking new development areas. The key existing secondary corridors include the following:

- P54 linking EMondlo and Blood River. This road provides access to the areas that accounts for nearly 60% of the municipal population. It has potential to transform from being a mere access road into a trade route serving both Hlahlindlela and EMondlo. The road should be prioritized for upgrading and location of a range of commercial and community facilities.
- P258 and P199 both linking Hlahlindlela and EMondlo to the north and Nquthu/Blood River to the south and west respectively. This corridor knits together a number of settlements from just outside EMondlo through Hlahlindlela to Nquthu. Development along this corridor should focus on improving access and location of limited commercial and community facilities.

- P463, which is the main access road to EMondlo and Bhekumthetho off P47. Outside these two areas, it runs through extensive farming areas where uses other than those related to agriculture should be limited. The portion of the road from Bhekumthetho to EMondlo is identified as a mixed land use development corridor.
- P523, which is a ring road that bypasses Vryheid town along the eastern boundary of the town. Settlements located along this limited access road include Lakeside, Bhekuzulu and informal settlements that have developed just outside Bhekuzulu.
- P404 linking Vryheid and Edumbe/Paulpietersburg. This is essentially an agricultural corridor, with tremendous potential for agro-processing activities, particularly timber, dairy and maize processing.
- P293, which is a major, which runs along the northern boundary of the municipal area in an east-west direction. This is also an agricultural corridor with potential for eco-tourism development.

As described above and from the agricultural analysis, the District SDF and the District Growth and Development Plan identify the R 69 specifically as an Agricultural Corridor. The corridor is also proposed in this SDF review. An Agricultural Corridor is a concept which refers to the areas in which agriculture activities occur in order to increase regional development and lift people out of poverty. The concept has a public-private partnership approach, and takes the entire value chain into perspective, aiming to improve efficiency through targeted investments along the corridor. An Agricultural Corridor refers to regions who agricultural potential “has not been realised” and whose population

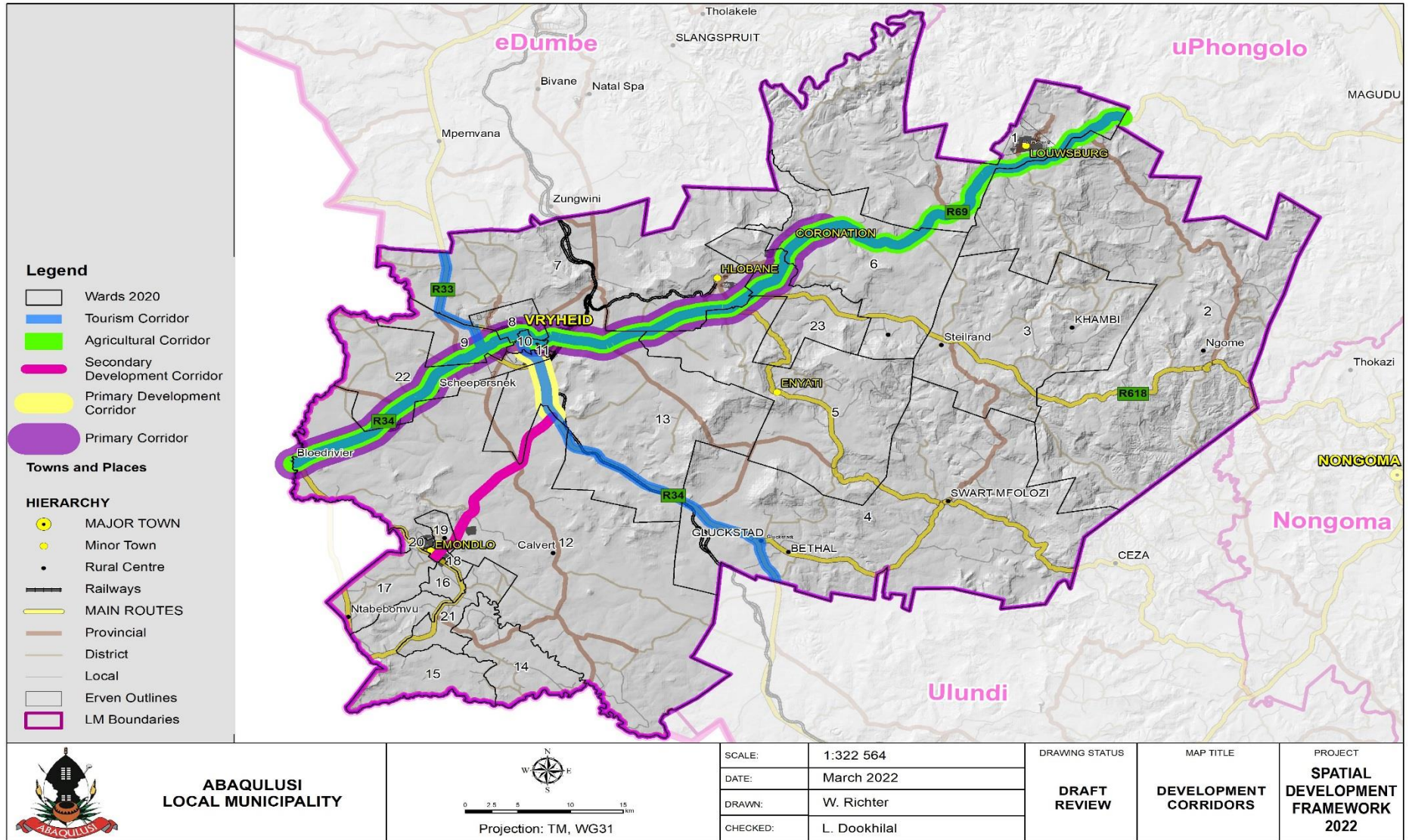
remains ‘almost entirely reliant on agriculture development. The concept of an “Agricultural Corridor” is designed to facilitate the conversion of land to industrial agriculture, to be served by building infrastructure (roads, railways, irrigation, storage, processing, etc.) and led by private companies.

Also as described above the R 69 and the R 34 provides access to the Battlefields and Zululand Tourism Region, the District SDF and the District Growth and Development Plan identify these corridors as Tourism Corridors. Tourism Corridors refers to a broad geographic area defined by logical, existing and projected travel patterns served by various modes of transportation that provide connections within and between regions. The corridor is also defined as a route which offers travellers the opportunity to visit a variety of built and natural attractions along a themed route.

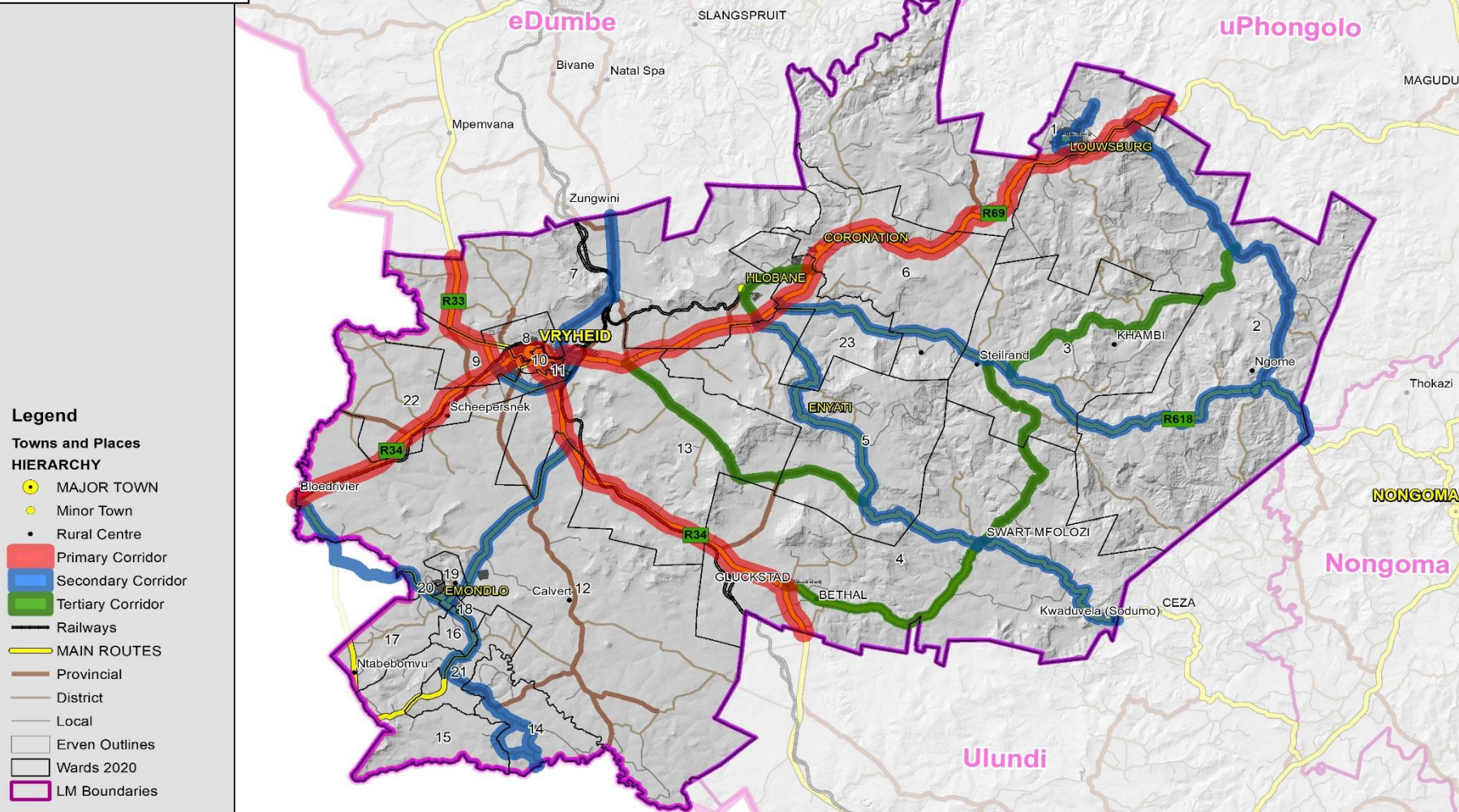
The Municipality's 2022/2023 Spatial Development Framework is attached as Annexure I 1.

The Maps below spatially indicates the various corridors within the Abaqulusi Municipality:

Map 9: Municipal Corridors



Map 10: Transport Corridors



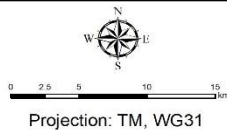
Legend

Towns and Places HIERARCHY

- MAJOR TOWN
- Minor Town
- Rural Centre
- Primary Corridor
- Secondary Corridor
- Tertiary Corridor
- Railways
- MAIN ROUTES
- Provincial
- District
- Local
- Erven Outlines
- Wards 2020
- LM Boundaries



**ABAQULUSI
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SCALE:	1:322 564
DATE:	March 2022
DRAWN:	W. Richter
CHECKED:	L. Dookhilal

DRAWING STATUS	DRAFT REVIEW
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MAP TITLE	TRANSPORTATION CORRIDORS
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PROJECT	SPATIAL DEVELOPMENT FRAMEWORK 2022
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2.5 Broad Land Uses and Ownership

The Municipality's current land use pattern has evolved in response to the growth of settlement and pattern thereof, the natural environment and regional access routes and reflects the rural nature of the region.

2.5.1 Commercial Agriculture

Agricultural land is the dominant form of land use in the Abaqulusi Municipal area. The major agricultural practices are crop production (occurring mainly in the highveld areas and fertile valleys of the major rivers that runs through the area), cattle farming ranching and game farming. A number of commercial farmlands are subject to land restitution.

2.5.2 Urban Settlements

Urban settlements located within Abaqulusi Municipality include the following:

- Vryheid Town, which is a regional centre and main economic hub within ZDM and Abaqulusi Municipality.
- King Bhekuzulu Township, which was developed as an R293 Township and is located to the south-east of Vryheid.
- Emondlo Township, which was also developed as an R293 Township and located about 30km from Vryheid. It is surrounded to the south and north by expansive and relatively dense rural settlements.

- Louwsburg, which has declined in significance and degenerated from being a service centre into a simple urban settlement.

Other small urban settlements are located within the areas that were previously dominated by coalmines such as Hlobane, Enyathi and Coronation. Vryheid, in particular is developed with a range of activities including industrial, commercial, residential and recreational facilities. The level of development in other urban centres also differs with some of the areas characterised by service backlogs and under-development.

The Shoba Settlement is a "densified informal settlement" located approximately 13km from the Vryheid Town Central Business District (CBD). It is situated along R69 linking Vryheid with Hlobane, Coronation and Louwsburg. Shoba falls outside of the Vryheid Town Planning Scheme area but, it represents a logical northwards expansion of the town. It provides an opportunity for the development of middle income residential area close to town and the associated urban opportunities. The settlement developed organically on privately owned land of which the Municipality has acquired and are currently formalising the area to establish a sustainable human settlement neighbourhood.

2.5.3 Rural Settlements

There are only two relatively large concentrations of rural settlements within the Abaqulusi Municipal area that is, Hlahlindlela and Khambi. Both settlements are developed on Ingonyama Trust land and land rights in these areas are administered in terms of traditional and customary laws. Hlahlindlela is the larger of the two. A small rural settlement as developed on mission land near Gluckstadt. A number of small isolated

rural settlements established in terms of the land reform program are scattered throughout the commercial farmlands, with a large number of them concentrated to the north of the municipal area. This introduces a major challenge, as the expansion of these settlements in areas that are not developed with bulk services (water, sanitation, roads, etc) is neither desirable nor sustainable.

2.5.4 Mining Areas

The Vryheid coalfield stretches from the west of Vryheid in a broad band to the east of Louwsburg and is further divided into the Zuinguin Mountain area, the Hlobane/Matshongololo area, the Thabankulu/Enyathi Mountain area and Ngwini Mountain area.

Coal mining historically provided a major force into the local economy of Northern KwaZulu Natal. However, over the past 15 years a number of mines in the area ceased operation impacting negatively on the regional economy. Abaqulusi Municipality was particularly affected by the closure of the Coronation and Hlobane mines in 1997 and 1998 respectively (Zululand Coordination LED Framework: 2003).

However, recently the Coal Mining sector seems to be gaining momentum and has been identified in the IDP as one of the key economic sectors. This is due to high demand of coal in the country and internationally. The study done by KwaZulu Natal Trade Investments reflects that there are high volumes of coal available in the coal reserves especially in the former mines of Vryheid. As a result, the applications for coal prospecting have increased in the region. This initiative will boost the Abaqulusi local economic regeneration and strengthen the

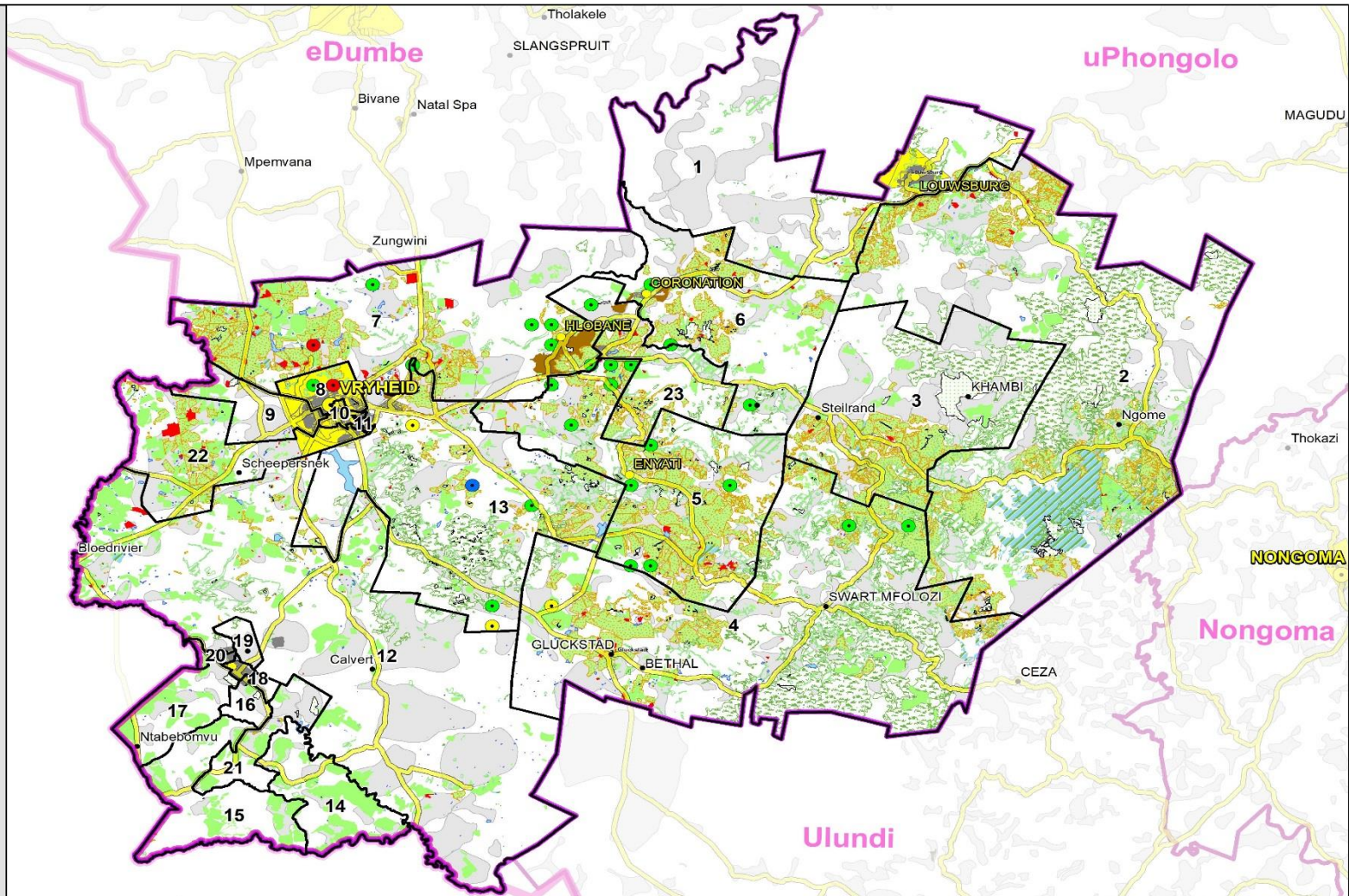
coal line corridor, which runs from Richards Bay through Ulundi, Vryheid and Paulpietersburg and on to the mining areas of Mpumalanga Province.

The map below represents the Broad Land Uses within the Municipality.

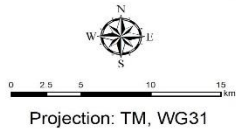
Map 11: Land Use

Legend

- ▭ Wards 2020
- Towns and Places HIERARCHY**
- MAJOR TOWN
- Minor Town
- Rural Centre
- ROADS**
- Class**
- Provincial
- National
- ▭ LM Boundaries
- Mines**
- Mining Types**
- COAL
- DOLERITE
- GOLD
- SAND
- LANDUSE**
- Buildings
- Cultivated
- Dam
- Grave Site
- Indigenous Forests
- Mining
- Open
- Plantation
- Scrub/Savanna
- Wetland
- Urban
- Settlements



**ABAQULUSI
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SCALE:	1:322 564
DATE:	March 2022
DRAWN:	W. Richter
CHECKED:	L. Dookhilal

DRAWING STATUS	DRAFT REVIEW
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MAP TITLE	LAND USE
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PROJECT	SPATIAL DEVELOPMENT FRAMEWORK 2022
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2.6 Land Reform

Since the introduction of the Land Reform program in 1997, Abaqulusi Municipality area has generated a large number of projects. This could be attributed to the historical land dispossession that took place in the area during the apartheid period and land need as experienced by various previously disadvantaged communities in the area. A key focus has been on land redistributed, land tenure and land restitution.

Abaqulusi Municipality recognizes the importance of the land reform, particularly the role it can play in addressing historical land related conflicts, overcrowding and congestion, as well as promoting agricultural development. As such, the following should guide future implementation of the land reform program within Abaqulusi Municipality:

- Clustering of projects in a geographic area in terms of location, products and commodities, and social identity of the beneficiaries. Clustering will optimise development potential, rationalise support services and promote efficient use of scarce resources. Identification of clusters should be based on access, social identity, development opportunities, land use pattern and social relationships. This will provide a framework for a comprehensive approach to the resolution of labour tenant and land restitution claims.
- Settlement of the emerging farmers in terms of the Land Redistribution for Agricultural Development (LRAD) or Pro-active land Acquisition Strategy should be located close to transport axes on good agricultural land in situations where they have

access to ongoing support and mentorship – this by definition would exclude isolated areas of the municipal area.

- There is a need to promote off-farm settlement as a land delivery approach where the main need for land is settlement. Such land should be located in accessible areas, which can be provided with social facilities and basic services in an efficient and effective manner. It may also form part of a cluster of projects. This will also facilitate housing delivery and development of such settlements as sustainable human settlements.
- Identification of high impact projects and integration into the local value chain or development proposals. These projects should also be integrated into the LED program of the Municipality. Opportunities in Abaqulusi include game farming, forestry, livestock farming, irrigated pastures, and dry land and irrigated crop production.

It must however, be noted that the land reform is a need and a rights based program. Its primary focus is to transform the land ownership pattern in line with the national government targets. The map below indicates the various Land Distribution claims in Abaqulusi.

Map 12: Land Reform

Legend

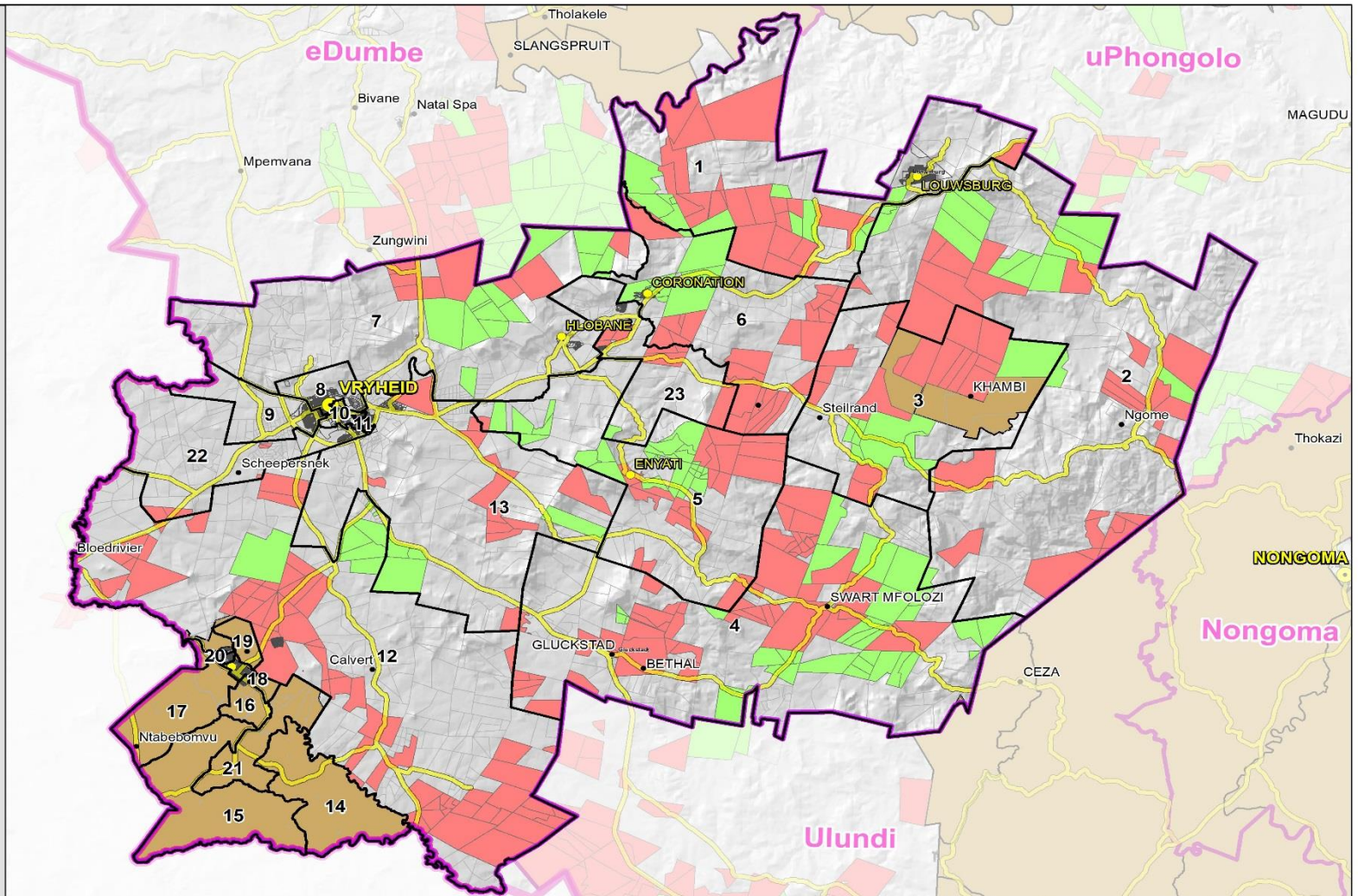
Towns and Places HIERARCHY

- MAJOR TOWN
- Minor Town
- Rural Centre

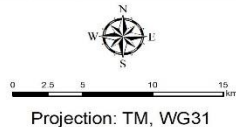
ROADS

Class

- Provincial
- National
- Erven Outlines
- Wards 2020
- LM Boundaries
- Transferred Redistribution Projects
- Settled Claims
- Farm Portions
- Traditional Authorities



**ABAQULUSI
LOCAL MUNICIPALITY**



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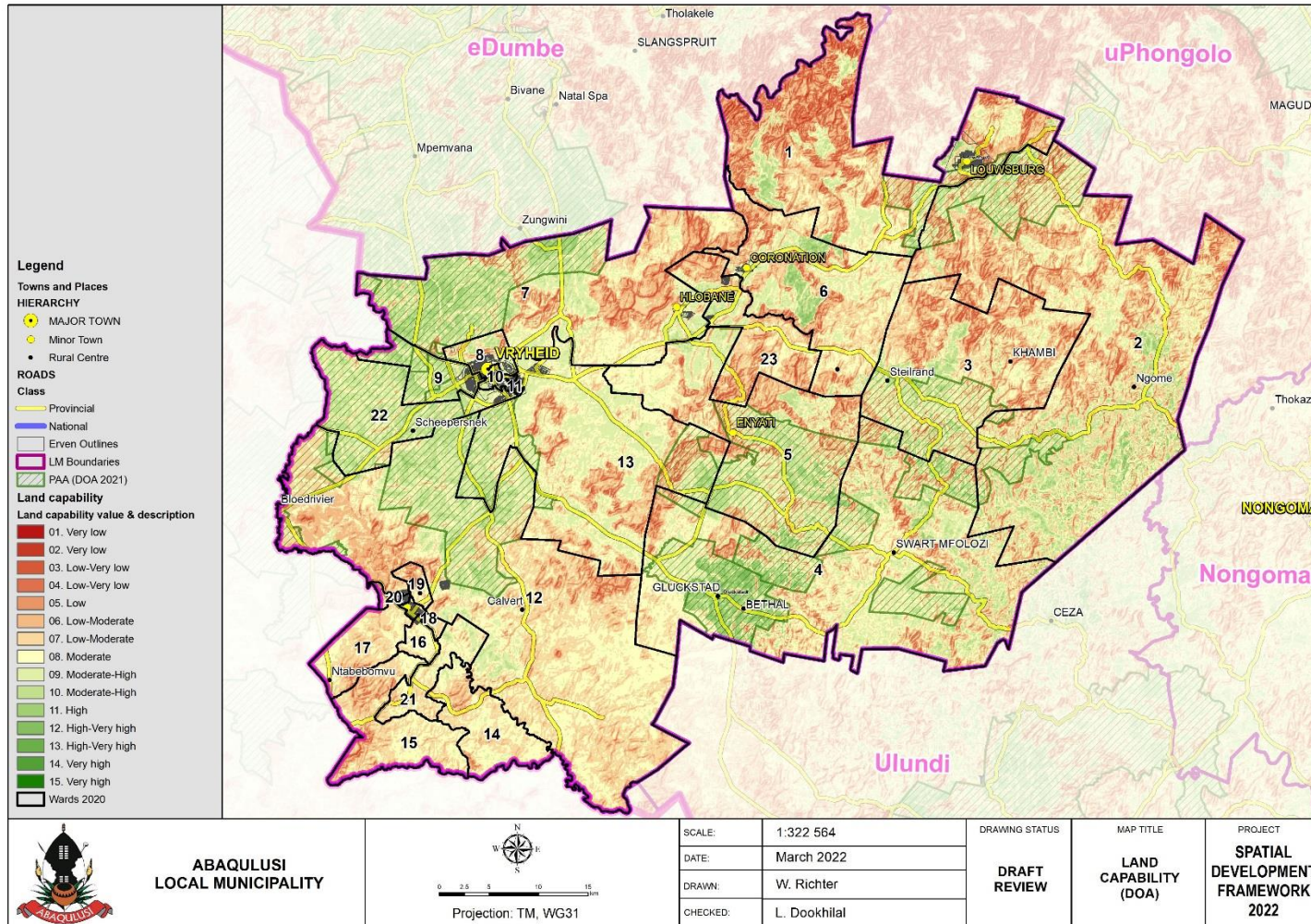
DRAWING STATUS
DRAFT REVIEW

MAP TITLE
LAND REFORM

PROJECT
SPATIAL DEVELOPMENT FRAMEWORK 2022

2.7 Land Capability

Map 13: Land Capability



Agricultural potential for any given land area is generally classified into eight potential ratings as: very high, high, good, moderate, restricted, very restricted, low, and very low potential. Agricultural potential within Abaqulusi Municipality falls into seven of the eight potential ratings namely: High good, relatively good, moderate, restricted, very restricted low, and very low agricultural potential areas. The majority of the municipality has good to moderate agricultural potential. High agricultural land occupies 13% of the total land area of approximately 41 8461 ha. About 30% of the land has minimal agricultural value. The Map on the left indicates the Land Capability within the Abaqulusi Municipality.

2.8 Environmental Analysis

Several important environmental features characterises Abaqulusi Municipality which are: natural vegetation areas, high species diversity areas, watercourse – wetlands, streams and rivers, habitats, breeding areas of threatened species, natural heritage sites, conservation significance sites, archaeological sites, geomorphologic importance sites and historical sites.

Environmental characteristics, associated constraints and opportunities are discussed in the sections below:

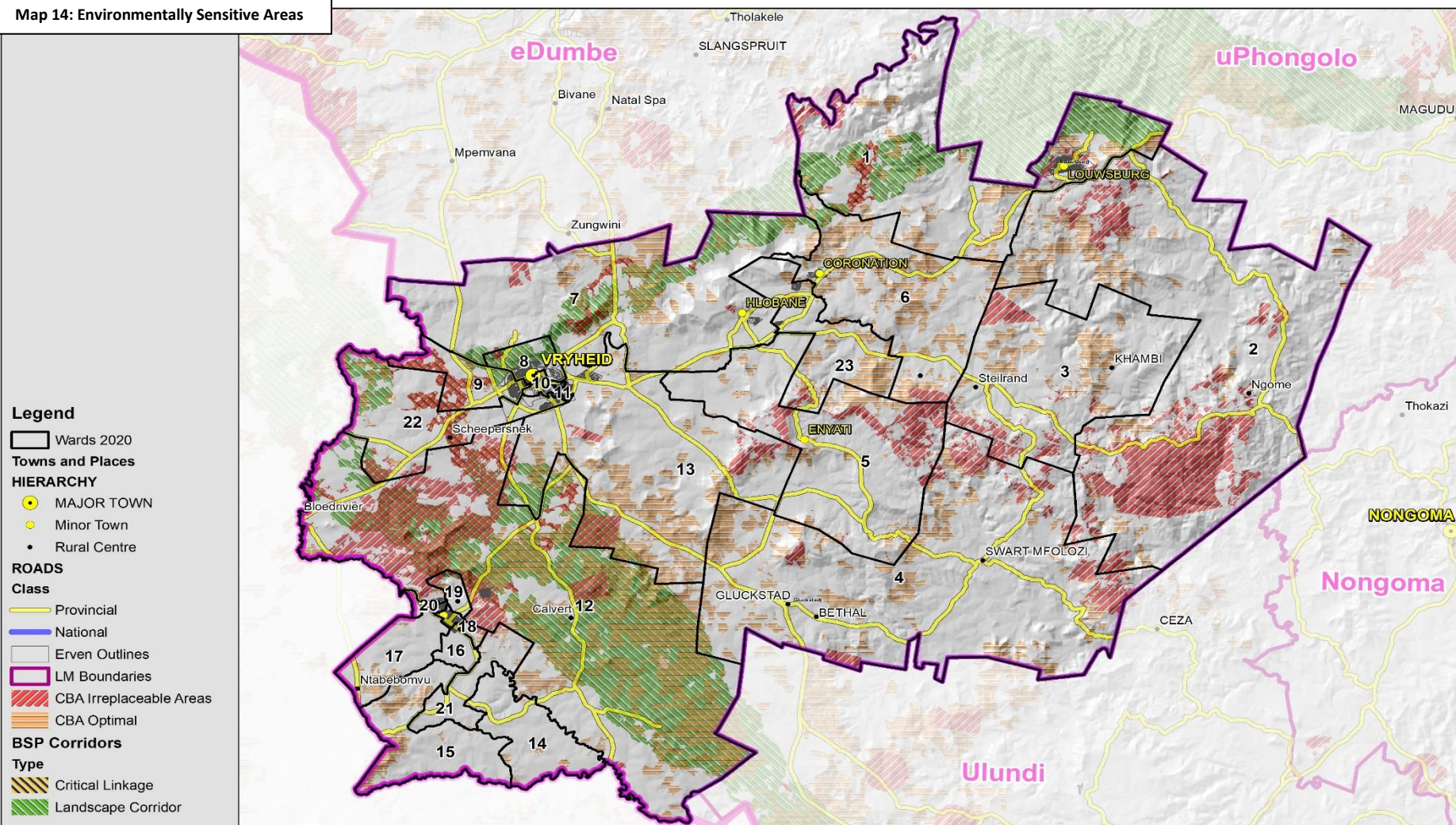
Abaqulusi Municipality falls in varied climatological zones as defined by the bio-resource classification of the KZN Department of Agriculture and Environmental Affairs. The dominant bio-resource groups are moist tall grassveld, warm sour sandveld, warm moist transitional tall grassland and dry Zululand thornveld. The mean annual rainfall range from 640 mm and 800 mm then rises up to between 800 mm and 1000 mm east of Khambi along the eastern boundary of Ward 2. The mean annual temperature lies between 170C and 190C. Summers are generally warm to prolonged hot spells reaching 300C. Winters are cold to very cold. Very cold winter periods are often associated with moderate to severe frost.

The dominant vegetation type in the municipality is grassland. The grassland consists of tall grass species predominantly *Hyparrhenia* and other species of *Hyparrhenia* in lesser prevalence. Woody vegetation is found on dolerite hillsides where the dominant tree species are *Acacia caffra*, and *Acacia kerroo* mainly along the watercourses.

The relevance of this issue to the Abaqulusi Municipality is that there is large-scale forestry activity in the municipality as well as some extensive areas of indigenous forests. The occurrence of timber plantations in association with the tall grassland vegetation supplies sufficient biomass for the disastrous bushfires. The issue of a high potential for Abaqulusi to be a fire prone municipality becomes even more significant considering the fact that climatic conditions favours the development and spread of uncontrollable bush fires which contributes to climate change and weather patterns changing.

The Map below highlights the environmentally sensitive areas within Abaqulusi Municipality.

Map 14: Environmentally Sensitive Areas

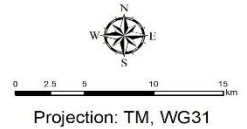


Legend

- Wards 2020
- Towns and Places HIERARCHY**
- MAJOR TOWN
- Minor Town
- Rural Centre
- ROADS Class**
- Provincial
- National
- Erven Outlines
- LM Boundaries
- CBA Irreplaceable Areas
- CBA Optimal
- BSP Corridors Type**
- Critical Linkage
- Landscape Corridor



**ABAQULUSI
LOCAL MUNICIPALITY**



SCALE:	1:322 564
DATE:	March 2022
DRAWN:	W. Richter
CHECKED:	L. Dookhilal

DRAWING STATUS	DRAFT REVIEW
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MAP TITLE	CRITICAL BIODIVERSITY
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PROJECT	SPATIAL DEVELOPMENT FRAMEWORK 2022
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Environmental Legislative framework

The law regulating waste management assist in order to protect health and the environment by providing reasonable measures for the prevention of pollution and ecological degradation and for securing ecologically sustainable development; to provide for specific waste management measures; to provide for the licensing and control of waste management activities; to provide for the remediation of contaminated land; to provide for compliance and enforcement; and to provide for matters connected therewith. The various applicable environmental Legislation within the Republic include the following:

- The South African Constitution (Act 108 of 1996)
- Environment Conservation Act (Act 73 of 1989)
- The National Environmental Management Act (Act 107 of 1998)
- National Environmental Management: Waste Act, 2008 (Act 59 of 2008)
- Hazardous Substances Act (Act 5 of 1973)
- Health Act (Act 63 of 1977)
- Occupational Health and Safety Act (Act 85 of 1993)
- National Water Act (Act 36 of 1998)
- Municipal Structures Act (Act 117 of 1998)
- Municipal Systems Act (Act 32 of 2000)
- Mineral and Petroleum Resources Development Act (Act 28 of 2002)
- Air Quality Act (Act 39 of 2004)

2.8.1 Habitats

AbaQulusi Municipality has a total of 418 461 Ha of which 78.8% is transformed and regarded as urban sector and 18.1% is un-transformed regarded as rural sector. Many areas have been transformed for the reason that new developments (Housing) has been established which has results in the loss of habitats including virgin-grass, soil degradation, biodiversity and species.

The physical features of the surface and their relation to its geological structure has resulted in to the land / surface become unstable, eroded and degraded. AbaQulusi landscape is mountainous, rocky, slope as a result of physical, chemical and biological processes which include climate change, weathering, weather patterns (include heavy rainfall and overflows) human activities and drought.

The change in the statistical distribution of weather patterns when the change lasts for an extended period of time has affected AbaQulusi Region as a results of climate change. The Region has experiencing a drought phase at the moment which is an indication of global warming and increase of green-house gases emissions.

The biodiversity of AbaQulusi has large areas of vegetation transformed as a result of one kind of land-use. Wide spread land transformation occurs mainly in Wards 14 to 20 along the western part of the municipality and Wards 7 to 11 in the north western part. Other areas are significant transformation has occurred are in Wards 5 and 3 at the southern end of the municipality.

Water resources at AbaQulusi consist of watercourses, wetlands, rivers and catchment areas. AbaQulusi falls in varied climatological zones as

defined by the bio-resource classification of the KZN Department of Agriculture and Environmental Affairs. The dominant bio-resource groups or vegetation type is as follows:

- Moist Tall Grassveld
- Warm Sour Sandveld
- Warm Moist Transitional Tall Grassland
- Dry Zululand Thornveld

2.8.2 Key Hydrological Features

a) Wetlands

Areas saturated with water either permanent or seasonal are found within AbaQulusi Region. Wetlands make important contributions to the hydrological functioning. The largest wetlands are found within the Western part of Umfolozi catchment in Ward 12 to 19 and from place to place in Vryheid especially around Bhekuzulu location. In Lakeside, Blood River Vlei, and Klipfontein Bird sanctuary, wetlands are also found.

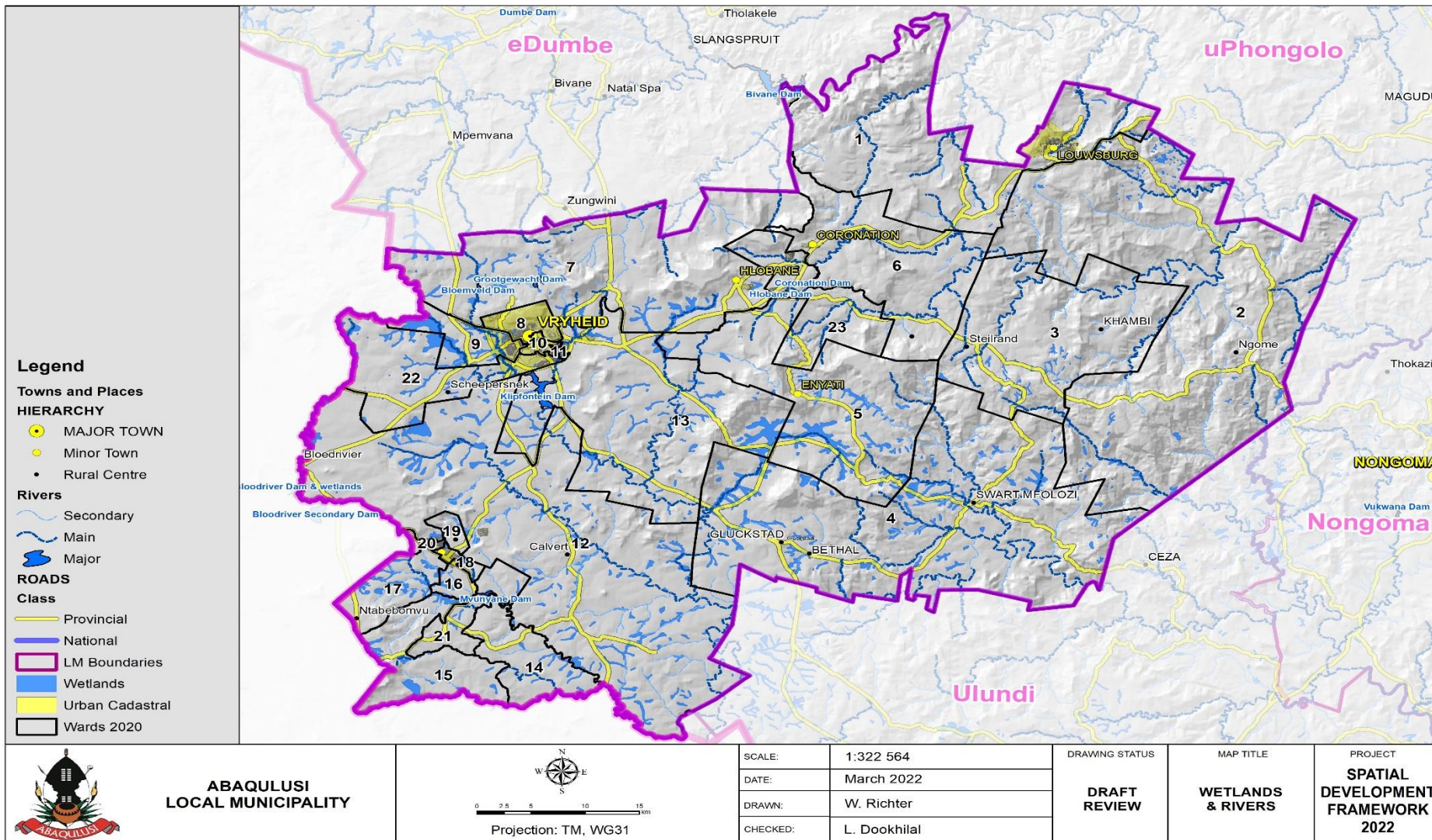
Wetlands in the areas have been significantly drained due to frequent burning, over-grazing, and agricultural activities, climate change and drought. Wetlands have reduced the functionality of storm-water attenuation. However, AbaQulusi Municipality in partnership with Department of Economic Development, Tourism and Environmental Affairs do celebrate wetland day in February and also promote wetlands in a form of education and awareness programme.

b) Catchment Areas / Rivers

Two major catchments originate exist, ie. Umfolozi catchment and Mkhuze catchment. Umfolozi is the largest with approximately twice the total surface area occupied by the Mkhuze catchment. These catchments are the source of several rivers that serve the socio-economic, agricultural, and industrial water demands of AbaQulusi. The following rivers are identified:

- White and Black Umfolozi
- Sandsruit River
- Mkhuze River
- Sikwebezi River
- Mvunyana River
- Thala River
- Bululwana River

Map 15: Wetlands and Rivers



2.8.3 Protected Areas

As per the Municipal SDF, there are only 2 protected areas within the municipality, namely:

- Ithala Game Reserve
- Vryheid Mountain Nature Reserve

These 2 areas mentioned above constitute 1% of the land cover in Abaqulusi.

2.8.4 Biodiversity

The Abaqulusi Municipality is among many municipalities that have had large areas of vegetation transformed as a result of one kind of land use or another. Wide spread land transformation occurs mainly in Wards 14 to 20 along the western part of the municipality and Wards 7 to 11 in the north western part. Other areas where significant transformation has occurred are in Wards 5 and 3 at the southern end of the municipality.

Critical Biodiversity Area 1 – Mandatory: The CBA 1 Mandatory areas are based on the irreplaceability analysis. Identified as having an Irreplaceability value of 1, these planning units represent the only localities for which the conservation targets for one or more of the biodiversity features contained within can be achieved i.e. there are no alternative sites available.

The distribution of the biodiversity features is not always applicable to the entire extent of the PU (Planning Unit), but is more often than not confined to a specific niche habitat e.g. a forest or wetland reflected as

a portion of the PU in question. In such cases, development could be considered within the PU if special mitigation measures are put in place to safeguard this feature(s) and if the nature of the development is commiserate with the conservation objectives. This is site and case dependant.

Critical Biodiversity Area 2 – Mandatory: CBA 2 indicate the presence of one (or more) features with a very high irreplaceability score. In practical terms, this means that there are alternate sites within which the targets can be met, but there aren't many. This site was chosen because it represents the most optimal area for choice in the systematic planning process, meeting both the target goals for the features concerned, as well as a number of other guiding criteria such as high agricultural potential area avoidance, falls within a macro-ecological corridor etc. Whilst the targets could be met elsewhere, the revised reserve design would more often than not be slightly more 'land-hungry' in an effort to meet its conservation objectives.

Critical Biodiversity Area 3 – Optimal: CBA3 indicate the presence of one (or more) features with a low irreplaceability score. Derived in the same way as outlined for CBA2 described above, the determination vision of these PU's is driven primarily by the guiding layers.

The areas not highlighted in MINSET ARE NOT OPEN for wholesale development. Important species are still located within them and should be accounted for in the EIA process. They are not highlighted as the MINSET highlights the 'choice' areas from a biodiversity point of view only. Should one or more of the CBA2 and CBA3 sites be utilised for development, it is obvious that the target for whatever feature (s) where located within that PU will no longer be met. Ideally, MINSET would have

to be re-run to calculate the next optimal solution, the new PUs being 'extracted' from the currently blank/un-defined areas.

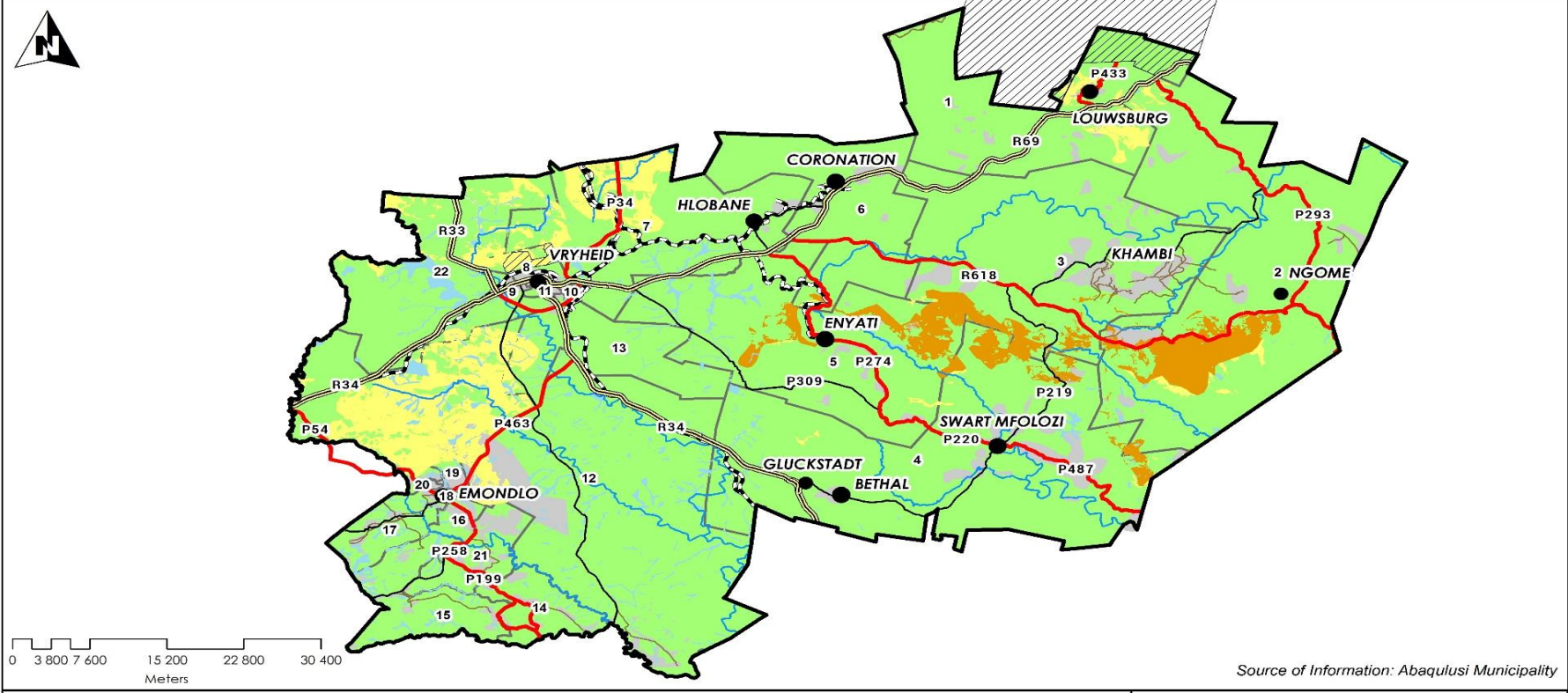
Biodiversity Area: The areas not highlighted in MINSET ARE NOT OPEN for wholesale development. Important species are still located within them and should be accounted for in the EIA process. They are not highlighted as the MINSET highlights the 'choice' areas from a biodiversity point of view only. Should one or more of the CBA2 and CBA3 sites be utilised for development, it is obvious that the target for whatever feature(s) where located within that PU will no longer be met. Ideally, MINSET would have to be re-run to calculate the next optimal solution, the new PUs being 'extracted' from the currently blank/un-defined areas.

As per the categorisation of biodiversity areas reflected above, the Map below is a representation of the Biodiversity within Abaqulusi.

Map 16: Biodiversity

**ABAQULUSI LOCAL MUNICIPALITY
SPATIAL DEVELOPMENT FRAMEWORK REVIEW
BIODIVERSITY**

1:375 000 on A3



Source of Information: Abaqulusi Municipality

Legend

Study Area	Rivers	Threatened Ecosystems
Nodes	Wetlands	Endangered
Main Roads	Protected Areas	Vulnerable
Secondary Roads	Wards	Least Threatened
Arterial Roads	Settlements	
Access Roads		

Prepared for:
**ABAQULUSI LOCAL MUNICIPALITY
SPATIAL DEVELOPMENT FRAMEWORK
(SDF) REVIEW**

Date: March 2016
File No.: KZN 004
Prepared By:

**Limits of Liability and Warrant
Disclaimer**
This data is for information purposes only.
No liability shall devolve upon the local
authority or its officials, through the
use thereof.

2.8.5 Climate Change

AbaQulusi Municipality is in a pre-planning stage to introduce the concept or the idea of climate change to the Council and community at large. The idea is to develop a climate change response strategy which will incorporate the mitigation and adaptation selections for the Municipality, identify procedures to reduce Green House Gases emissions; engagements with relevant stakeholders and institutions; and develop a learning exchange relationship with other local, District, Metro and inter-national countries.

Climate Change is regarded by many as the most important environmental challenge in our era. Climate Change is defined by the United Nations Framework Convention on Climate Change (UNFCCC) as “a change of climate which is attributed directly or indirectly to human activity that alters the composition of the global atmosphere and which is in addition to natural climate variability over comparable time periods”. Global Warming has been blamed as that human activity, which has had the most influential impact on climate change. Global warming is defined by the UNFCCC as “the increase in the earth’s temperature, in part due to emissions of greenhouse gases (GHG’s) associated with human activities such as burning fossil fuels, biomass burning, cement manufacture, cow and sheep rearing, deforestation and other land-use changes.”

Climate change is already having and will continue to have far reaching impacts on human livelihoods. As a result, policy and development plans must take cognizance of the implications of a changing climate and develop strategies for both mitigation and adaptation for a changing climate.

Recent studies within South Africa which involve climate change modelling and associated projections all show conclusively that the symptoms of climate change in South Africa are likely to include:

- Higher temperatures
- Altered rainfall patterns
- More frequent or intense extreme weather events, including heat-waves, droughts, storms and floods

The above climate changes could imply that Abaqulusi Local Municipality is faced with:

- More frequent and severe flooding as a result of higher intensity storm events and possibly more frequent hail events. This will impact on human settlements, infrastructure, human health and place a greater burden on particularly impoverished communities
- Higher rainfall may increase agricultural production but water availability could become a limiting factor, requiring increased irrigation. Ground and surface water systems are vulnerable. In this regard small scale farming is likely to be most affected
- Heat waves may result in increased heat stress to plants, animals and humans and will increase associated fire risk placing livestock and grazing capacity under threat.
- Below or average levels of rainfall may result in prolonged shortages in water supply resulting in severe drought for an unknown period of time.

From a spatial planning perspective, responses are largely focused around avoiding new development and insisting on development controls around flood prone areas. Other responses are generally considered good practice and regardless of climate change, there will generally lead to an improved standard of living. These mentioned responses, if implemented should increase the resilience of vulnerable communities to climate change.

2.8.6 Strategic Environmental Assessment

The main issues within the municipality were identified within the following categories: housing, soil, water, waste, biodiversity and tourism. The Fundamental Tools to be considered when contemplating each issue and acting on these issues are: Awareness, Regulation and Enforcement, Sustainability, and Delivery. Some of the Main Issues fall under more than one category, for example, “Wetland Degradation” might fall under Water, Soil and Biodiversity and even Tourism and Housing, as it is quite often housing developments that damage wetlands, and loss of the wetland systems could affect tourism (Zululand District SEA)

2.9 Spatial and Environmental Trends and Analysis

- Illegal developments mushrooming on Agricultural Land posing a problem as productive land is now getting depleted.
- Illegal occupation of privately owned land creating social problems and legal implications involving the municipality.

- More people moving to the Vryheid Town in search of employment, creating additional pressure on municipal services and the environment
- Large geographical area hinders development due to difficulty to provide services
- Housing projects planned around the Primary and Secondary Nodes of the municipality to ensure access to better services

2.10 Spatial and Environmental SWOT analysis

• Strengths	• Weakness
<ul style="list-style-type: none"> • Planning and Environmental By-laws in place • Availability of Skilled and Registered Planners • Planning Legislation in place • SPLUMA Measures approved and adopted by Council • Functional Planning registry • Reviewed Disaster Sector Plan • SPLUMA MPT is in place 	<ul style="list-style-type: none"> • Lack of Human Resources • non-compliance with planning, building , and environment legislation • Lack of Training of staff • No peace officers within the department (13 employees identified for training) • Lack of equipment –shared telephone lines, printers and computers • Lack of capacity and funding to implement projects identified in the precinct plans and SDF • Non-formalisation of Towns

	<ul style="list-style-type: none"> No satellite offices for planning
<ul style="list-style-type: none"> Opportunities 	<ul style="list-style-type: none"> Threats
<ul style="list-style-type: none"> Support from Development Planning Shared Services in terms of Technical Support Support from COGTA, DRDLR, and DEA Land Audit can be conducted to determine potential of land Awareness campaigns with communities indicating importance of development, environment and disaster Favourably located along the provincial secondary corridor (Umhlatuze-Ulundi-Vryheid etc) Recycling Programme to be introduced (MANCO item) Preparation of the AbaQulusi Wall-to-wall scheme -land development controls and measures to be put in place 	<ul style="list-style-type: none"> Illegal Developments Lack of community awareness on development issues Illegal dumping Damage to environmentally sensitive areas community disputes Illegal occupation of land Shortage of land policy – expansion of the Vryheid and eMondlo CBD Dilapidation of the low order nodes – small towns and mining towns, old infrastructure Loss of income due to threats received on enforcing municipal by-laws Building without submission of building plans Illegal Sand Mining Land Claims against municipality

2.11 Disaster Management Analysis

The Abaqulusi Local Municipality currently has a Disaster Management Centre where disaster management functions are fully rendered. However, it must be noted that the municipality still requires assistance from all relevant stakeholders in order to have a fully functional and effective unit within the municipality due to the lack of capacity and limited funding. ***The municipality's 2022/2023 Disaster Management Sector Plan is attached as Annexure I 2***

2.11.1 Municipal Institute Capacity

The main objective of the Municipal Institute Capacity is to establish an integrated institutional capacity within the Abaqulusi Municipality to enable the effective implementation of disaster risk management policy and legislation. This institutional capacity establishes the requirements which will ensure the establishment of effective institutional arrangements for the integrated and coordinated implementation of disaster management policy and legislation; and which will give explicit priority to the application of principles of cooperative governance and place appropriate emphasis on the involvement of all stakeholders in disaster management in strengthening the capabilities of municipal organs of state for the purposes of disaster management. The following sub-objectives need to be implemented:

- Facilitate arrangements for the development of an integrated disaster risk management policy by the municipality.

- Facilitate the establishment instruments that will give direction for successful execution of disaster risk management policy.
- Achieve stakeholder participation and the engagement in all phases and activities of disaster management.
- Key deliverables of this KPA shall therefore include but not limited to:
- An approved and adopted disaster management policy by the municipality.
- Municipal Disaster Management Capacity Report.
- Identified municipal instrument/s that will guide and provide support for the successful implementation of the disaster management plan.
- Implementation plan for stakeholder engagement and participation in disaster management.

2.11.2 Risk Assessment

The main objective of Risk Assessment is to generate an Indicative Local Disaster Risk Profile by establishing and maintaining a uniform methodology to continuously assess and monitor risks. The need for disaster risk assessment and monitoring to set priorities, guide risk reduction action and monitor the effectiveness of efforts. Although the country faces many different types of risk, disaster risk specifically refers to the likelihood of harm or loss due to the action of hazards or other external threats on vulnerable structures, services, areas, communities and households. Therefore this outlines the requirements for

implementing disaster risk assessment and monitoring by organs of state. The following are sub-objective of Risk Assessment:

- Conducting disaster risk assessment to inform disaster risk management and risk reduction policies, planning and programming
- Generating an indicative entity disaster risk profile
- Monitoring, updating and disseminating risk information
- Conducting quality control

2.11.3 Risk Reduction and Prevention

The main objective of Risk Reduction and Prevention is to facilitate co-operation and integration amongst stakeholders and that the municipality develops and implements Disaster Management Objectives as stipulated by the Disaster Management Act. The prevention and mitigation strategies and disaster response must be aligned with the requirements of the National Disaster Management Centre (NDMC), Provincial Disaster Management Centre (PDMC) Zululand District Municipality framework. Abaqulusi Municipality must mobilise fiscal resources to enable it to plan and implement risk reduction projects and programmes in its area of jurisdiction.

The successful implementation of the Disaster Management Act critically depends on the preparation and alignment of disaster management frameworks and plans for all spheres of government. The legal requirements for the preparation of disaster management frameworks and plans by provincial and municipal organs of state are specified in

sections 38 and 52 of the Act. This key performance area addresses requirements for disaster management planning within provincial and municipal spheres of government. It gives particular attention to the planning for and integration of the core risk reduction principles of prevention and mitigation into ongoing programmes and initiatives. The following activities are paramount to be executed:

- Ensure all stakeholders compile integrated and relevant disaster risk management plans.
- Determine priority disaster risks and priority areas, communities and households.
- Scoping and development of risk reduction plans, projects and programmes.
- Inclusion of risk reduction efforts into strategic integrating structures and processes.
- Implement and monitor disaster risk reduction programmes and initiatives.

2.11.3.1 Disaster Risk Reduction Strategies

a) Prevention

- Mitigation
- Effective Land-use
- Basic Public Works
- Effective Municipal Service

b) Mitigation

- Structural Measures
- Non-Structural Measures

c) Municipal Disaster Management Advisory Forum (Local)

- Disaster Risk Reduction Plans, Projects and Programmes
- Implementation of above-mentioned plans, projects and programmes
- Align with Spatial Development Plan
- Align with ID

d) Inputs for compiling disaster risk reduction measures line Departments such as Engineering, Planning etc.

- Disaster risk assessment is executed for each hazard
- Roles and responsibilities
- Risk reduction on ward level

2.11.4 Response and Recovery

The objectives that are summarized below should be executed in collaboration with the Zululand District Municipality Disaster Management Centre. It is expected that the Disaster Management Centre shall have the necessary response and recovery equipment and immediate relief provision and needs. Abaqulusi Municipality is advised

to acquire some response and recovery equipment and immediate relief provisions.

Objective: To ensure effective disaster response and recovery by:

- ✓ Implementing early warning systems.
- ✓ Implementing immediate and appropriate response.
- ✓ Implementing recovery and rehabilitation strategies.

Immediate Relief Measures: The Disaster Management Centre needs to ensure that they have measures in place to readily provide emergency relief. These interim relief measures should be disseminated efficiently to the affected household and communities in the event of a major incident.

Whenever there is threatening or imminent hazard, an early warning is disseminated to communities or relevant stakeholders. Preparedness levels are kept high through public engagement via awareness campaigns, media releases and training sessions. Ward Councillors, Ward Committee Members, Traditional Leaders and Volunteers are utilized to carry out response and recovery plans.

At present, the Municipality has a fire station located in Vryheid CBD in order to respond to emergencies within predetermined times. This service is provided on a 24/7 emergency control centre. Furthermore, the Municipality conducts Fire inspections and fire drills if and when requested. The Municipality proactively conducts regular risk

compliance within the Municipal jurisdiction in order to mitigate potential fire risks.

2.11.5 Training and Awareness

The Abaqulusi Municipality is committed to Disaster Management Training and Public Awareness campaigns around its area of jurisdiction, particularly in the most vulnerable wards. Volunteers within the municipality are also utilized in order to assist with disasters. Ward Councillors are also workshopped on a time-to-time basis in order to sensitise their communities about potential disaster risks.

The Abaqulusi Municipality Disaster Management Centre core priority is to ensure the vulnerable communities can be able to mitigate effects of disasters by addressing following:

- ✓ Determine the risk and Identify possible hazards and emergencies
- ✓ Learn about the hazards that may strike their community
- ✓ The risks they face from these hazards
- ✓ Familiarize communities with plans for warning and evacuation which can be obtained this information from your local Disaster Management Centre of local municipality.

2.11.6 Funding arrangements

The municipality's disaster budget operates on very limited funding, however funds are made available via the municipal budget and other

supporting structures. There is however a dependency from the district municipality and KZN Provincial Disaster Management Centre during an event of a disaster.

There are three funds currently administered by the Department of Social Development that provide financial support after a disaster:

- The Disaster Relief Fund provides ex gratia support to people involved in both natural disasters and human-made disasters. To access this fund, the relevant municipality must request the Premier of the Province to approach the National Department of Social Development to take the necessary steps to have the event declared a disaster. Once the Department of Social Development receives such a request, it advises the President who can declare the event a disaster.
- The Social Relief Fund provides support to organizations that provide relief services to communities that are affected by violence.
- These funds were originally designed to provide immediate relief to persons affected by disasters. However, they have been slow to provide assistance to victims of disasters and organizations involved in relief efforts

2.11.7 Disaster Management SWOT Analysis

Strengths	Weakness
<ul style="list-style-type: none"> • Existence of a Disaster management Centre • Experienced personnel • A DMSP is in place 	<ul style="list-style-type: none"> • Limited budget to operate effectively • Limited officials to respond timeously • Limited equipment to provide effective relief and response
Opportunities	Threats
<ul style="list-style-type: none"> • Municipality has a good relationship with its stakeholders, assist in disasters • Municipality is constantly involved with the provincial and district Disaster forums 	<ul style="list-style-type: none"> • Loss of life • Loss of property • Delayed response to disasters due to large geographical space to cover

2.12 Cross-Cutting Key Challenges

Key Performance Area: Cross-Cutting (Spatial, Environmental and Disaster)			
Key Challenges	Problem Statement (Definition)	Proposed Interventions	Status Quo
1. No wall-to-wall scheme	Difficult to control development outside area of schemes	-Review SDF -Develop wall to wall land use scheme	-SDF is reviewed annually -Urban component of wall-to-wall scheme is complete. Rural component of scheme is to be completed by June 2022.
2. GIS System not linked to Billing and Valuation Roll	Tracing illegal developments and linking properties to utilities is often a challenge	-Link GIS system to all municipal departments	-This is an on-going concern
3. Illegal land use and development	Land invasions with illegal settlements have popped up over the years	-Peace Officer training to existing staff -Workshops to be conducted with communities	-This is an on-going concern

4. Lack of Disaster Management resources	Limited budget and human resources within the disaster management unit makes it difficult to attend to disasters timeously and effectively	-Prioritise and budget for Disaster management equipment	-This is an on-going concern
5. Landfill site is in a poor condition	1 main landfill site that's serves the broader Abaqulusi Population has created an environmental risk over the years.	-Rehabilitate Landfill site -Identify other suitable landfill sites	-This is an on-going concern however rehabilitation has begun.

3. Municipal Transformation and Organisational Development Analysis

3.1 Municipal Transformation

Municipal Transformation and Organizational Development within the sphere of Local Government is a direct obligation that primarily sits within the Corporate Services Department under the Human Resource Section. ***Within the Abaqulusi Municipality, the issues of Municipal Transformation and Organizational Development is dealt with by the Human Resource Strategy and Plan.***

3.1.1 Aims and Objectives of the HR Strategy and Plan

- Effective Communication/ consultation between the Departments and Human resources;
- HR Data interpretation, analysis and implementation of corrective action;
- Benchmarking with other municipalities based on results of 3 above;
- Review and update all HR Policies;
- Fill Critical posts;
- Review and adopt organogram;
- Cascade performance Management;
- Design a recognition scheme for high performers;
- Conduct skills Audit;
- Develop and implement workplace skills plan

3.1.2 Strategic Pillars of the HR Strategy and Plan

- Remuneration and reward
- Exit management
- Talent management
- Organisational culture management
- Human resources planning
- Sourcing and placement
- Capacity building
- Performance management
- Wellness management
- Employee relations

- Employee retention management
- Employee retention strategy
- Human resources management and administration reporting
- HR Information system
- HR Communication
- Staff retention
- Employment equity and diversity management

3.1.3 Implementation of HR Strategy and Plan

a) Organogram Review

- The municipal Organogram is reviewed and adopted annually.
- The last review and adoption was finalized by the municipal council on 21 March 2021.
- In reviewing that organogram, the municipality undertook a widespread consultative process with all stakeholders and has now adopted its 2022/2023 Organogram. ***This organogram is attached as Annexure I 3.***

b) Placement

- Placement is the allocation of employees whose positions were affected during the process of organogram review.
- Placement policy is in place as a guide and was adopted by Council in 24 March 2021
- Placement Committee is comprised of the following members:

✓ Executive Director: Corporate Services

- ✓ Executive Director: Community Services
- ✓ Executive Director :Technical Services
- ✓ Executive Director : Planning and Development
- ✓ Chief Financial Officer
- ✓ Manager: Human Resources
- ✓ Organized Labour- IMATU and SAMWU.

- The Placement Committee does have Terms of Reference in place.
- The placement of employees is not intended to promote and demote or punish employees and it should be effected within one month after adoption of the organogram to avoid hampering of service delivery.
- Currently there are 5 employees that have been placed based on their requests.
- Placement will also be implemented once the Organogram is adopted by Council.

c) Job Description Review

- It is essential to update and review job descriptions for all new and changed post on the adopted organogram. This exercise should be finalized by June 2022.
- Organized Labour have been consulted during the process of job description review.
- The new and reviewed job descriptions have been submitted to JEU and be finalized by end of this financial year
- The Assistant Manager: Human Resources was responsible for this process, now the Human Resources Manager have took over after The Assistant Manager retired.

d) Implementation Of Job Evaluation Results

- The job evaluation results should be implemented within one month after adoption by Council.

e) Review Of HR Policies

- Human Resources policies should be reviewed annually in order to ensure that they are still in line with relevant Legislation and the Municipal needs.
- The HR policies were last adopted by Council in 24 March 2022.
- Currently HR policies in place include:

- a) Long Services Bonus
- b) Acting Allowance
- c) Special Leave
- d) Emergency Personnel and Emergency work
- e) Night work allowance
- f) Shift Allowance
- g) Standby allowance
- h) Overtime
- i) Special paid sick leave
- j) Recruitment policy
- k) Travelling allowance
- l) Home Owner allowance
- m) Rental allowance

f) Review Employment Equity Plan

- The Employment Equity Act (EEA) of South Africa was promulgated in 1998 to address the inequalities that exist in the workplace. This plan is drafted to address the inequalities that exist within the organization. Therefore, AbaQulusi Municipality is required by law to comply with the Employment Equity Act of 1998. In this respect the main objective will be to focus on implementing the Employment Equity Plan (EEP) so as to achieve a staff profile that will, within set time frames, proportionally reflect the demographic composition of the area.
- The Employment Equity reports have been submitted to Department of Labour in December 2021 as a legal compliant.
- The Employment Equity Committee is comprised of the Manager HRM as a Designated Employment Equity Manager, Organized Labour, Manager: HRD, Manager: Legal Services, employee representatives from all occupational levels, designated groups and non-designated, race gender and people living with disability.
- The Employment Equity Committee sits quarterly.
- The Terms of Reference were drafted and adopted by the Employment Equity Committee and also approved by the Municipal Manager.
- The main objective of the Employment Equity Committee is to conduct an analysis and review the Employment Equity Plan.
- The EEP for 2021- 2024 was finally adopted by September 2021
- The Abaqulusi Employment Equity Plan addresses all aspects of Affirmative Action measures defined by the Act, to redress the disadvantages in employment experienced by designated groups and people with disabilities, in order to ensure their equitable

representation in all occupational levels and categories in the workforce.

The EEP is a dynamic document, designed to address the following:

In its attempts to address the discrimination of the past the EEP has two main objectives:-

- ✓ To ensure that our workplaces are free of discrimination and
- ✓ To ensure that active steps are taken to promote employment equity.

The 2 tables below highlights the **current employment demographics** and the **targeted employment demographics** as the municipality’s EEP which is an important criteria related to the Employment Equity Act:

Current employment demographics

Snapshot of workforce profile for all employees, including people with disabilities

Occupational Levels	Male			Female			Foreign Nationals		Total
	A	C	W	A	C	W	Male	Female	
Top management									4
Senior management	3		1	1					5

Professionally qualified and experienced specialists and mid-management	15	1	2	8	1	3					30
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	52	1	10	38	4	1	5				111
Semi-skilled and discretionary decision making	96	1	2	44	1	1					144
Unskilled and defined decision making	94			46							140
TOTAL PERMANENT	260	3	15	138	5	2	8				430
Temporary employees	1			4							
GRAND TOTAL	261		15	142	5	2	8				436

Professionally qualified and experienced specialists and mid-management	15	1	2	8	1	3					30
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	52	1	10	38	4	1	5				111
Semi-skilled and discretionary decision making	96	1	2	44	1	1					144
Unskilled and defined decision making	94			46							140
TOTAL PERMANENT	260	3	15	138	5	2	8				430
Temporary employees	1			4							
GRAND TOTAL	261		15	142	5	2	8				436

Targeted employment demographics

Snapshot of workforce profile for all employees, including people with disabilities

Occupational Levels	Male			Female			Foreign Nationals		Total
	A	I	W	A	I	W	Male	Female	
Top management									4
Senior management	3		1	1					5

- Employment Equity reports were sent to DOL as it is required by the Employment Equity Act in December 2021.
- ***The EEP expired on 30th September 2021 and the new one was reviewed and adopted by Council on September 2021***
- The EEP is now a 3 year plan and not a 5 year plan.
- This Plan will lapse in September 2024
- It is imperative to comply with the EEA and to report to Department of Labour timeously in order to avoid 1.5 Million fine for not complying.
- Employment Equity Committee is in place.

- The Committee is comprised of members from all occupational categories, designated and non-designated groups as well as members of Organized Labour.
- This Committee sits on quarterly basis as per its Terms of Reference.
- The Committee is not fully functional as the quorum is not always being met.

g) Long Service Awards

- Long Service Award was approved and adopted by Council in 2021.
- Council resolved that R10 000.00 should be awarded to employees in recognition of long service instead of awarding R2000.00 or a watch as a gift.
- This is currently being implemented as a tool to motivate and retain employees.
- Long Service Award is also regulated in the Collective Agreement

h) Staff Rotation

- Staff rotation is so essential in order to capacitate employees to perform different tasks and different functions in HRM section. This is multi-tasking which is also crucial since it allows consistency and continuity within the section if one employee is on leave and the remaining employee will then be able to assist employees on that particular function.

i) Setting Achievable Targets/ Goals As Outlined In The SDBIP

- The SDBIP is a service delivery and performance monitoring and assessment tool for all departments of the municipality.
- The SDBIP outlines the projects with measurable and achievable targets. This is the criteria of weighing the performance of the Department on monthly, quarterly and annual basis, hence sections and Departments have a duty and responsibility to ensure that their set targets.
- Therefore, it is imperative that Human Resources Management section sets its achievable targets to ensure good governance within the Municipality.

j) Weekly, Monthly, Quarterly, Annual Plans And Reports

- It is essential that Human Resources prepare and compile weekly, monthly, quarterly and annual plans and report in order to achieve targets which are in line with the SDBIP.
- This is a performance management tool for the employees in the section and without such plans and reports, achieving the sectional targets will be a nightmare.
- Currently this is being achieved as monthly, quarterly, annual plans and reports are being submitted.

k) Departmental And Sectional Staff Monthly Meetings

- **Human Resource staff meetings are crucial for** information sharing and addressing challenges faced by the section and come

up with possible solutions thereof. Meetings are a communication tool which brings unity and team spirit amongst the staff in order to enhance high quality of service delivery in the section. This is a platform of discussing, analyzing and interpreting HR policies, procedures and circulars, hence it is imperative and crucial to have weekly or monthly meetings in the section.

l) Leave Plans

- Leave plans are essential in the section in order to ensure consistency, efficiency and effectiveness towards service delivery.
- HR Section should submit their leave plans earlier before taking their annual leave to prevent disruption of service delivery. The culture of HR staff going on annual leave simultaneously leaving the section unattended is unacceptable and thus this should come to an end.

m) Employee Relations

- In terms of the Labour Relations Act employee grievance must be attended speedily within the stipulated time frames in a fair and reasonable manner.
- This prevents and minimizes unnecessary disputes which are costly to the municipality.
- Monthly reports on grievances and disputes should be submitted to Head of Department.
- The Legal and Labour Relation Component has been established in order to promote and maintain a sound Labour Relations within Abaqulusi Municipality.

- The Manager: Legal Services and Legal Officer have been appointed to deal with grievances, disputes and disciplinary matters.
- The Local Labour Forum is in place to ensure Labour peace within the municipality.
- The LLF is comprised of Councillors- 4 members, Administration- 4 Directors, SAMWU union- 6 members and IMATU union- 5 members.
- Officials such as HR Manager, HRD Manager, Legal Services and council Manager and Council Support are part of the LLF but do not form a Quorum.
- LLF meetings sit on a monthly basis and
- LLF functions are being regulated by the Main Collective Agreement.

n) Team Building Exercise

- Team building exercise is essential to have in every departments in order to promote staff unity and boost morale. This enhances a high quality service delivery within the municipality.

o) Human Resources Training And Development

- Training and workshops are essential in the municipality to develop and capacitate employees.
- Skills audit should be conducted through HRD and training plans and WSP should be developed and put in place to capacitate employees.
- Health and safety and wellness programs are in place and are entrusted to HRD.

- Study bursaries should be made available in order to assist employees further their studies.

p) Recruitment of Adequate, Suitable and Qualified Employees.

- Recruitment policy and procedure, Employment Equity Act should be applied and followed when appointing adequate and qualified employees.
- Employment Equity Plan is in place during recruitment process to avoid unfair discrimination and it should address gender equality challenges.
- EEP deals with matters of transformation and diversity where employment equity are being set.
- Shortlisting and interview panel should also be **appointed by the Municipal Manager.**
- Appointment of suitable staff must be done according to set employment equity targets.

q) Staff Retention Strategy

- **The retention strategy is in place** to ensure that Abaqulusi Municipality are well and best utilized.
- **Recruitment policy is in place** to ensure that adequate, qualified and suitable employees are appointed.
- Training programs are also in place to ensure that employees are well capacitated.
- Wellness programs have been put in place to ensure employees wellbeing.

- Job evaluation is being implemented through Job Evaluation committee and Provincial Audit Committee to ensure competitive salaries.
- A negotiated salary approach is being considered to attract scarce skill employees.
- Exit interviews are being conducted to exiting employees to establish the effectiveness of our HR policies, strength and weaknesses of our organization and improvement plans.

3.2 Organisational Development

3.2.1 Institutional Arrangements

The Abaqulusi Municipality's institutional arrangement comprises of a Political and Administrative structure. The Political structure (**EXCO and Council**) plays an oversight role and are the decision makers within the municipality whilst the Administrative structure is responsible for implementing Council's strategic goals. The Administrative structure of the municipality is made up of 6 departments, namely:

- Office of the Municipal Manager
- Finance Department
- Technical Services
- Corporate Services
- Development Planning
- Community Services

The above mentioned departments are monitored by the **5 Portfolio Committees** within the municipality which are established by Council.

The role of these Portfolio Committees are to simply track progress and overlook the functionality and performance of the municipality. In addition to the Portfolio Committees, the Council has a further **2 Committees** that play an oversight role within the municipality, namely:

- Audit Committee
- Municipal Public Accounts Committee (MPAC)

3.2.1 Institutional Arrangements

The Constitution states in section 156(1) that a municipality has executive authority in respect of, and has the right to administer the local government matters listed in Part B of Schedule 4 and Part B of Schedule 5. These functions are contained in the table below.

Table 5: Powers and Functions

Schedule 4: Part B		Schedule 5:Part B	
Powers/Functions	Status	Powers/Functions	Status
Air pollution	Yes	Beaches and amusement facilities	No
Building regulations	Yes	Billboards and the display of advertisements in public places	Yes
Child care facilities	Yes: Partially: Assist DSD	Cemeteries, funeral parlours and crematoria	Yes
Electricity and gas reticulation	Yes: Partially: Assisted by ESKOM	Cleansing	Yes

Firefighting services	Yes	Control of public nuisances	Yes
Local tourism	Yes	Control of undertakings that sell liquor to the public	Yes: Partially: Assist KZN Liquor Board
Municipal airports	Yes: Not operational	Facilities for the accommodation, care and burial of animals	No
Municipal planning	Yes	Fencing and fences	Yes
Municipal health services	No: Performed by District/ Provincial Health	Licensing of dogs	No
Municipal public transport	Yes: Partially: Assist Department of Transport	Licensing and control of undertakings that sell food to the public	Yes: Partially: Assist Department of Health
Municipal public works	No: Provincial Public Works	Local amenities	Yes
Pontoons, ferries, jetties, piers and harbours,	No: Not Applicable	Local sport facilities	Yes
Storm water management systems in built-up areas	Yes	Markets	No
Trading regulations	Yes	Municipal abattoirs	No

Water and Sanitation Services	Yes: Partially: Urban Areas only	Municipal parks and recreation	Yes
		Municipal roads	Yes
		Noise pollution	Yes: But no capacity
		Pounds	No
		Public places	Yes
		Refuse removal, refuse dumps and solid waste disposal	Yes: Not all wards covered
		Street trading	Yes
		Street lighting	Yes
		Traffic and parking	Yes

Placement of employees will also be conducted on affected positions as per the placement policy.

The figure below represents the overall link between the Administration and Political wing of the Abaqulusi Municipality.

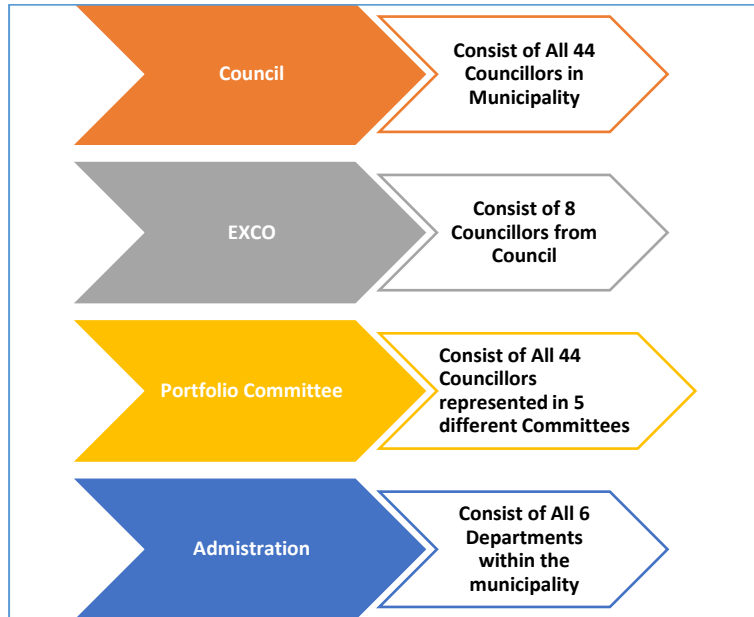
3.2.3 Organisational Structure

The Abaqulusi Municipality's organisational structure is split into 2 components which is responsible for the functionality of the municipality, ie. the Political wing and Administrative wing.

The organogram will endeavour to address various challenges such as staff shortage, indefinite acting practice on vacant positions and excessive overtime.

After the organogram has been adopted by Council, Human Resources Management will embark on the process of reviewing the job descriptions in line with the organisational structure. Thereafter all positions on the organizational structure will be evaluated through the Job Evaluation process.

Figure 5: Organisation Structure



3.2.3.1 Municipal Organogram

At the beginning of 2019, the municipality embarked on reviewing its Organogram and a new and improved one has been developed which is aligned to the requirements of the Municipal Standard Charts of Accounts (MSCOA).

As per the table below, it is clearly evident that the municipality is currently under capacitated (vacancy rate of 41%) and there is certainly an urgent need to fill those identified vacant posts on the current organogram. The negative impact of such a situation has really affected

the municipality with issues surrounding excessive overtime, under achievement of service delivery, timeous delivery of services, under expenditure and over expenditure. In an attempt to curb these problems, the municipality will endeavour to ensure that at least 70%-75% of its Organogram will be filled by the end of the 2022/2023 financial year in order to render efficient and effective service delivery.

Department	Established Posts	Filled Posts	Vacant Post
Executive	29	20	9
Corporate Services	55	43	12
Technical Services	320	177	143
Development Planning	23	11	12
Community Services	159	87	72
Finance Services	61	42	19
Total	647	380	267

The Organogram is attached as Annexure I 3.

3.2.3.2 Municipal Departments and Functions

The table below identifies the 6 different departments that exist within the Municipality as well as their respective functions. The organogram is developed on the basis of these identified departments and their functions.

Table 6: Department Roles and Responsibilities

Department	Functions/Responsibility	Responsible Official
<p>1. Office of the Municipal Manager</p>	<p>To The Municipal Manager is the head of the municipal administration and he/she is also the accounting officer held responsible for financial management of the municipality. The roles and responsibilities of the Municipal Manager/Accounting Officer includes but not limited to the following:</p> <ul style="list-style-type: none"> •The general financial administration of the Municipality •Asset and liability management •Revenue and expenditure management •Budget preparation and implementation •Compliance and oversight reporting to Executive Mayor, Council and provincial and national government <p>As the head of administration, the Municipal Manager is responsible for:</p> <ul style="list-style-type: none"> •Formation of an economical, effective, efficient and accountable administration •Implementation of the IDP of Municipality 	<p>Mr ZG Dhlamini (Municipal Manager)</p>

	<ul style="list-style-type: none"> •Appointment and management of staff. •Effective utilization and training of staff. •Maintenance of discipline of staff, the promotion of sound labour relations and compliance with applicable labour legislation •Advise the political decision makers of the Municipality and managing communication between them and the administration •Implementing the decisions of the Council and Executive Mayor •Administration of municipal laws and implementation of national and provincial legislation •Facilitating participation of the local community in municipal affairs. <p>The Office of the Municipal Manager provides the momentum of the administration and integrates all the components of the Municipality, there are 5 key departments reporting directly to the municipal Manager:</p> <ul style="list-style-type: none"> ➤ Finance ➤ Corporate Services ➤ Technical Services ➤ Community and Emergency Services 	
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	<p>➤ Planning and Development</p> <p>The Corporate Services department within the municipality comprises of 3 sections, ie.</p> <ul style="list-style-type: none"> ➤ Administration ➤ Human Resources Management ➤ Human Resource Development ➤ Information Technology ➤ Council Support <p>The main objectives and functions of the Corporate Services department is to ensure the following takes place:</p> <ul style="list-style-type: none"> • To ensure that effective and efficient services are rendered by the Municipality. • To ensure that citizens are satisfied with the quality of services delivered by the Local Municipality. • To ensure that residents are aware of the activities of the municipality. • To ensure that residents are aware of the policies, services and activities of the municipality. • To ensure that the municipality's staff is diverse, representative and skilled. 	
2. Corporate Services		Mrs SP Dlamini (Director)

	<ul style="list-style-type: none"> • To Implement workplace skills plan within allocated budget • To provide purposeful systematic and continuous labor relations and effective capacity building to the staff • To Provide secretariat to the council • Implementing Records Management Practices • To ensure that the municipality will use information and communication technology effectively to assist in decision making, in working efficiently, and in delivering services more effectively to clients. • Ensuring proper up keep of council records • To ensure that personnel receive specialised training. <p>The fully established and well functional Corporate Services department within a municipality is of high priority as it is the department that shares a very close relationship with the public.</p>	
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<p>3. Budget and Treasury</p>	<p>The Budget and Treasury Office is a directorate within the municipality responsible for the management, control and monitoring of municipal finances.</p> <p>The administrative head of the Directorate is the Chief Financial Officer. The directorate is composed of the following sections:</p> <ul style="list-style-type: none"> ➤ Budget Planning and Financial Reporting ➤ Income and Revenue Management ➤ Expenditure and Salaries ➤ Supply Chain Management Unit ➤ Asset Management <p>The structure is as follows:</p> <ul style="list-style-type: none"> • <i>Budget Planning and Financial Reporting</i> <p>This section is responsible for the following activities:</p> <ul style="list-style-type: none"> -Municipal financial planning (Budget Preparation) -Reporting on financial affairs of the municipality in a form of annual financial statements and monthly, quarterly and annual reports as prescribed by the MFMA. <ul style="list-style-type: none"> • <i>Income and Revenue Management</i> 	<p>Mr MPE Mthembu (CFO)</p>		<p>This section is responsible for the following activities:</p> <ul style="list-style-type: none"> -Collection of income from all cashiering points; -Billing of rates and services; -Issuing out of clearance certificates; and -Management of the general valuation. <ul style="list-style-type: none"> • <i>Expenditure and Salaries</i> <p>This section is responsible for the following activities:</p> <ul style="list-style-type: none"> -Payment of creditors; -Payment of salaries, wages and sundries; -Management of creditors' reconciliations -Management of audit queries <ul style="list-style-type: none"> • <i>Supply Chain management</i> <p>This section is responsible for the following activities:</p> <ul style="list-style-type: none"> -Implementation of the Supply Chain Management Regulations and related legislation, -Development and Implementation of the Supply Chain Management Policy 	
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	-This includes demand management, acquisition management, logistics management, disposal management, contract administration and Management of stores items and stationary; and fleet management for the municipality.	
4. Community Services	<p>The Community Development Department's core functions is to ensure that the community is well serviced in regards to:</p> <ul style="list-style-type: none"> ➤ Early Childhood Development (Crèches) ➤ Public Safety ➤ Education (Libraries) ➤ Sports ➤ Community Halls ➤ Traffic ➤ Refuse removal and sewerage <p>The department is also responsible for ensuring that plans and programmes are developed to focus specifically on the youth, women, disabled and under-privileged.</p>	Mr T. Xaba (Director)
5. Technical Services	The Technical Services department's main objectives and functions are to provide the basic needs of the community as well as maintain the standard of service provided.	Mr N. Mbongwa (Director)

	<p>The department focuses on issues surrounding:</p> <ul style="list-style-type: none"> ➤ Water and Sanitation ➤ Electricity ➤ Civil works (roads, bridges etc) ➤ Project Management Unit <p>The department also works very closely with the district municipality because the district also provides certain services on behalf of the Abaqulusi Local Municipality.</p>	
6. Development Planning	<p>The planning and development departments' primary function within the municipality is to regulate and control all development. The department is also responsible for the foll:</p> <ul style="list-style-type: none"> ➤ Town Planning ➤ IDP ➤ LED ➤ Tourism ➤ Housing ➤ GIS ➤ Building Inspectorate <p>The department is seen as a key role-player or contributor in developing the municipality's economy and attracting investment. It is also responsible for ensuring that the use of land is one that is most favourable to the environment</p>	Mr JS Landman (Director)

	promoting sustainability and addressing the spatial injustice of the past.	
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3.2.4 Municipal Institutional Capacity and Status of Critical Posts

The status of critical posts within the municipality herein refers to that of the Municipal Manager and all Managers directly accountable to the Municipal Manager.

Currently, all Critical post in the municipality is filled with the most recent appointment of the Municipal Manager concluded in May 2022.

The table below reflects the current status quo of the critical posts within Abaqulusi Municipality.

Table 7: Status of Critical Posts

Position	Status
Municipal Manager	Filled
Director: Technical Services	Filled
Director: CFO	Filled
Director: Community Services	Filled
Director: Corporate Services	Filled
Director: Development Planning	Filled

3.2.5 Human Resource Development

Human Resource Development is a section within Corporate Services Department that is concerned with short and the long term – development plans like Workplace Skills Plan known as WSP in short, Induction Plan and Occupational health and safety and Wellness at the workplace. The long term goal of Workplace Skills Plan is to build capacity of the personnel in response to Skills Development Act. This plan articulates how the municipal staff has to be capacitated to give effect fully to the demands related to training for the scarce skills and other skills required by the municipal to effect service delivery efficiently and effectively. The Workplace Skills plan is submitted to Local Government Seta abbreviated as LGSETA. The LGSETA processes the Work Place Skills Plan submitted to it by each local municipality to claim back the levy charged from each municipality from the overall budget of the staff salaries. This levy in turn must be used to capacitate the personnel of the municipality. The WSP is submitted to LGSETA in each and every year before the 31st of April.

Human Resource Development is the framework for helping employees develop their personal and organizational skills, knowledge and abilities. It is a set of systematic and planned activities designed by Abaqulusi Human Resource Development to provide its employees with the necessary skills to meet the current and future job market demands. This section has three subsections namely: Wellness, Occupational health and safety and Skills development.

Wellness has to look after the wellness of the employees and assist each employee to ensure that he/she is assisted according to employee’s needs. Occupational Health and Safety has to do injuries on duty. This

section ensures that if the employee is injured on duty assisted to get help immediately. If the employee has sustained a serious injury that employee has to be assisted to be compensated from Compensation fund based on his or her injury. Skills development deals with the skills of the employees by conducting skills audit. This section has become very unpopular amongst the employees because are adamant that they audited every year, but they do not get the necessary training. This is caused by the fact HRD does control its training budget. It is controlled by finance department and secondly the very same finance department does not budget one percent of the total payroll of the staff establishment of the municipality and even the funds acquired from SETA do not go the training vote, but to the municipal account. This does not help the section to perform its duties properly.

Skills development is given the impetus by the direct funding of one percent (1%) from the salary budget of a municipality as well as through an indirect funding from various setas. This budget has to be included on the Annual Skills Development Plan which is supposed to be implemented through Skills Training Committee. Again training has to take into cognisance for those previously disadvantaged group. The Performance Management Unit will safe guard in ensuring that the skills lacunae identified are closed after evaluation and rewarded accordingly.

Relationship between Human Resource Management (HRM) varies in that HRM deals staff establishment and their benefits whilst HRD looks at the capacity development and skills acquisition and development. It is about improving the knowledge, skills and attitudes of employees for the short term, particular to a specific task. Employee orientation and coaching is essential so as to ease the incumbent and familiarise herself

or himself with the new environment. Development is also essential in preparing for future responsibilities, while increasing the capacity to perform at a current position.

The process of improving an organization's effectiveness and members of well-being through the application of wellness program. HRD plays the role of a change agent through on-going process by which individuals' progress through the series of changes until they achieve their personal level of maximum achievement. The career planning and career management are some of the essential tools in developing the staff establishment. The HRD as a section is not without challenges, for example, a person may be trained and thereafter sees a lucrative salary in another organization and he/she applies and goes away with all the skills acquired from AbaQulusi. Furthermore, the changing workforce demographics, competing in global economy, eliminating the skills gaps, financial constraints impose a great threat to that effect, needs for life-long learning and need for organizational learning.

3.2.6 Information Communication Technology

The ICT Policy was developed at the end of 2013 and start of 2014. The IT policy has since been reviewed. It was approved/adopted at the end of November 2014. It was reviewed in mid to late 2015 as part of ensuring that governance and policy is kept up to date. It has been reviewed in March 2016 and in May 2017 as part of the update towards governance. Since the King 4 report has been released a fresh review will need to be done. The purpose of the ICT policy, and as IT, we are mandated not only by law, but good governance, and policy regulations

and procedures to ensure the security, integrity, and accessibility of data, equipment, and information. The implementation of IT business model strategies, policies, and procedures to ensure business continuity.

The ICT Policy is there to ensure procedures, and processes are followed so as to ensure the security and integrity of the data. That the security of systems, and system data are paramount. There have been steps taken to increase the security and integrity of data and equipment.

The ICT policy is aligned to the ICT governance framework as well as included in the ICT policy as a subsection.

The ICT policy is fully implemented; however, the municipal manager has the power to bypass security protocols and/or security contingencies, therefore opening up the municipal network to digital attacks of which we have seen in recent years. The bypassing of security protocols/procedures by a higher authority, in its own is a risk that should be addressed strictly, however this is monitored through procedures and protocols that have been put in place.

The ICT policy is set to be reviewed in 2022/2023 budget year and additional procedures and protocols added with additional risk management added in as part of the IT security policy as well as updates to the governance thereof.

3.2.6.1 Information Technology Infrastructure Maintenance & Monitoring

IT ensures not only that security and integrity of data is maintained, but also maintain all systems, workstations, and all IT based equipment owned by the municipality within the IT infrastructure as far as Vryheid, eMondlo, Corronation, Hlobane, Louwsberg, and other areas within AbaQulusi Municipal area is maintained and functioning.

Maintenance and monitoring of the IT networks, server systems, desktop computers and various other technology-based equipment is critical. Lack of maintenance can leave a business vulnerable. It is also very critical to ensure there are backup systems, disaster recovery systems, and to ensure those systems are well maintained as well. Part of IT's maintenance focus areas is to expand data storage, to upgrade the technology used and to not fall behind on latest technology use and not have spare parts available if any equipment had to break down. Backup power facilities are also a vital component to any IT infrastructure as well to ensure business can continue with minimal interruption for a set period if power interruptions are short and minimal.

3.2.6.2 Information Technology Staff

As IT, we have challenges related to staff shortages with the large area of infrastructure needing to be maintained. It is important to have the right staff with the right experience/capabilities to ensure the uptime of such a large infrastructure. We as IT cover Vryheid, eMondlo,

Corronation, Hlobane, Louwsburg, and other areas within AbaQulusi Municipal area and therefore our minimal staff is stretched and don't have staff resources to complete all the tasks efficiently.

3.2.6.3 Cyber Security Workshops

Unfortunately, due to serious staff shortages, we do not have IT staff to train or teach municipal staff members on all aspects of IT Security, governance and general cyber security. Occasional emails stating procedures and protocols to be adhered to are sent out to all staff that work on computer systems belonging to the municipality. As part of IT's cyber security initiative, we had begun a testing phase of a Cybersecurity Info Program. This is to share Cybersecurity risks, and enhanced users with knowledge on inherent risks involved in the use of technology in the technological world today. This has been fully implemented as a quarterly based ICT Policy and Cyber Security Workshop. The impact of cyber-crime on a business or government institution can be devastating. A lack of focus on cyber security can be greatly damaging to a business or government institution. ... All businesses, no matter its size, needs to ensure everyone involved in the company is up to date on the latest cyber security threats and the best methods for protecting data. Even a simple device like a USB data stick can carry vulnerabilities that can penetrate an institutions network. Similarly, with mobile phones being used as storage devices and plugged into a computer.

The cyber security workshop is set out to teach and share information on the methods used by cyber criminals to gain not only physical access

but digital access to user email accounts and personal information by use of SPAM, phishing emails, spear phishing emails, etc, and then that information gained is then used by the cyber criminals. The cyber security workshop is intended to assist in preventing staff from being the 80% risk factor. With risk of cyber-attacks having increased exponentially over the last few years it is important that staff incorporate cyber security into their daily life and ensure that it becomes second nature to them so that the risk of being opened up to cyber-attacks is lowered dramatically.

3.2.6.4 Updated Technology Usage

It is also one of the functions of IT to keep up to date with latest technology [hardware & software] so as to ensure that minimal issues arise from the use of older technology. By budgeting for new equipment and the facilitation of that purchase of new desktop computer systems, laptops, server systems and various other technology required to upgrade the IT infrastructure.

IT also provides a standardized set of specifications in relation to this to ensure that a set standard of quality equipment is used for the upkeep of the IT infrastructure and thus reducing the inherent risk of breakdowns due to inferior equipment usage.

3.3 Municipal Transformation and Organisational Development SWOT Analysis

• Strengths	• Weakness
<ul style="list-style-type: none"> • HRM Strategy in place • ICT Policy in place • Job evaluations completed • Organogram in place • Councils Annual programme in place ensuring effective functioning of Council and its committees • filling of section 56 posts • Effective and efficient records management • Training plan in place • Functional LLF in place 	<ul style="list-style-type: none"> • Shortage of office space • HR Documents and filing not captured in electronic form • Vacant posts not filled • No secure and safe storage room for documents • Lack of implementation and absence of policies and by-laws • Illegal use of ICT infrastructure • Underutilisation of Biometrics • Poor inter-departmental communications • Non evaluation of new posts • Lack of wellness programs • Late submission of items to Council Support
• Opportunities	• Threats

<ul style="list-style-type: none"> • External training afforded to staff members and councillors by sector departments • Review of the organogram to fill critical posts • Support from Department of Labour, COGTA, SALGA and LGSETA • In service training for staff and interns 	<ul style="list-style-type: none"> • Loss of critical and vital documentation • High legal costs incurred • ICT Security breaches (Viruses, spams, Trojans, etc) • Abuse or misuse of municipal fleet • Non sitting of Council due to late submission of items to Council Support • Slow implementation of service delivery • Filling of non-critical posts
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3.4 Municipal Transformation and Organisational Development Key Challenges

Key Performance Area: Municipal Transformation and Institutional Development			
Key Challenges	Problem Statement (Definition)	Proposed Interventions	Status Quo
1. OHS Committee not functioning	This position in the municipality has been vacant for many years and the associated function was never prioritised, hence no OHS Committee	-Appointment of OHS personnel -Establishment of OHS Committee and monitor their functionality	An OHS official has now being appointed and the OHS Committee is

	in place to oversee safety issues in and around the workplace.		now fully functional.
2. No safe room for storage of HR Documents	Records keeping in the municipality is currently decentralised as there are records kept in various departments. This poses a huge risk to the integrity and safety of the records.	-Development of a central municipal safe room	This is an on-going concern.
3. Shortage of IT Infrastructure	Supply of IT hardware and software is problematic within the municipality due to financial constraints.	-Prioritised acquisition of hardware and software	This is an on-going concern.

4. Basic Service Delivery and Infrastructure Development

Access to basic services such as water, electricity and sanitation, is one of the key development indicators and a reliable measure for social and economic development. The policies of the apartheid past led to uneven development with the majority of the areas populated by the African people largely under-developed. In Abaqulusi, the impact of separate development manifests itself in the form of massive poverty, poor access to basic services and lack of economic development infrastructure.

4.1 Water and Sanitation

4.1.1 Water

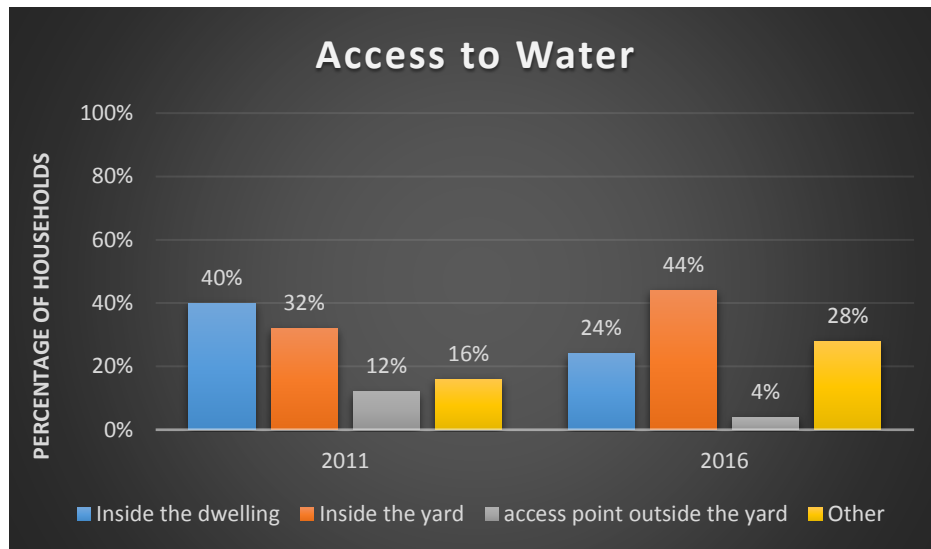
As the table below indicates, there had been a significant drop in access to piped water when comparing the Census 2011 to CS 2016. An 11% decrease in access to water is certainly a call for concern but however it must be noted that there were 2 contributing factors for such a result, ie. Increase in number of households and the drought that was experienced at the time when conducting the survey.

Table 8: Access to Water

Access to water	Census	Community Survey
	2011	2016
Number of Households	43 299	51 910
Inside the dwelling	17237 (40%)	12 621 (24%)
Inside the yard	14020 (32%)	22 362 (44%)
From access point outside the yard	5053 (12%)	2500 (4%)
Access to piped Water	36310 (83%)	37483 (72%)
Other	6989 (16%)	14427 (28%)

Source: Stats SA CS 2016

Figure 6: Access to Water

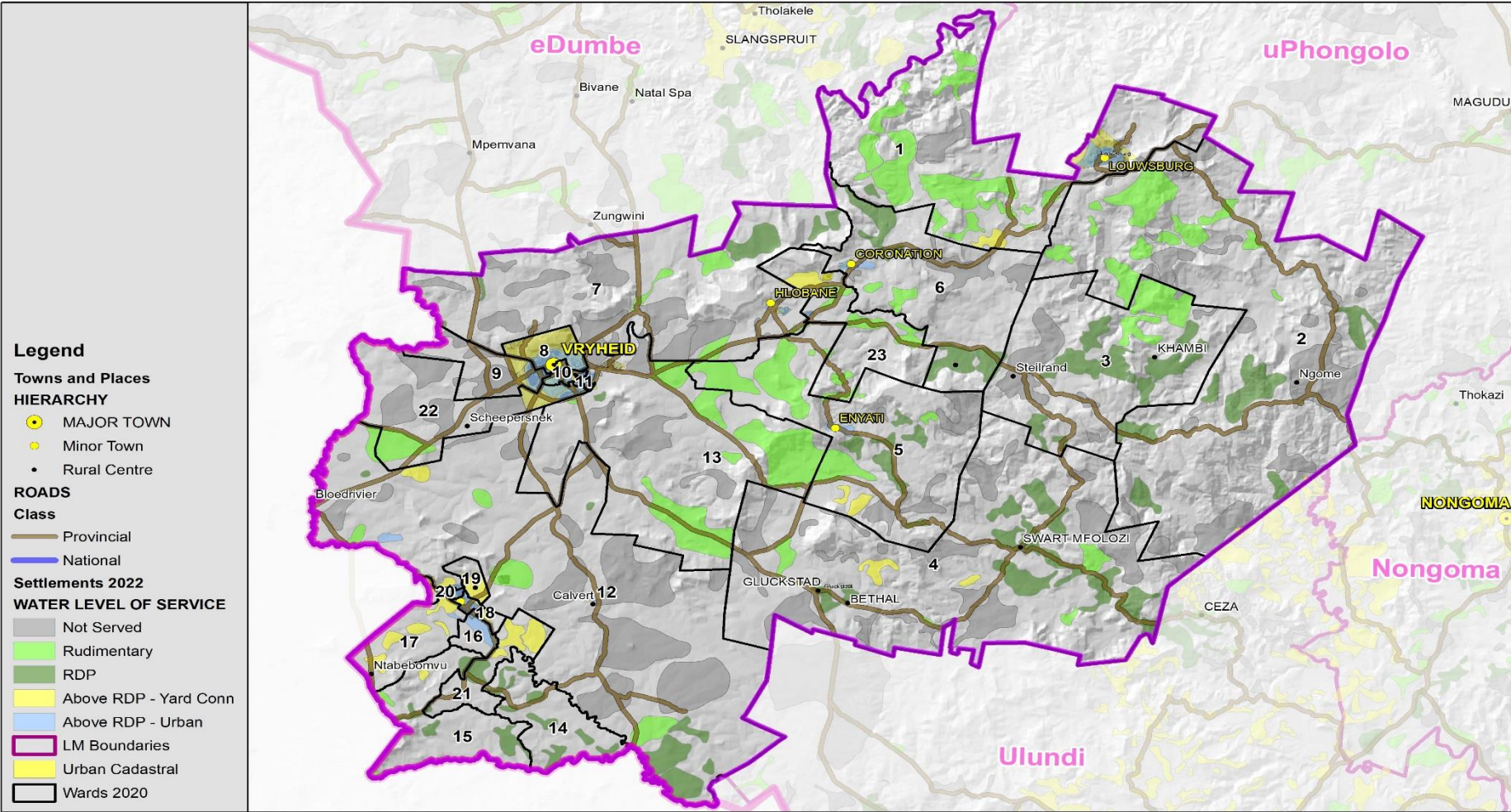


The responsibility for the provision of water in Abaqulusi is currently shared between Zululand District and Abaqulusi Municipality. Zululand district provides water in the rural areas while Abaqulusi Municipality's area of supply is in urban areas only.

AbaQulusi draws water from various sources including Bloemveld, Grootgewacht, Klipfontein, Louwsburg, Boulder, Hlobane and Mvunyane Dams. The municipality is responsible for six water treatment plants, which are all located within the urban areas.

The maps below indicates the Level of Water Services, Levels of Accessibility and the Water Infrastructure/Network that exist within the Abaqulusi boundary.

Map 17: Level of Water Services



Legend

Towns and Places HIERARCHY

- MAJOR TOWN
- Minor Town
- Rural Centre

ROADS


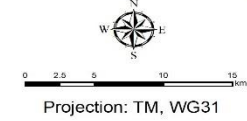
Class

- Provincial
- National

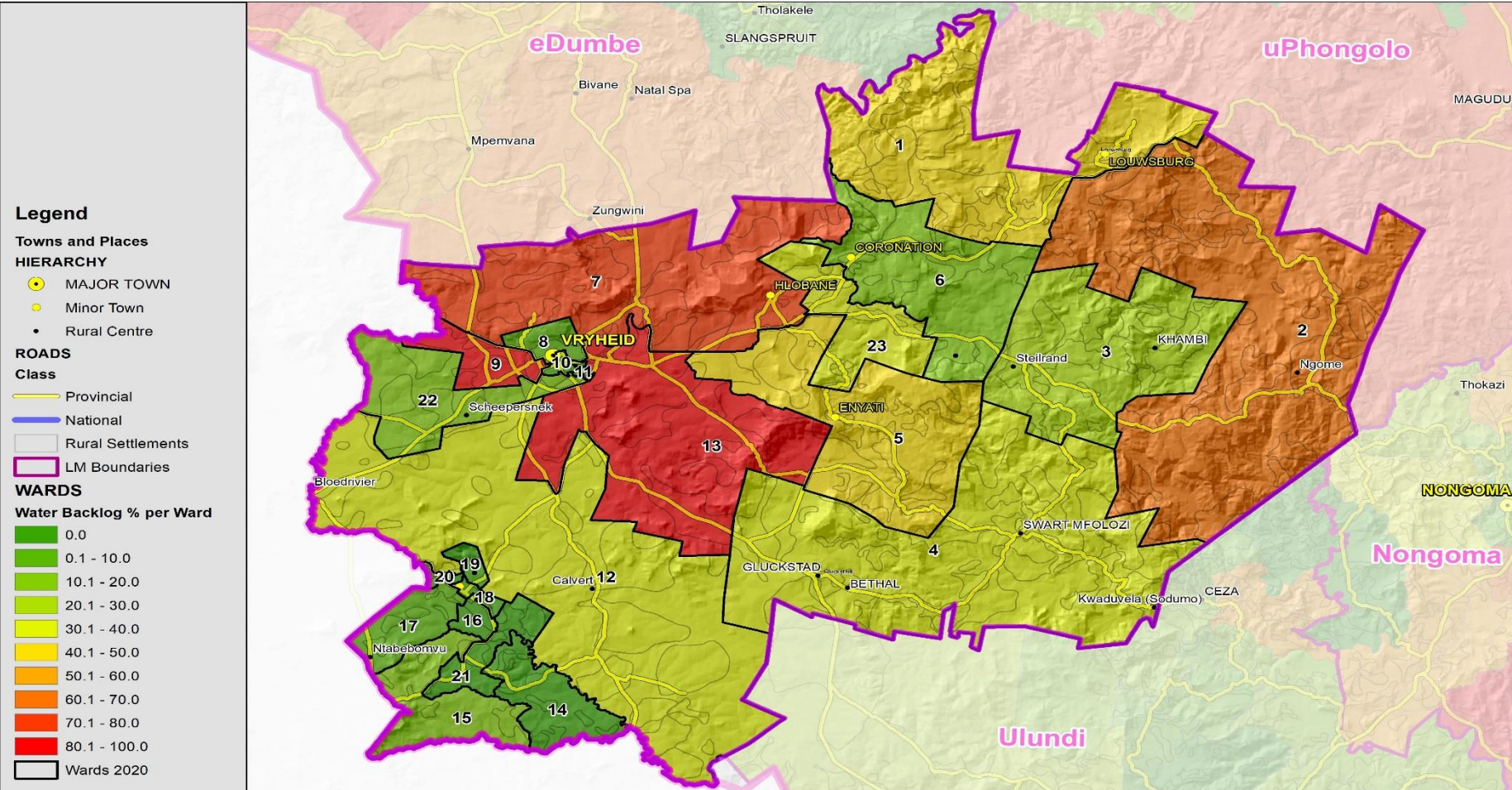
Settlements 2022


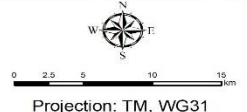
WATER LEVEL OF SERVICE

- Not Served
- Rudimentary
- RDP
- Above RDP - Yard Conn
- Above RDP - Urban
- LM Boundaries
- Urban Cadastral
- Wards 2020

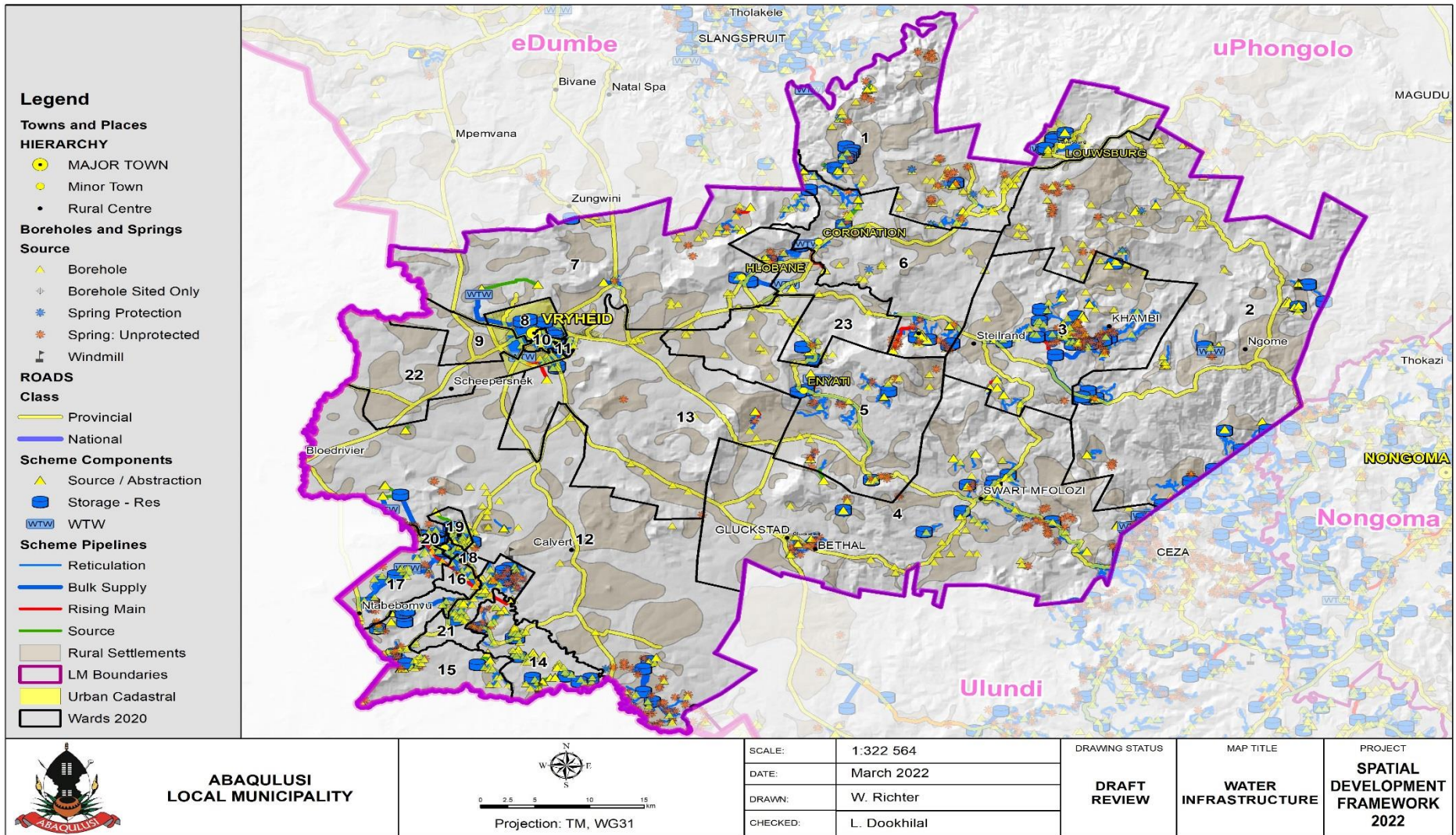
 <p>ABAQULUSI LOCAL MUNICIPALITY</p>	 <p>Projection: TM, WG31</p>	SCALE: 1:322 564	DRAWING STATUS	MAP TITLE	PROJECT
		DATE: March 2022	DRAFT REVIEW	WATER LEVEL OF SERVICE	SPATIAL DEVELOPMENT FRAMEWORK 2022
		DRAWN: W. Richter			
		CHECKED: L. Dookhilal			

Map 18: Level of Accessibility to Water

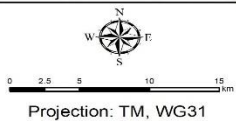


 <p>ABAQULUSI LOCAL MUNICIPALITY</p>	 <p>Projection: TM, WG31</p>	SCALE: 1:322 564	DRAWING STATUS	MAP TITLE	PROJECT
		DATE: March 2022			
DRAWN: W. Richter					
CHECKED: L. Dookhilal					

Map 19: Water Services Infrastructure



**ABAQULUSI
LOCAL MUNICIPALITY**



SCALE:	1:322 564
DATE:	March 2022
DRAWN:	W. Richter
CHECKED:	L. Dookhilal

DRAWING STATUS
**DRAFT
REVIEW**

MAP TITLE
**WATER
INFRASTRUCTURE**

PROJECT
**SPATIAL
DEVELOPMENT
FRAMEWORK
2022**

4.1.2 Sanitation

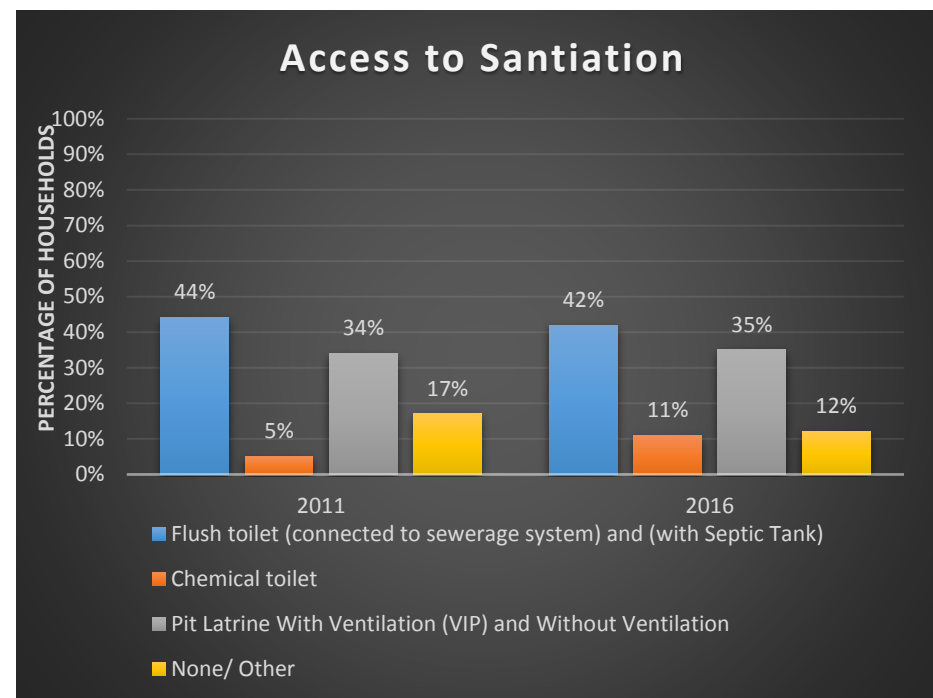
The access to sanitation in terms of a flushing toilet service is a major problem that the municipality is currently faced with, especially in the rural area. As the table below indicates, there has been a drop in that service by 2% in 2016 compared to 2011 as there was also an increase in the number of households in that period. The increase in chemical toilets by 6% is also an indication of the need of formal toilet facilities that are required by the community. The use of pit latrines has also increased by 1% from 2011 to 2016.

Table 9: Access to Sanitation

Access to Sanitation	Census	Community Survey
	2011	2016
Number of Households	43 299	51 910
Flush toilet (connected to sewerage system)	18949 (44%)	21520 (42%)
Flush toilet (with septic tank)		
Chemical toilet	2241(5%)	5702 (11%)
Pit latrine with ventilation (VIP)	14618 (34%)	18010 (35%)
Pit latrine without ventilation		
None/Other	7491 (17%)	6678 (12%)

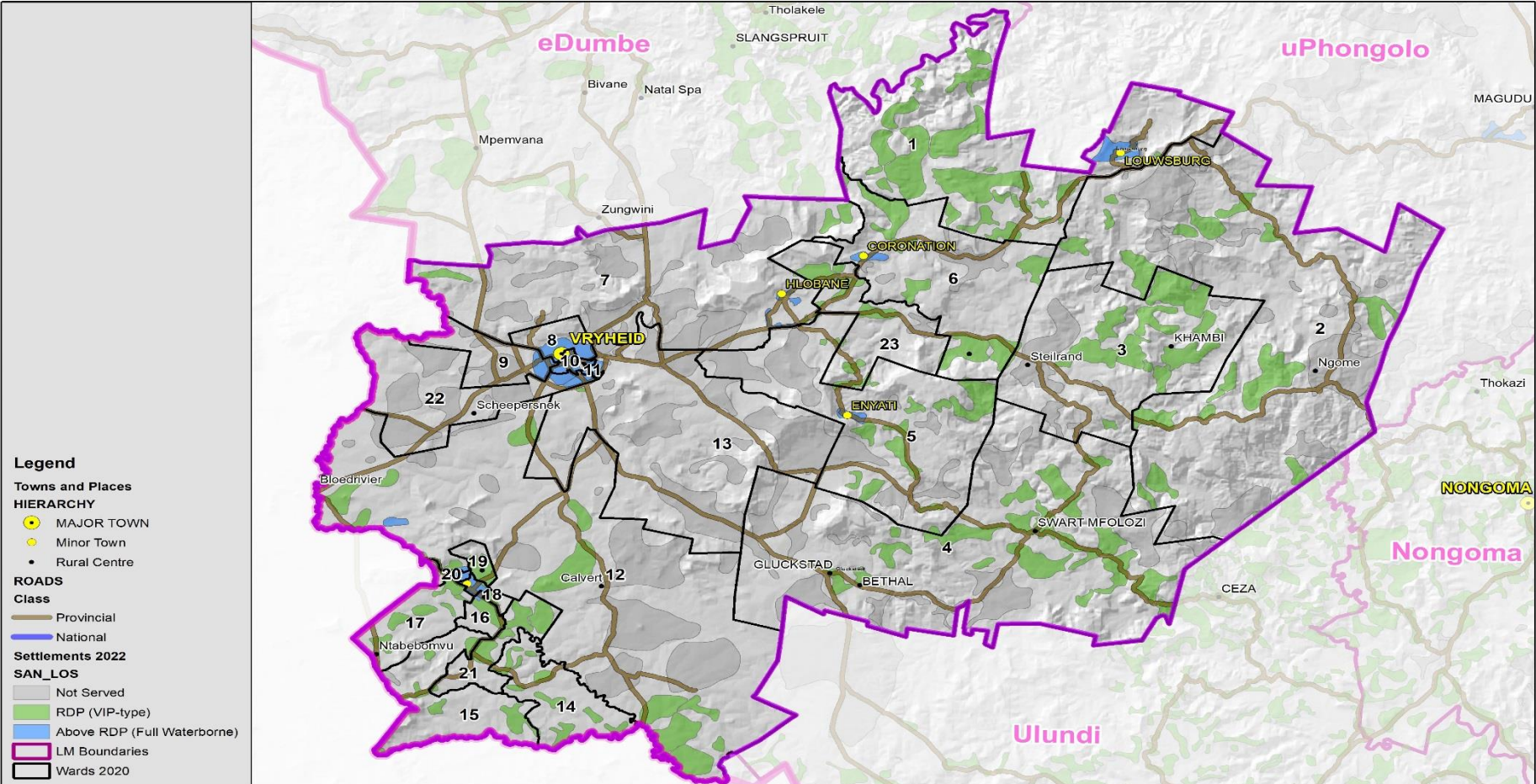
Source: Stats SA CS 2016

Figure 7: Access to Sanitation



Sanitation services in Abaqulusi municipality is similar to that of the water as the function is split between the District municipality who is responsible for the rural areas and the local who is responsible for the urban areas. The map below represent the Level of Sanitation Services and Level of Accessibility to Sanitation that exist within the Abaqulusi Boundary.

Map 20: Level of Sanitation Services



Legend

Towns and Places HIERARCHY

- MAJOR TOWN
- Minor Town
- Rural Centre

ROADS Class


- Provincial
- National

Settlements 2022 SAN_LOS


- Not Served
- RDP (VIP-type)
- Above RDP (Full Waterborne)

— LM Boundaries

— Wards 2020



ABAQULUSI LOCAL MUNICIPALITY

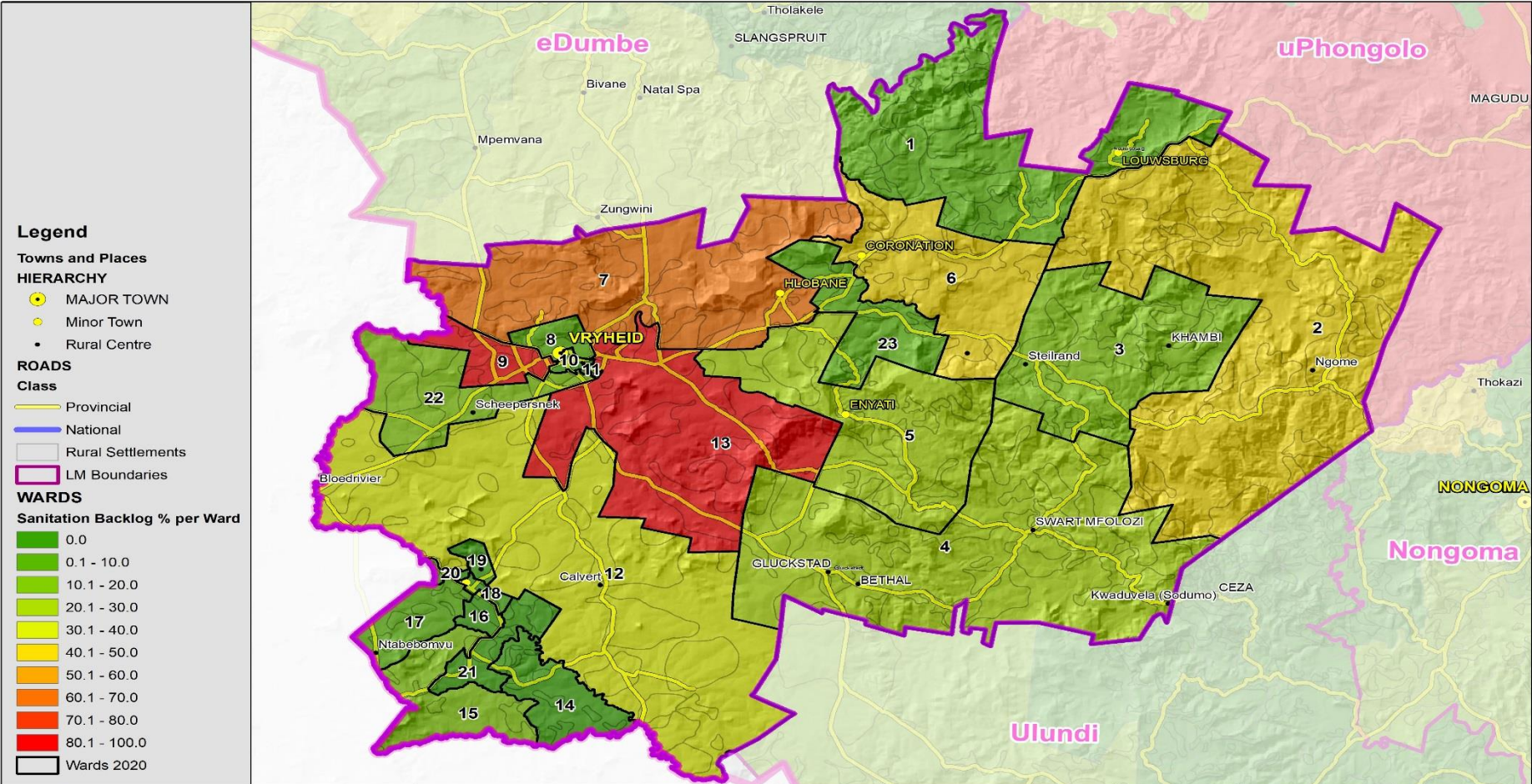



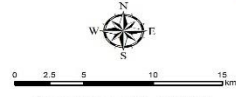
Projection: TM, WG31

SCALE:	1:322 564
DATE:	March 2022
DRAWN:	W. Richter
CHECKED:	L. Dookhilal

DRAWING STATUS	MAP TITLE	PROJECT
DRAFT REVIEW	SANITATION LEVEL OF SERVICE	SPATIAL DEVELOPMENT FRAMEWORK 2022

Map 21: Level of Access to Sanitation



 <p>ABAQULUSI LOCAL MUNICIPALITY</p>	 <p>Projection: TM, WG31</p>	SCALE: 1:322 564	DRAWING STATUS: DRAFT REVIEW	MAP TITLE: SANITATION ACCESS (% per Ward)	PROJECT: SPATIAL DEVELOPMENT FRAMEWORK 2022
		DATE: March 2022			
		DRAWN: W. Richter			
		CHECKED: L. Dookhilal			

4.1.3 Current Water and Sanitation Operations within Abaqulusi

The table below is a reflection of the Water and Sanitation infrastructure within Abaqulusi Municipality which is utilised on a daily basis to ensure that the communities within the municipality are serviced accordingly. The challenges highlighted depict the difficulties that the Water and Sanitation department is continuously faced with.

Areas served	Water source	Description of the scheme	Challenges
Mondlo Township, section A and B, ZDM areas i.e. Bhekumthetho, amadressi, Khethelo, 1010, oneline, Maria	Raw water is abstracted from Mondlo Dam	The water treatment is located in Mondlo in eZingadini. The plant has a design capacity of 12 ML/day but operates at about 8 ML/day. The plants is operated through shift system. The plant is a conventional chemical treatment plant that uses clarification and filtration	<ul style="list-style-type: none"> • Water loss: plant water loss are a high as 30% due to that the recycle backwash pumps are not installed • Water loss on the reticulation due to erroneous connection of the old reticulation network to the new reticulation network • Plant operating capacity is

			exceeded by the demand
Mondlo sewage plant and reticulation	Receives wastewater from Mondlo Township A and B	The plant has a design capacity of 8 ML/day. The plant operates through a shift. The plant has a head of work and an oxidation ditch	<ul style="list-style-type: none"> • A number of unit processes are not operational due to breakdowns i.e. aerators, drying beds and head of works. The plant requires refurbishment • Aging infrastructure which result in spillages of sewage
Bloemveld: Vryheid town, Bhekuzulu and Lakeside township	Receives raw water from Bloemveld dam	The plant has a design capacity of 12 ML/day but operates at 6 ML/day due to breakdowns and incomplete project of filter refurbishment. There is also bottleneck on the clarify	<ul style="list-style-type: none"> • The plant is not operational due to a number unit processes that are not operation. • There are only four pressure filters that are used instead of twelve. • Clarify scrappers are not functional. The plant condition is poor • Air blower are not operational

Klipfontein: Vryheid town, Bhekuzulu and Lakeside township	Receives raw water from the Klipfontein dam	The plant has a design capacity of 45 ML/day however it is operated at 15 ML/day to low demand	<ul style="list-style-type: none"> • There are no standby pumps at the raw water pump station • There is no standby pump on the Highlift pump station • The electric panel has to be installed from the standby pump of the Highlift pump station
Potable water reticulation	Receives water from the Bloemveld and Klipfontein WW	The network comprises of various pipe sizes ranging from 200mm to 50mm. the network has old asbestos pipeline and some sections have over the years been replaced with PVC and HDPE	<ul style="list-style-type: none"> • Old asbestos pipes that keeps on breaking resulting in high overtime cost in the reticulation teams • Unavailability of funds to do infrastructure rehabilitation project
Sewage reticulation networks and pump stations	Sewage from Vryheid town, Bhekuzulu and Lakeside township	The system has four pump stations.	<ul style="list-style-type: none"> • Old asbestos pipeline that result in pipe burst

Hlobane water system	Hlobane and Vaalbank	System has a small dam. The plant has a design capacity of 1 ML/day. Water is pumped from the dam and final water is pumped from the onsite reservoir to outstation reservoirs	<ul style="list-style-type: none"> • Iron and manganese in the raw water result in water quality problems in the area. The plant requires modification • Aging infrastructure
Hlobane sewage	Hlobane and Vaalbank	System comprise of a head of works and an oxidation ditch. Final discharge is disinfected with sodium hypochlorite	<ul style="list-style-type: none"> • Equipment failure i.e. aerators • Aging infrastructure
Coronation water system	Coronation dam	Water is pumped from the dam to the treatment works. Final water is then distributed to the command reservoir. The plant has a design capacity of 1 ML/day	<ul style="list-style-type: none"> • Iron and manganese problem in the final water to consumers • There is no standby pump at the raw water abstraction point. • The dam has been always below 35% since the drought of 2014 to 2017.

Wastewater treatment plant and sewage reticulation	Coronation township	The plant treats at least 800 kL/day. The network pipelines are asbestos pipe and some section are steel pipes that were installed by the mines	<ul style="list-style-type: none"> The plant is total not functional There are no treatment processes that are operating satisfactory The network pipeline blockage
Louwsburg	Louwsburg dam	The plant has a design capacity of 1 ML/day	<ul style="list-style-type: none"> The plant has three pressure filter which requires sand replacement. This is due to mudballing overtime on these types of pressure filter Dam has a low yield. The dam is usually run dry in winter

4.1.4 Planned Water and Sanitation Projects – Repairs and Maintenance

The table below reflects the planned Water and Sanitation projects within the Abaqulusi Municipality which is to be implemented in the next financial year, 2022/2023. The municipality has allocated a budget of

R7.85 million towards the Repairs and Maintenance of its Water and Sanitation infrastructure.

<u>Project Description</u>	<u>Water Budget</u>	<u>Sanitation Budget</u>
Repairs to buildings at waterworks		
Public ablutions		
Waste Water pump stations		
Waste Water reticulation		
Waste Water Treatment works - contact tanks Klipfontein		
Waste Water Treatment works - contact tanks Coronation		
Emergency repairs - waste water		
Water - dams	R300 000	
Water - pump stations	R3 300 000	
Water - Reservoirs		
Water - Reservoirs - Industrial reservoir		
Water - Boreholes		
Water - Bulk main - AC replace Klipfontein to main reservoir		
Water - Bulk main - emergencies		
Water - Distribution - Klipfontein WTW refurbish filter gallery		
Water - Distribution - Bloemveld WTW refurbish filter gallery		
Water - Distribution	R1 500 000	
Water Treatment works - emergencies		
Total Budget	R5 100 000.00	R2 750 000.00

4.2 Solid Waste Management

The proportion of households that do not have access to refuse removal services were found to be about 14% during the Community Survey 2016. Just less than two percent (2%) of the households had access to communal refuse dump or a central point of collection. Over 40% of the households had the refuse removal by the local authority while almost a similar proportion of households (41.9%) made use of their own refuse dump.

Table 11: Access to Refuse Service

Access to Refuse Service	Census	Community Survey
	2011	2016
Number of Households	43 299	51 910
Removed from local authority/private company at least once a week	17985 (42%)	20 001 (38.5%)
....less often	434 (1%)	2 021 (3.9%)
Communal refuse dump	511 (1%)	889 (1.7%)
Own refuse	20764 (48%)	21 774 (41.9%)
Access to Refuse Removal	92%	86%
No rubbish disposal	2728 (6%)	5 355 (10.3%)

Other	878 (2%)	1 870 (3.6%)
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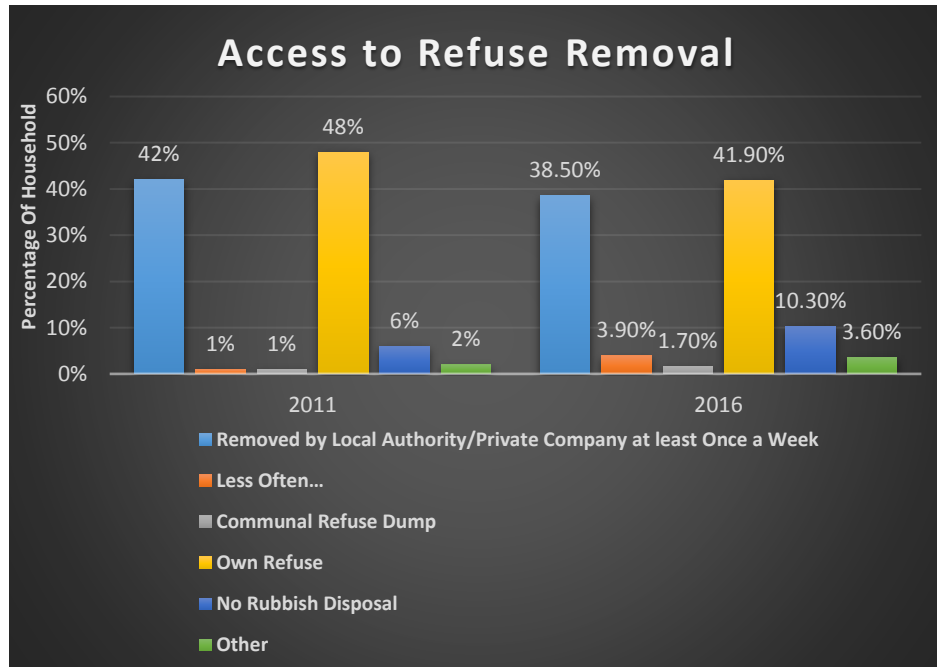
Source: STATS SA CS 2016

The municipality currently collects refuse in urban areas only, namely; Vryheid, eMondlo, Coronation, Hlobane, Vaalbank, Bhekuzulu, Nkongolwane, Louwsburg, Lakeside, Thuthukani, Sasko. Hlobane Hostel, Ithala, Bhokwe, Gadlaza and Cliffdale.

The function of refuse removal is currently being outsourced due to capacity and financial constraints within the municipality. All the existing dump sites are deemed to be illegal as the Vryheid dumpsite is the only legally recognised one within the municipality. Other dumpsites underwent an assessment in the past and licenses for closure of in Louwsburg, Coronation and KwaMnyathi were obtained.

In rural areas individuals tend to dispose of waste in pits in their yard and in some areas communal dumping areas are utilized. This can however lead to associated health problems for individuals living in these areas. The development of an Integrated Waste Management plan, which is currently in a Draft phase and awaiting comments from the Department of Environmental Affairs, explores the need to extend the refuse removal services to the rural areas as well as identifying potential drop-off or buy-back centres sites in other areas around Abaqulusi. Moreover, Abaqulusi has a designated Waste management officer which co-ordinates waste management activities in the manner set out in the national waste management strategy established in terms of Section 6 of NEMA.

Figure 8: Access to Refuse Service



4.2.1 Recycling

Recycling is the process of converting waste materials into reusable objects to prevent waste of potentially useful materials, reduce the consumption of fresh raw materials, energy usage, air pollution and water pollution by decreasing the need for conventional waste disposal and lowering greenhouse gas emissions compared to plastic production. Recycling is a key component of modern waste reduction and is the third component of the “Reduce, Reuse and Recycle” waste hierarchy.

There are numerous benefits to recycling which has been identified around AbaQulusi. Residents are provide with colour plastic to separate at source. Recycling not only benefits the environment but also have a positive effect on the economy and local residences. There is a multitude of benefits that come from recycling as well as tons of items that can be recycled. The Municipality is also reporting on SAWIS as reporting tool or system on recycling.

Environmental Benefits

- ✓ By recycling, people can prevent millions of tons of material from entering landfills saving space for garbage that cannot be re-purposed. Landfills not only pollute the environment but also hampers the beauty of the Municipality.
- ✓ The pollutants that are released into the air and water can be greatly reduced with an increase in recycling.
- ✓ Recycling reduces the greenhouse gas emissions into the atmosphere.
- ✓ Recycling keeps litter overflow to a minimum keeping the area looking beautiful and environmental friendly.
- ✓ Reporting on SAWIS which assist the Municipality to know the income of waste.

Economic Benefits

- ✓ Recycling creates job opportunities.
- ✓ Recycling capacitates businesses which are privately owned

4.2.2 Environmental Awareness Campaigns

A number of clean-up and education awareness have been conducted within AbaQulusi, however there is still an outcry of the areas been converted to illegal dumps, litter, dirty and un-friendly environment. Environmental Services in partnership with DEA (Green Deed and Youth in Waste Programme), CWP and DEDTEA in conducting environmental education and awareness and clean-up campaigns in making sure that the AbaQulusi community is clean and environmental friendly.

The main purpose of environmental education and clean-ups are to sensitize the public on the importance of a clean environment both in and out of their homes, to encourage participation in the ownership of keeping a clean community and safeguarding their health, reduce the incidences of illness of humans and animals and promote a clean environment.

4.2.3 Environmental Planning, compliance and enforcement

AbaQulusi Municipality has an Environmental Management Inspection which is designated by the Hon. MEC of DETEA to deal with enforcement in the environmental aspects. There is also designated Waste Management Officer which is a compliance from NEMA. Environmental Impact Assessment applications are being reviewed by internal staff and DEA staff (LGS support and Youth Co-ordinator). Air Quality assessment was conducted within AbaQulusi with assistance from DETEA.

4.2.4 EPIP Programmes

EPIP programmes by DEA focus on infrastructure related projects that contribute towards the environmental protection, conservation and sustainability, whilst creating work opportunities, and providing skills development to enable beneficiaries to secure permanent employment. There are number of programmes that DEA has assisted AbaQulusi with: Clothing / Sewing, Landscaping, horticulture, Painting, and also the newly implemented Green Good Deeds Programme which saw the appointment of a Youth Environmental Coordinator within Abaqulusi LM focusing on waste related challenges.

Upcoming projects:

- ✓ Greening of open spaces
- ✓ Rehabilitation of Landfill site
- ✓ Land-care / Rehabilitation of land

4.3 Transportation Infrastructure

4.3.1. Road Network

AbaQulusi Municipality is not adjacent to any major National trade and transportation route. However, it enjoys a relatively good level of access at a Provincial and regional level. This allows for a smooth flow of goods and movement of people in and out of the area. The R34 is the primary transportation route within the area. It runs through Zululand from the N2 and Richards Bay in the south through Ulundi, Vryheid and

Paulpietersburg to Mpumalanga and Gauteng. The R69 on the other hand, runs east-west through the northern part of the municipal area.

It carries large volumes of local and regional traffic and links centres such as Vryheid, Hlobane, and Louwsburg and eventually joins to the N2 near uPhongolo. The road network within AbaQulusi Municipality reflects the apartheid planning system. The former whites' only areas are characterized by high quality tarred roads and well developed district roads. The quality of roads in most previously black only areas is generally poor and requires substantial upgrading and maintenance. This has a negative impact on the development of these areas as it is well known that access play a pivotal role in economic development. In addressing the issue of accessibility in rural areas, the Zululand District Municipality has developed a District Rural Roads Asset Management Plan which would guide the rehabilitation and upgrade of all rural roads within the district.

The current Roads network consists of asphalt, paved, gravel and dust or informal roads. The Municipality is currently reducing the backlogs of upgrading gravel roads through as well rolling out repairs and maintenance on a daily basis, however most of the Vryheid CBD roads are showing signs of distress and are in need of rehabilitation. An estimated cost of R156 900 000 is required to repair and maintain 143km of paved roads within the Abaqulusi area.

In its efforts to repair and maintain the existing road network within the municipality, a budget of R11 million has been allocated for the 2022/2023 financial year. The table below reflects the breakdown and allocation of the budget:

Project Description	Budget
Roads - resurfacing - President Street	R6 000 000
Roads - resurfacing - Mark Street	
Repairs to workshop	
Roads - pothole patching	
Roads - grading of gravel roads	
Road Sign material	
Stormwater drains	R5 000 000
Painting of roads	
Pavements	
Bridges	
Total Budget	R11 000 000

4.3.2. Rail

AbaQulusi Municipality does not have an established public rail transport system. However, there is a railway line that runs through the area connecting the coalfields with areas such as Mpumalanga and Richards Bay. It is used mainly to transport goods between these centres. It passes through AbaQulusi in a north-south direction and at Vryheid and then branches off to the west to Hlobane.

4.3.3. Air Transport

Although Vryheid is a district regional centre, it does not have a well-established air transport system. A small airport/landing strip is located in Vryheid. It is built to the standard set by the Civil Aviation Authority but is no longer licensed due to budgetary constraints. It is capable of

carrying limited cargo. This facility should be seen as an opportunity for the development of the agricultural and tourism sectors. This is particularly important since the area has been identified at a Provincial level as having potential for agricultural development (PSEDP, 2007), and the potential link with Dube Trade Port.

The Maps below indicates the Transport Network that exist within the Abaqulusi Municipality and the critical linkage that it has to the region.

4.3.4 Planned Transport Infrastructure Projects – 2022/2023

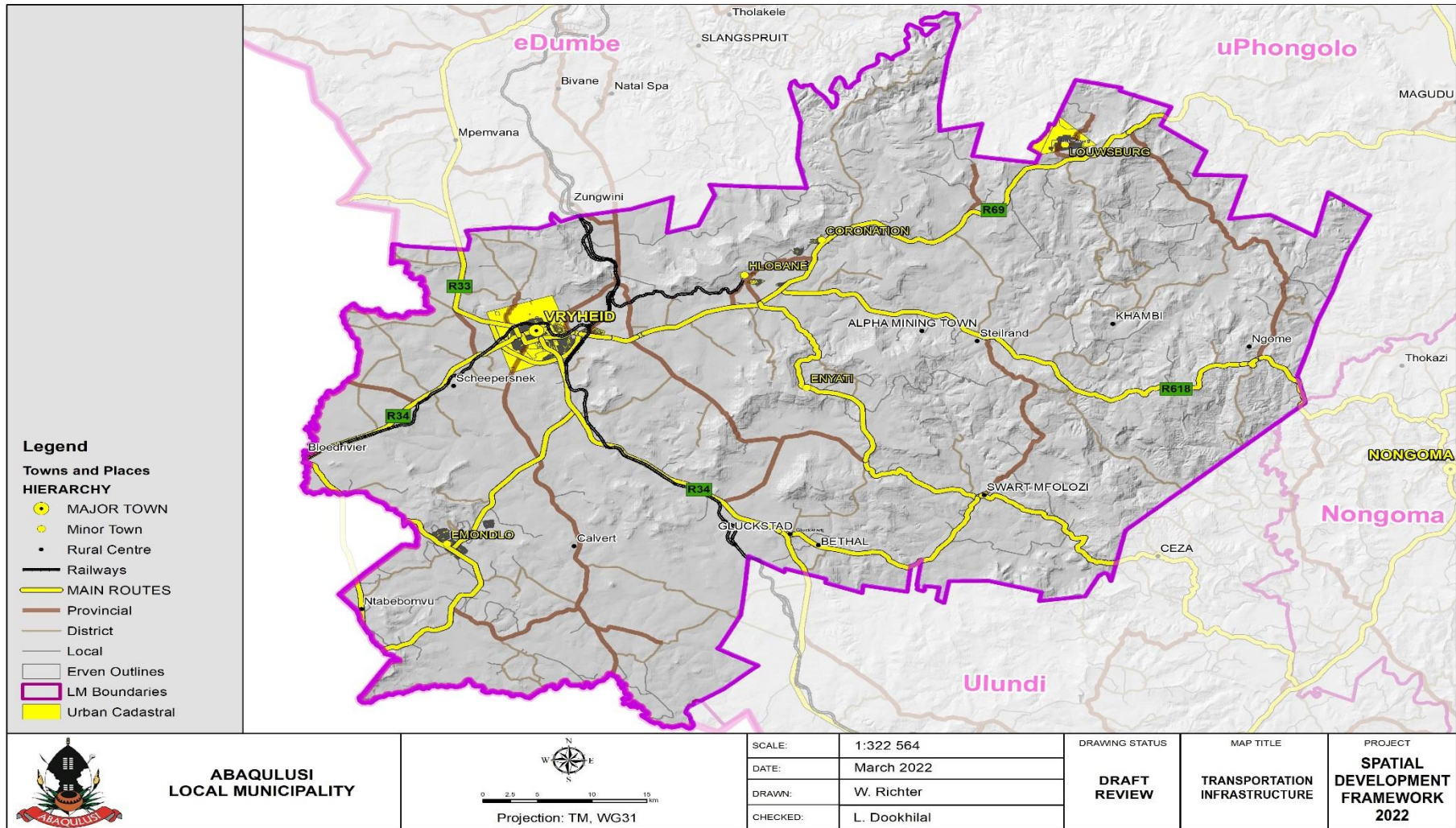
On an Annual basis, the Abaqulusi Municipality utilises majority of its MIG Funding for the construction of new roads and maintenance of existing roads. The table below reflects the Planned Projects that involve the Road Infrastructure within Abaqulusi Municipality:

<u>Project Name</u>	<u>Ward Number</u>	<u>2022-2023 Allocated Budget</u>
Tarring of Kwabele to next Police station- WARD 19, 20 Phase 3	12	R10 489 425
Tarring of Zama to kwaBalele - Bhekumtetho Road (Phase 4)	19	R7 000 000
Upgrading of Extension 16 (SASCO) Roads - (Phase 3)	8	R800 000
Upgrading of Mhlanga Gravel Road - (Phase 3)	15	R2 300 000
Upgrading of Extension 16 (SASCO) Roads - Phase 2)	8	R10 489 425

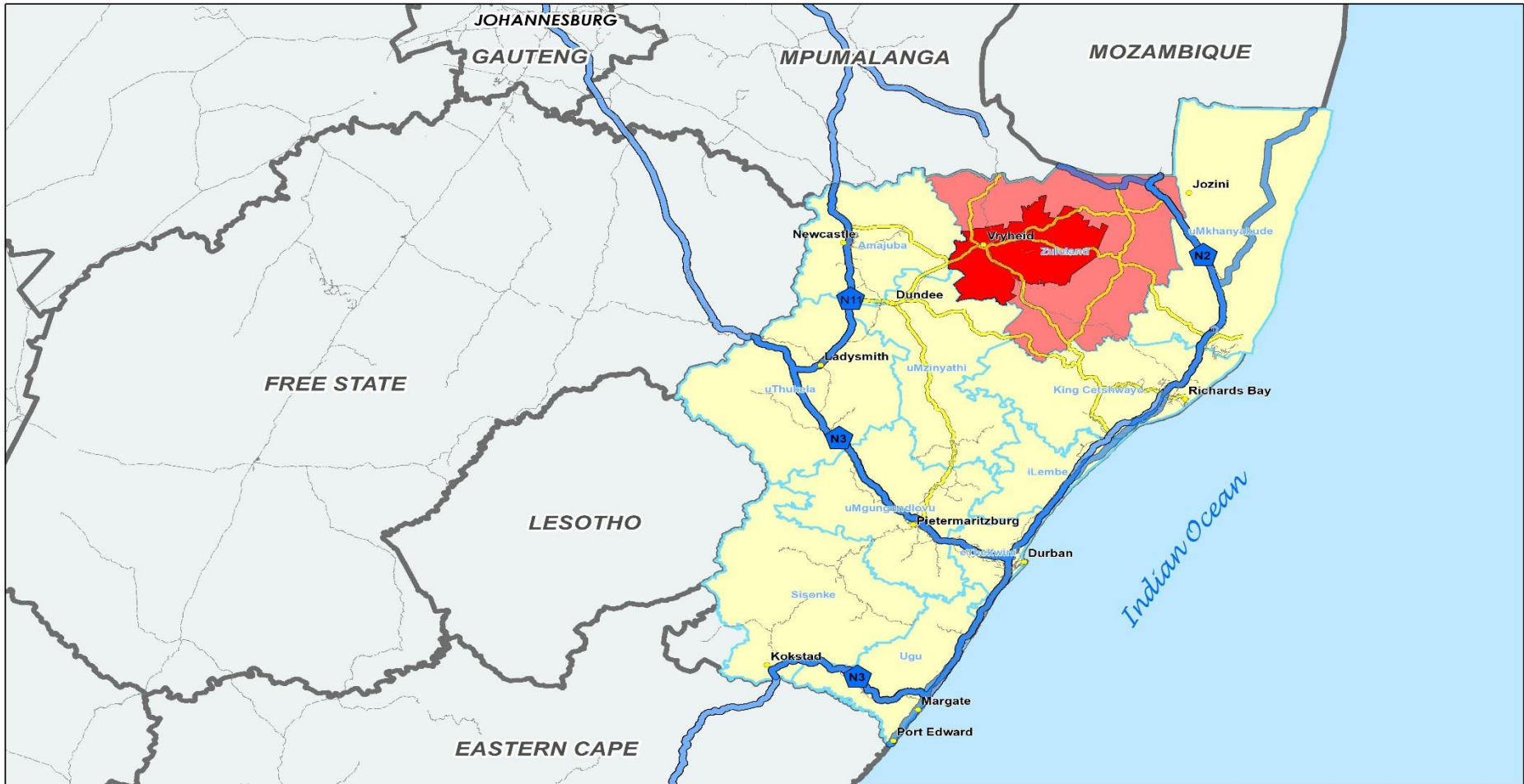
Upgrading of Mezzelfontein Road - (Phase 2)	12	R2 750 000
Bhekuzulu Road Paving - (Phase 2)	11 and 13	R3 500 000
Mpongoza Access Road and Bridge structure - (Phase 3)	4	R2 000 000
Mpongoza Access Road and Bridge structure - (Phase 4)	4	R650 000
Total		R39 978 850


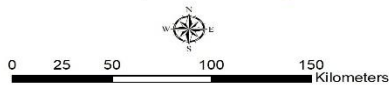
The maps below indicate current Transport Infrastructure within Abaqulusi Municipality and the Critical Linkages within the region.

Map 22: Transportation Infrastructure



Map 23: Critical Linkage to the Region



 <p>ABAQULUSI LOCAL MUNICIPALITY</p>	 <p>Projection: TM, WG31</p>	SCALE:	1:2 247 774	DRAWING STATUS	MAP TITLE	PROJECT
		DATE:	March 2022			
		DRAWN:	W. Richter			
		CHECKED:	L. Dookhilal			
		DRAFT REVIEW	REGIONAL LINKAGE	SPATIAL DEVELOPMENT FRAMEWORK 2022		

4.4 Energy

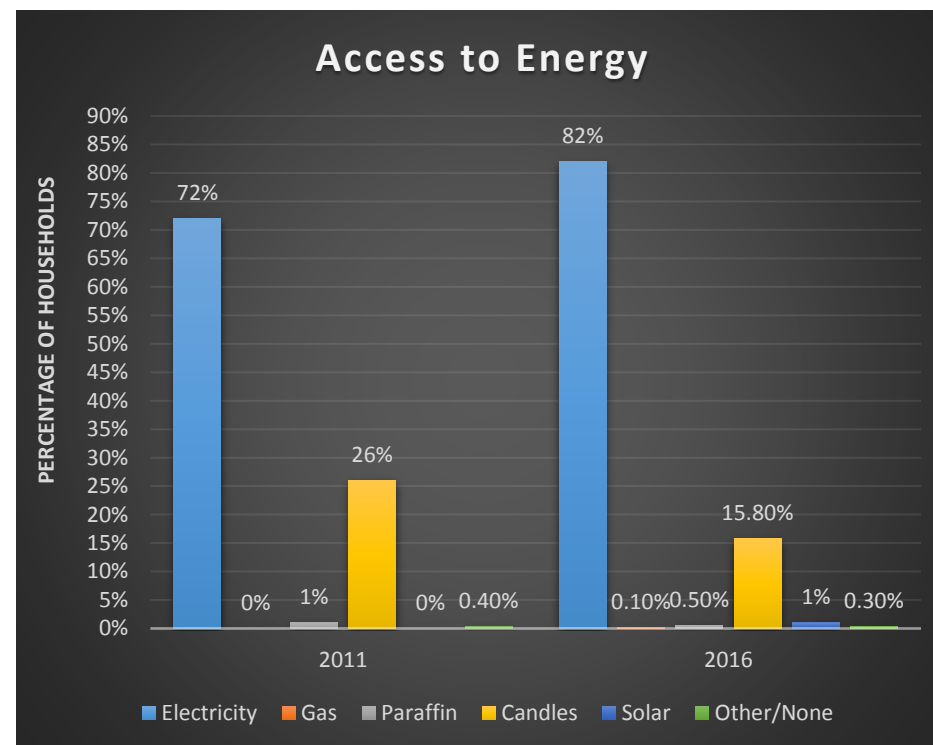
As per the table below, the access to electricity has increased significantly from 72% in 2011 to 82% in 2016, recording a 10% improvement. The increase in electricity is largely due to the grant funding that is received from the Department of Energy on an annual basis of recent. The 2021/2022 financial year will see the municipality yet again receive funding in the region of +-R18m from the Department of Energy for electrification projects. Overall, the stats below is a clear indication that the Municipality is on the rise and is making steady progress in providing energy and electricity to its people.

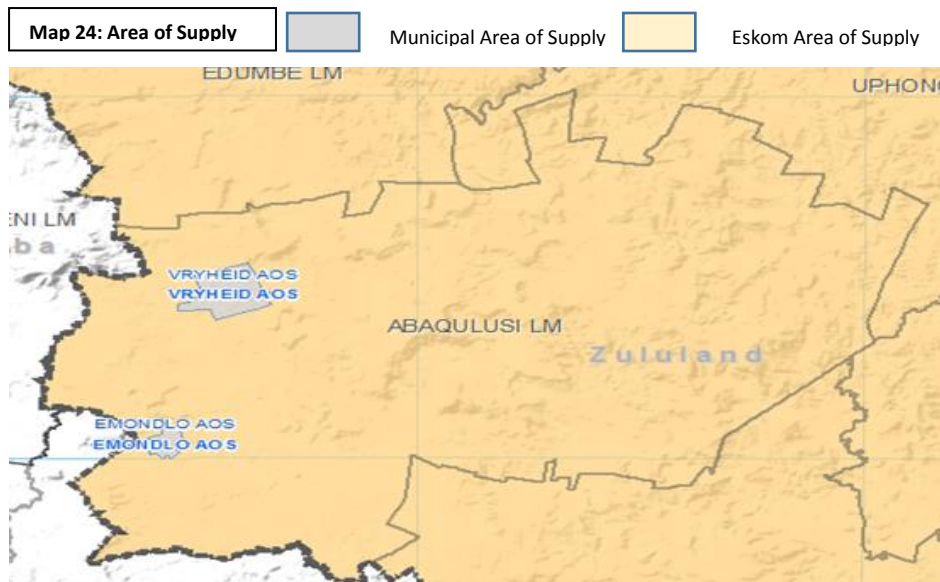
Table 12: Access to Electricity

Access to Electricity	Census 2011	Community Survey 2016
Number of Households	43 299	51 910
Electricity	31223 (72%)	42 708 (82%)
Gas	89 (0%)	50 (0.1%)
Paraffin	246 (1%)	253 (0.5%)
Candles	11426 (26%)	8 208 (15.8%)
Solar	125 (0%)	518 (1.0%)
Other/None	190 (0.4%)	170 (0.3%)

Source: STATS SA CS 2016

Figure 9: Access to Electricity





4.4.1 Background of Abaqulusi Municipal Energy Department

The purpose of the Energy Department of the Abaqulusi Municipality is to provide electricity for all residents in the Abaqulusi area. The department covers every intake area known as Vryheid/Bhekuzulu/Lakeside, Emondlo, Hlobane and Coronation. The current bulk networks to sustain development in the towns while also conforming to the Occupational Health and Safety Act as well as the Quality of Electrical Supply in terms of NERSA's requirements for the Abaqulusi Municipality shall be highlighted.

The goals of the Electricity Department for Abaqulusi Municipality are as follows:

- Supporting economic growth and development;
- Improving the reliability of electricity infrastructure;
- Providing a reasonably priced electricity supply;
- Ensuring the security of electricity supply as set by a security of supply standard;
- Diversifying the primary energy sources of electricity;
- Meeting the renewable energy targets as set in the EWP;
- Increasing access to affordable energy services;
- Reducing energy usage through energy efficiency interventions;
- Accelerating household universal access to electricity;

4.4.2 Current Status of Abaqulusi Municipal Energy Supply

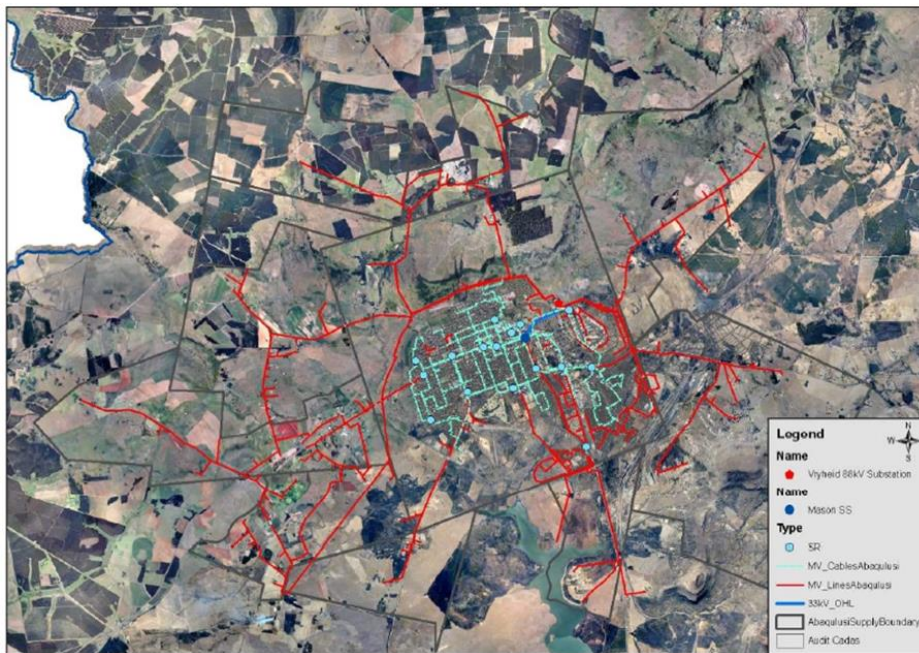
The current status of each intake point is as follows:

VRYHEID

An ESKOM supply via an 88/33 kV is supplied to the main intake substation which is transmitted via an overhead line on a 33 kV network to Mason Substation which is known as Mason Street Sub. We have two incoming breakers on the 33 kV networks to Mason substation. From the two incoming outdoor oil circuit breakers pole mounted (OCB's).

From the incoming breakers we have 3 OCB's which feeds transformers 1, 2 and 3 which are stepped down from 33 kV to 11 kV which feeds our major substation known as Mason Substation. This in turn feeds the town of Vryheid/Bhekuzulu/Lakeside/Industrial areas/farm lands etc. Each transformer has a capacity of 20 MVA.

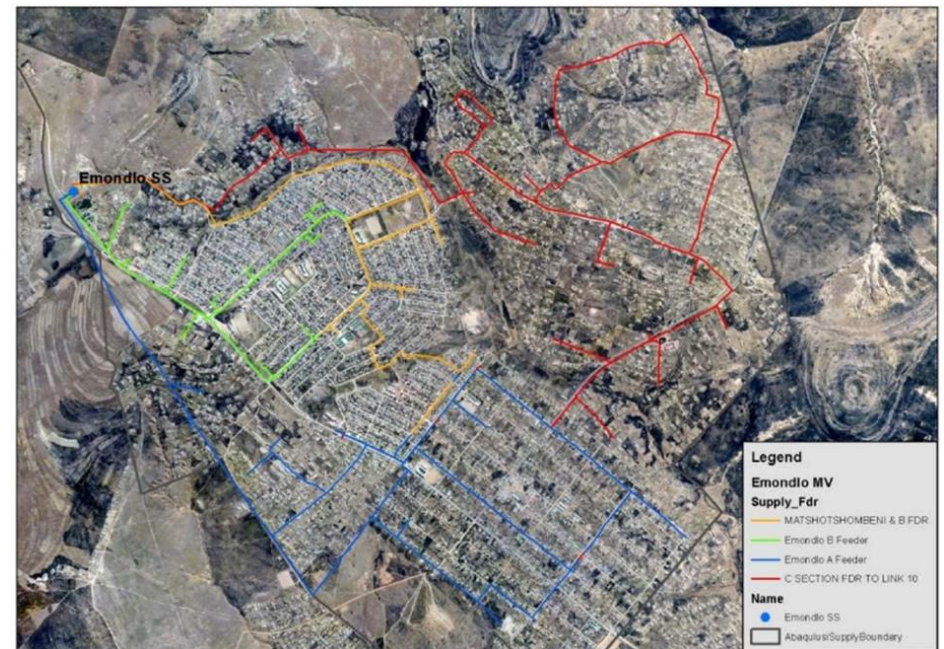
The existing electrical network in Vryheid, Bhekuzulu and Lakeside is reflected on the map below.



EMONDLO

Emondlo is currently supplied via an ESKOM supply from a 22 kV overhead line. There is a 10 MVA transformer currently situated at Emondlo which supplies the sections known A, B, C & D sections.

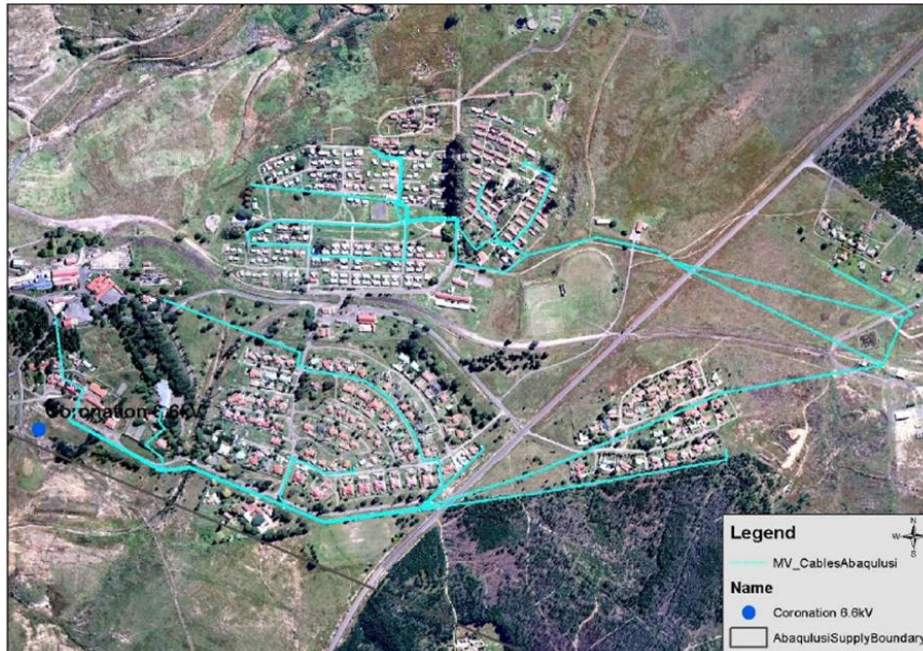
The existing electrical network in eMondlo is reflected on the map below.



CORONATION

Coronation intake sub is fed via a 33 kV overhead line and stepped down via a transformer to 6.6 kV. The municipality in Coronation takes the supply on a 6.6 kV system from ESKOM which is distributed to mini substations and pole transformers. The areas in Coronation are the new village, old village and Zamaqhule.

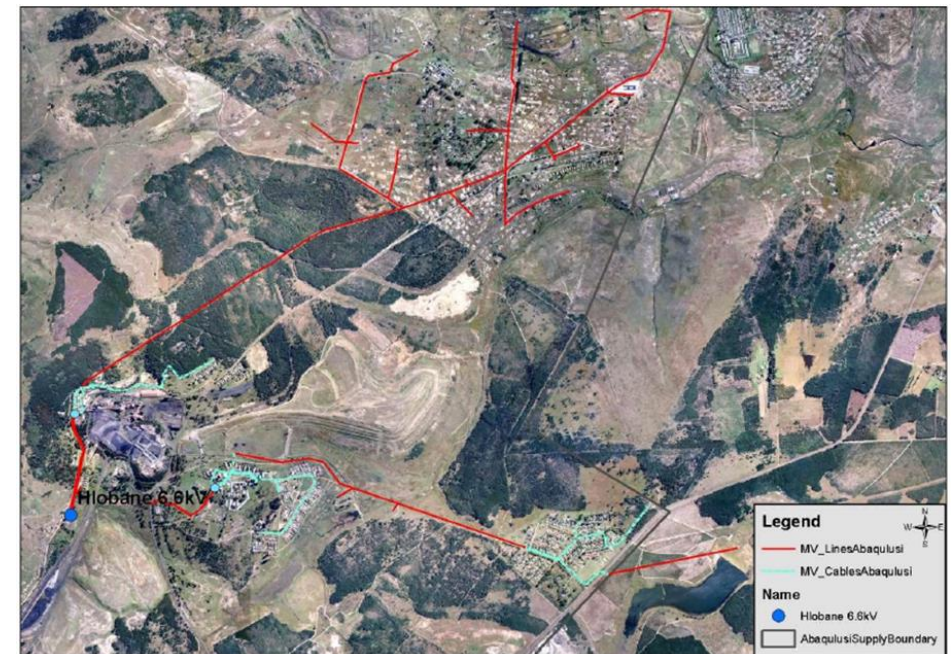
The existing electrical network in Coronation is reflected on the map below.



HLOBANE

Hlobane intake sub is fed via an 88 kV overhead line and stepped down via a transformer to 6.6 kV. The municipality in Hlobane takes the supply on a 6.6 kV system from ESKOM which is distributed to mini substations and pole transformers. This area also supplies Tutukani, Vaalbank and Cliffdale.

The existing electrical network in Hlobane is reflected on the map below.



It must also be noted that the municipality has just recently completed its Energy Masterplan in 2018 which was funded by Development Bank of South Africa (DBSA) and will form the basis for implementing all new projects within the municipality in the next 10 years as well as guide the repairs and maintenance of electrical infrastructure.

4.4.3 Planned Projects

In attempts to reducing the electrical backlogs that exist and extending accessibility to electricity across Abaqulusi Municipality, the tables below highlight projects which are planned to be implemented during the next financial year, 2022/2023, and funded by Department of Energy through Eskom, INEP and CoGTA

Project Title	Ward	Budget	Number of Connections
INEP			
Shoba	7	R3 560 00.00	178
Sasko	8	R925 000.00	50
Makhukhula	4	R3 402 000.00	162
Donsokwakhe	4	R1 113 000.00	53
Bozzmin	4	R735 000.00	35
Mashiyane	4	R924 000.00	44
Mkholokotho	4	R1 071 000.00	51
18.7MV Line Makhukhula Link	4	R6 755 000.00	-
Sub-Total		R18 485 000	

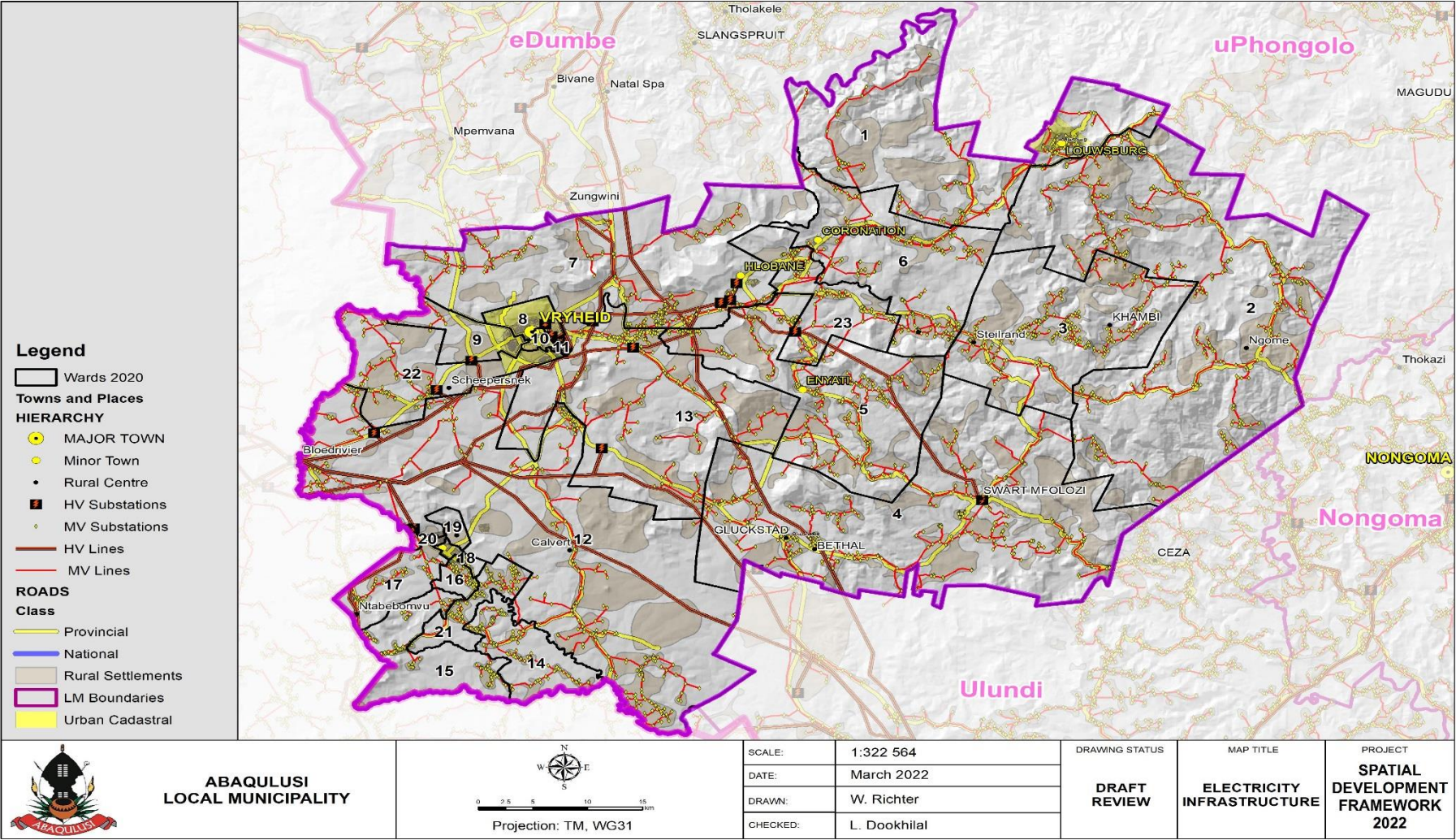
CoGTA			
Madamini	1	R2 439 222	63
Esihlangweni, Tholakele	2	R7 200 000	200
Eshanelweni	3	R2 758 960	45
Ngedlane, Esigangeni, Sozwane, Mpembeni	4	R7 800 000	100
Sub-Total		R20 198 182	
Eskom			
Nseka/Tholithemba/Esi lweni	13	R3 381 890.92	149
Driefontein	5	R4 082 003.73	98
Nseka/Tholithemba/Esi lweni/ (link line)	13	R8 043 980.19	Infrastructure Link Line
Trador farm	18	R300 000.00	
Sub-Total		R16 020 622. 98	
Total Funding		R41 346 867	

The table below highlights the Planned Electrical Repairs and Maintenance Projects to be rolled out over the next financial year, 2022/2023, funded by the Municipality.

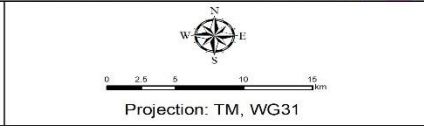
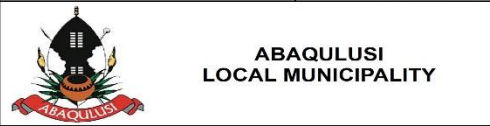
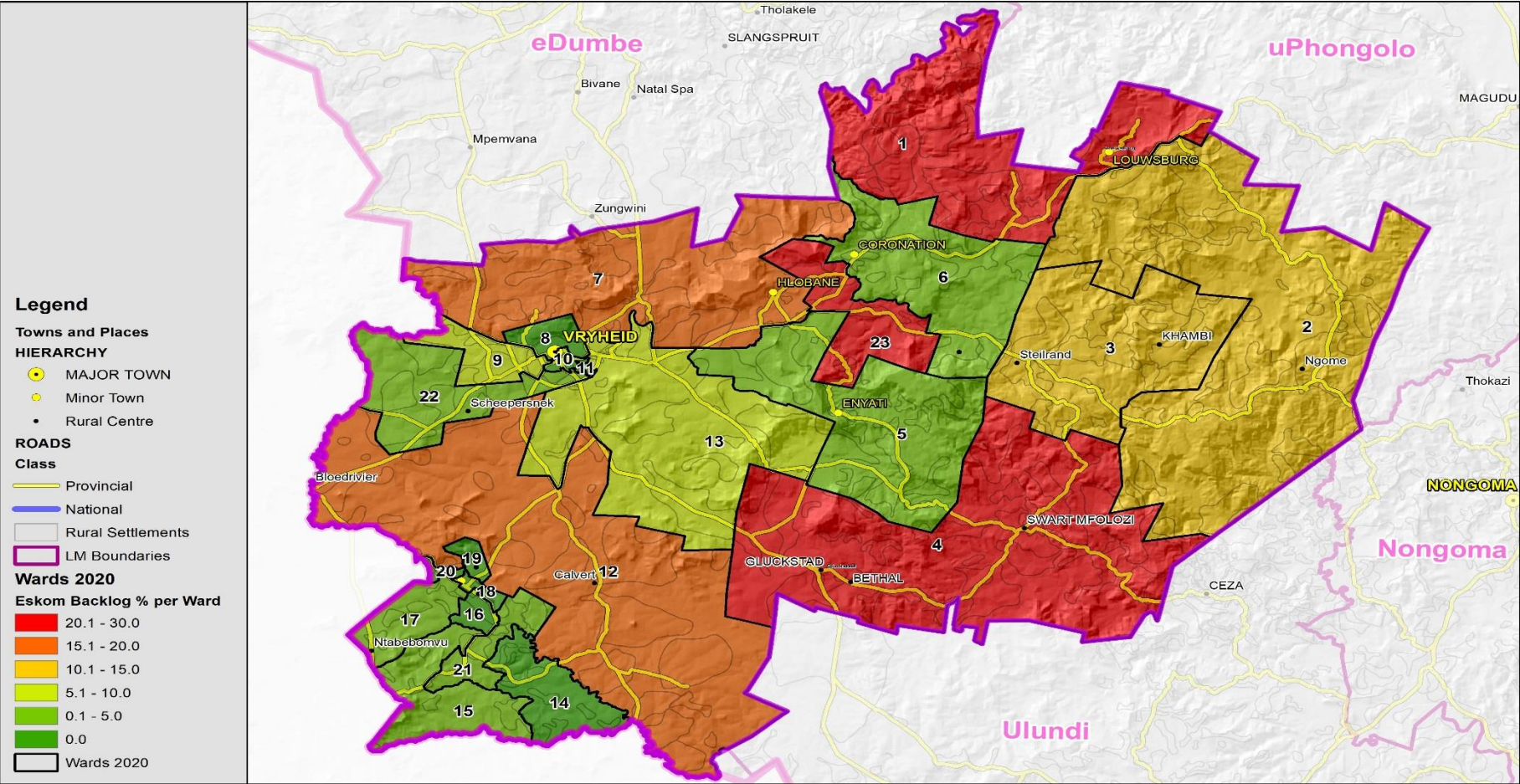
<u>Project Description</u>	<u>Budget</u>
MV Networks	R3 000 000
MV Substations	R4 720 000
<u>Total</u>	R7 720 000

The maps below depict the municipality's Electrical Infrastructure and Access to Electricity.

Map 25: Electrical Infrastructure



Map 26: Access to Electricity



SCALE:	1:322 564
DATE:	March 2022
DRAWN:	W. Richter
CHECKED:	L. Dookhilal

DRAWING STATUS	MAP TITLE
DRAFT REVIEW	ELECTRICITY ACCESS (% per Ward)

PROJECT
SPATIAL DEVELOPMENT FRAMEWORK 2022

4.5 Access to Social and Community Facilities

4.5.1 Cemeteries

The Abaqulusi Municipality currently has 7 cemeteries, located in Vryheid, Bhhekuzulu, Hlobane, Coronation, Mondlo, Louwsburg and Nkongolwane. However, according to municipal statistics, some of these cemeteries have now reached their life-span and have run out of space while the others are also in danger of reaching their life-span and is fast becoming a top priority for the municipality. The municipality is constantly working on establishing new sites for cemeteries and exploring the opportunities of expanding the current existing cemeteries. Deprived maintenance and budget constraints have also hindered and compounded to the issues surrounding the cemeteries. The status of cemeteries within Abaqulusi Municipality is as follows:

•**Vryheid Cemetery:** The potential extension of the existing cemetery to the south should be investigated, or a new site will be identified. An area of about 6 ha would be required.

•**Bhekuzulu Cemetery:** The existing cemetery is full and a new cemetery site has been identified to the Northeast of the existing cemetery, between the bypass road and the railway line. The new site has an approximate area of about 10 ha which should be sufficient for about 10 years. A further 5 ha would be required. The municipality reported that trial pits in the new site indicated a perched water table and the extent of the water table must be investigated.

•**Emondlo Cemetery:** The original cemetery is full and has been extended into the open veld surrounding the cemetery. The municipality

has acquired the new 27 hectors for extension and planning principles are essential for the cemetery to be registered.

•**Louwsburg:** The existing cemetery has an estimated lifespan of more than 10 years. The potential extension of the cemetery to the east or west should be investigated. An area of 2 ha should be sufficient.

•**Nkongolwane:** The existing cemetery has an estimated lifespan of approximately 5 years, with extension possibilities to the south and southwest.

•**Coronation:** The cemetery at the Coronation mine has space available for approximately 3 000 graves, and a life expectancy greater than 10 years. Potential for expansion exists to the east of the existing cemetery.

•**Hlobane:** The existing cemetery has an estimated lifespan of approximately 5 years, with extension possibilities to the south and southwest.

4.5.2 Halls and Parks

Due to the large geographic extent of the Abaqulusi Municipal jurisdiction, and the spread of its people over 23 wards, the municipality is constantly trying to ensure that its people have access to community halls and parks. These facilities are considered to be very important in order assist communities in promoting social development. The community halls and parks serve the people of Abaqulusi for various reasons, including weddings, funerals, war rooms, place for prayer, etc. The following 15 municipal community halls and 16 parks exist within the Abaqulusi Municipality:

Table 13: Municipal Community Halls

Municipal Community Halls	
Name	Location
1. Library hall	Vryheid
2. King Zwelithini hall	Bhekuzulu Location
3. Lakeside hall	Lakeside
4. Cecil Emmett hall	Vryheid
5. Ntinginono hall	Vryheid
6. eMondlo hall	Section A Mondlo
7. Coronation hall	Coronation
8. Hlobane hall	Hlobane
9. Mzamo hall	Louwsburg
10. Nkongolwane hall	Nkongolwane
11. Ezimbovu hall	eMondlo Area
12. Makhukulua Hall	Ward 4
13. Cliffdale Hall	Cliffdale
14. Ezimbomvu Hall	Ward 14
15. eMadreseni Hall	Ward 16

Table 14: Municipal Parks

Municipal Parks and Open Spaces	
Name	Location
1. Magoda	Vryheid
2. Dundee park	Vryheid
3. Padda dam park	Vryheid
4. Church Street park	Vryheid
5. Edward Street park	Vryheid
6. Trim park	Vryheid
7. East Street park	Vryheid
8. Pioneer park	Vryheid
9. Clinic park	Vryheid
10. Mayor's park	Vryheid
11. Swimming pool park	Vryheid
12. Lakeside park	Lakeside
13. Hlobane park	Hlobane
14. Bhekuzulu park (open space)	Bhekuzulu location
15. Coronation Park	Coronation
16. eMondlo Park	eMondlo

4.5.3 Sports Facilities

The geographic spread of the sports facilities within AbaQulusi Municipality indicate that only urban areas have benefits of sports facilities. These facilities are found at Hlobane sport field, Bhokuzulu sport field, eMondlo sport field and Cecil Emmet sport complex in Vryheid town. Even though these facilities are found in the above areas, the facilities are lacking to provide all the necessary sport codes/ amenities except Cecil Emmet in town, which provides more than one sport code. The AbaQulusi Municipal sports department does however share a strong relationship with the Department of Sports & Recreation and Sport federations. The promotion of sporting activities within the municipality is on-going.

AbaQulusi municipality sport and recreation serves as the co-ordinating body for the community to seize sport and recreational developmental opportunities through programmes such as:

- Zululand Ultra Marathon
- AbaQulusi Municipality Mayoral Cup Tournament
- Zululand District Municipality Mayoral Cup Tournament
- Golden games (local, district, provincial and national competitions)
- Disability Games (local, district, provincial and national competitions)
- Indigenous games (local, district, provincial and national competitions)
- SALGA KZN Games

All programmes and projects for sports and recreation are implemented in joint venture with KZN Department of Sports and Recreation (KZN

DSR), Zululand District Municipality and AbaQulusi Municipality Sport Confederation and sport codes confederations. The provision of recreational facilities is sheltered by the availability of sport fields, sport stadiums and community halls. Parks and halls are managed by the Municipality and they are available for hire to the community.

4.5.4 Other Facilities

Other social services facilities that the municipality provides include the following:

- **Library Services.** At least three well established libraries exist within AbaQulusi Municipality. They are located in Vryheid, Emondlo and in Bhokuzulu. The one in Louwsburg (ward1) requires being re-established. Staff has been trained on modern library service technology courtesy of Provincial Library Services. There is a need to expand the service to rural areas, particularly in ward 2, 3 and 4.
- **Museum services.** A museum is a centre of information that manages collections of artefacts or works of art and historical items. This includes dealing with the acquisition, care and display of items with the aim of informing and educating the public. It is essential for museums, galleries, and heritage and tourism attractions to develop collaborative relationships, share collections and disseminate information to the general public. The Department of Arts and Culture is the custodian department and is fully responsible for the endorsement and accreditation of grading of the museums. AbaQulusi Municipality has one museum

called Lucas Meijer Museum named after Lucas Meijer who was the first president of the Nuwe Republic as Vryheid as the Capital City.

- **Community Service Centres:** The Abaqulusi Local Municipality has recently just developed 2 Community Service Centres within its jurisdiction, located in Ward 18 (eMondlo Thusong Centre) and Ward 5 (Xulu-Msiyane Community Centre). These centres were developed with the grant funding provided by CoGTA. These centres aim to achieve the following:
 - ✓ To centralise community access to government services.
 - ✓ Uplift benefiting Small Business Entrepreneurs within Abaqulusi Local Municipality and Zululand District.
 - ✓ Building capacity by allowing community participation in the implementation and decision-making aspects of the project as well as providing skills training

4.6 Human Settlements and Real Estate

The Human Settlements and Real Estate (Housing) component under the Department of Development Planning derives its core mandate and responsibilities from Section 26 of the Constitution of the Republic of South Africa of 1996 and Section 3 of the Housing Act of 1997, read in conjunction with approved policies and chapter 8 of the National Development Plan (NDP).

Although the core mandate lies with National and Provincial departments, however, this allows the Abaqulusi municipality to work in collaboration with district and province departments to establish and facilitate a sustainable human housing development. The housing section of Abaqulusi municipality does this by: determining the need and avail land for development purposes. This is done in line with provincial / national policy, national norms and standards for housing development;

To give effect to the above the Abaqulusi municipality will focus on four priority areas over the 5-year term: facilitating the development of integrated human settlements, establishment of middle-income housing projects, eradication of slums, providing affordable rental housing through social housing programmes.

Based on the Community Survey 2016, the Abaqulusi Municipal area currently has an estimated population of 243 795 people. Evidently this number has since increased, and this will be ascertained post the National census of 2022. The town of Vryheid represents the primary urban centre in the Municipal area, accommodating between 22% - 25% of the population of the total population. The Community Survey 2016 indicated that the number of households in Abaqulusi grew to 51 910 which is an increase from the 43,299 households in 2011, as per the table below.

Although an increase in Formal dwellings and Traditional dwellings were noted, the most worrying factor for the municipality is the massive increase of Informal dwellings from 2011, which was 929 to 2016, which is 4 675. This poses a real problem for the municipality in terms of dealing

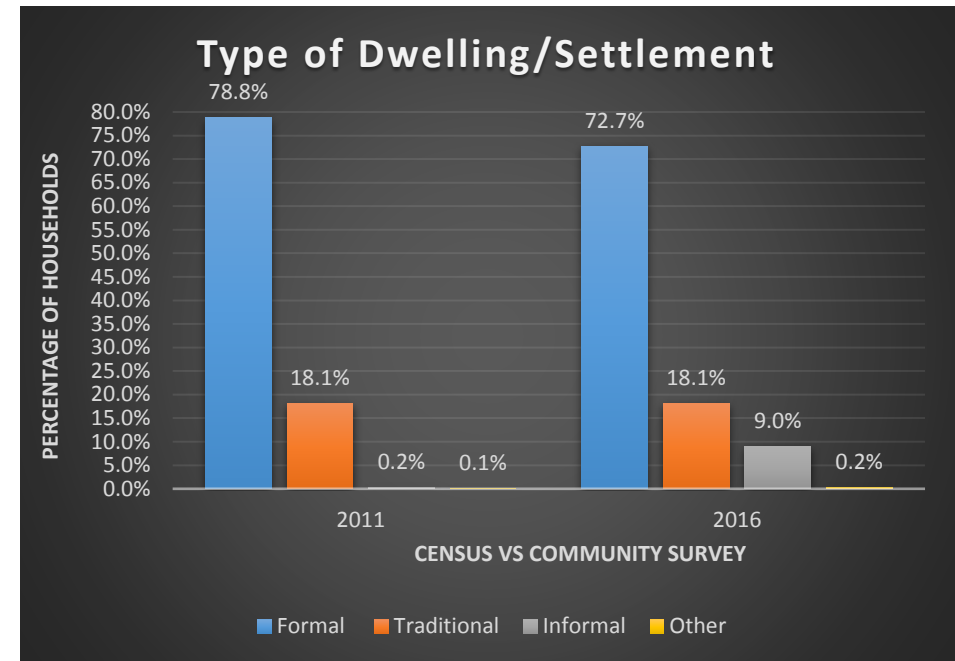
with land rights issues, service delivery pressure, social unrest and other problems associated with informal settlements and dwellings.

Table 15: Settlement Type and Tenure

Type of Settlement	Census 2011		Community Survey 2016	
	Number	Percentage	Number	Percentage
Number of Households	43 299	100	51 910	100
Formal dwelling	34 134	78.8	37 746	72.7
Traditional dwelling	7 863	18.1	9 407	18.1
Informal dwelling	929	0.2	4 675	9.0
Other	374	0.08	82	0.2
Tenure Status	28 577	66.6	32 859	63.3

Source: STATS SA CS 2016

Figure 10: Type of Dwelling/Settlement



The town of Vryheid represents the primary urban centre in the Municipal area, accommodating approximately 47 365 people (22.4% of the population). AbaQulusi serves a largely rural community with low income levels that are more severely affected by conditions of poverty than urban communities are. The families have mostly women as interim heads of household and very high dependency levels marginalise these families even more (StatsSA).

In terms of economic development and potential, the AbaQulusi area is endowed with various resources, which to date, have not yet been fully

developed. To facilitate future development and growth it is essential to draw on these resources and through creative and visionary means implement measures that will result in the economic regeneration and upliftment of the population.

The collapse of a mining sector in the early 90s also had a devastating effect on the local economies of the towns that they once supported. The closure of mines in the Hlobane area, created a high unemployment rate in AbaQulusi municipality. Secondly the loss of employment in the agricultural sector further contributed to continuous escalation of unemployment in the area. Thus, there is great need to create effective local economic development responses that can resuscitate mining in the former coal-mining areas in AbaQulusi municipality.

Although a range of innovative locally identified strategies have been embarked upon, considerably greater effort and investment will be needed in order to catalyse significant and meaningful regeneration endeavours.

Strategic location of Vryheid town

Vryheid town is strategically located and is considered the economic and social hub of the AbaQulusi area. Vryheid is surrounded by clearly defined urban settlements which include Mondlo and Louwsburg. There are other lower order settlements which include Hlobane, Emnyathi, Coronation and Swart-Mfolozi. The surrounding areas to these urban settlements are predominantly in traditional Authority areas and are densely populated which exerts enormous pressure to provide services in all these areas. To the south of Louwsburg is the Traditional Authority

area of Khambi which is also highly populated. Mondlo is also predominantly surrounded by traditional authority area and residents in these rural settlements also require housing and other basic services.

The Housing Demand

Vryheid town and to an extent Mondlo, the former mining towns of Hlobane/ Coronation and Khambi have over the years, experienced increased in-migration leading to a significant number of people requiring accommodation. People from the surrounding areas rely heavily on the main urban centres for the provision of basic services. This therefore requires the AbaQulusi Municipality to provide housing for all the people who migrate closer to the urban settlements. Further there is a need for the Municipality to align itself with National Government policy which called for the eradication of informal settlements, hence the reaction is to plan for and provide low income housing and also make provision for middle income earners.

Currently the AbaQulusi Local Municipality has 4 clearly distinctive nodes. These are

- a) Urban settlements – areas with formal layouts and services and they include Vryheid, Mondlo and Louwsburg.
- b) Traditional Authority settlements – settlements in Traditional Authority areas. There is generally poor service provision. Areas within this category are Hlahlindlela, some parts of Mondlo and Khambi.

- c) Rural settlements – similar in nature to the Traditional Authority Settlements These settlement types are distinguished from each other in terms of the presence or absence of security of tenure and basic municipal services, such as water and electricity. It should be mentioned that, there is another pattern of tenure security that is emerging, which has resulted in rural settlements. These sprouting rural settlements emerge from land sold by Communal Property Associations (CPAs) and Trusts which manage land acquired either through Restitution or Redistribution programmes. These settlements include Shoba, Coronation, Hlobane, Ntseka, Glückstadt and areas in between the clearly defined urban centres. It is worth mentioning that the Planning department at AbaQulusi has initiated plans to formalise Shoba and Ntseka as townships.
- d) Informal settlements - These settlements are primarily found on the periphery of Vryheid and Louwsburg and include part of the Bhekuzulu area in Vryheid. These informal settlements are characterised by a lack of security of tenure, lack of basic municipal services and housing that is not in good condition. The emergence of informal settlements became prominent subsequent to the diminishing of employment from the mining and agricultural sector. As the employment became scarce in the aforementioned sectors, an influx of people began encroaching open areas in Vryheid. The main reason is to be close to job opportunities in town and have access social amenities.

4.6.1 Housing Sector Plan

The Review of the Municipality's Housing Sector Plan began in 2017 and the plan is now considered to be outdated. However, the municipality has set aside a budget of R300 000 to get the Plan reviewed and aligned with current housing projections and legislations.

The Housing Sector Plan is a 5 years Strategic Plan that introduces a number of programmes to strengthen the strategic objective of Sustainable Human Settlements. The main objective for reviewing Housing Sector Plan is to identify gaps and challenges and take corrective measures to address the challenges in housing delivery. The Housing Sector Plan contains all the current Housing Projects and proposed Housing Projects for the Municipality. In order for the Department of Human Settlements to support or fund the Municipality for housing development purposes, the Housing Sector Plan together with an Integrated Development Plan are of chief priority and are required for funding to be realised.

As a means to align developmental plans, the Housing Section works with the Town Planning section of the Municipality and the Provincial Department of Human Settlements to ensure that Housing is included as a key component related plans such as the Municipal SDF and aligns with the Provincial Human Settlements Master Spatial Plan. Housing stands out as one of national government's achievements, however, there is an increasing awareness of the need to build sustainable settlements and gradually move towards integrating the concept of sustainability into housing delivery and settlement management. ***The Housing Sector Plan is attached as Annexure I 5.***

4.6.2 Current Housing Projects

The table below is a representation of the current housing projects within the municipality and their status.

The Housing Sector Plan indicates that there are 24823 housing units that should be built to address housing demand in AbaQulusi Municipality.

Table 16: Current Housing Projects

Project Name	Projected number of Houses	Ward	Project Stage	Implementing Agent	Project Area
Consolidation of Mondlo A & B and Bhekuzulu Phase 3B	1000	13,18 (Mondlo A) and 20 (Mondlo B)	Planning Phase 1 of Stage 1 completed and funding pack for phase 2: Planning & Engineering submitted to Department of Human Settlements	Business Fezeka Contact person: Xolani Ngcobo 072 890 0176	Mondlo A & B and Bhekuzulu Phase 3B
Bhekumthetho Phase 2	1500	19, 10, 20, 18, 16, 12,	Planning Phase 1 of Stage 1 completed	Maseko Hlongwa & Associates	Bhekumthetho eMondlo

			and funding pack for phase 2: Planning & Engineering submitted to Department of Human Settlements	Contact Person S Maseko: 082 854 3957	
Vumani	1000	5	Planning The contract previous IA ended on 31 July 2021.	Awaiting appointment of new IA by Department of Human Settlements Contact person: Khayo Mabaso 0823764237	Kwa Mnyathi
Enyathi	594	5	Planning Phase 1 of Stage 1 completed and funding pack for phase 2: Planning & Engineering	Business Fezeka Contact person: Xolani Ngcobo 072 890 0176	Kwa Mnyathi

			submitted to Department of Human Settlements		
Vryheid Ext. 16 Phase 2	1771	22	<p>Planning Phase 1 of Stage 1 completed and funding pack for phase 2: Planning & Engineering submitted to Department of Human Settlements</p> <p>Request for Bulk services submitted in August 2021 to ZDM</p>	<p>Siyamthanda Projects</p> <p>Contact Person: Phumulani Sithole: 082 906 6816</p>	Lakeside Vryheid Town
Gluckstadt Housing Project	1500	4	<p>Planning: Phase 1 of Stage 1 completed</p>	<p>CHS Developments: Contact Person:</p>	Gluckstadt and Swart Mfolozi

			and funding pack for phase 2: Planning & Engineering submitted to Department of Human Settlements	Doctor Ntuli: 083 321 5673	

The table above, demonstrates that we have 6 active projects, with a projected 7365 projects housing units. Based on the Housing Sector Plan there is a backlog of 17458 housing units that still need to be built, and the number is on yearly basis increasing. This backlog is characterised by projects that were earmarked for rural / tribal areas. Based on 2017/18 reviewed Housing Sector Plan, the rural housing backlog is approximately at 15403.

It should be recalled that Department of Human Settlements halted the rural housing projects. The mandate was that the focus should be on slums clearance in and around Vryheid town. The backlog for urban housing demand is only 2055, excluding active projects, meaning that land still needs to be acquired to address this urban backlog. The Housing department in the municipality has approached private land owners to make offers for the municipality to consider and purchase suitable land for a housing project. To address the land availability for rural projects

the municipality will engage Communal Property Associates (CPAs), Trusts and Amakhosi/Ingonyama Trust to available land for rural housing

4.6.3 Planned Projects

As part of planning for the coming years and as an attempt to meet the current Housing Backlog, the Housing Section identified areas for new Housing Projects. In terms of the AbaQulusi Housing Sector Plan, focus was on the rural areas where a large population of the AbaQulusi Municipal area live. The Housing Sector Plan (2012) indicated that 63% of the AbaQulusi Population is concentrated in the Hlahlindlela and Khambi Tribal areas in scattered homesteads. The remainder of the population is concentrated in and around urban areas in informal settlements, particularly around Vryheid, Louwsburg and in the Coronation/Hlobane area. The greatest need for housing was therefore identified in the eMondlo/Hlahlindlela area, the Khambi area and in Coronation/ Hlobane. Various initiatives have provided formal housing in the Bhekuzulu area but there is continuous pressure for housing in the areas just outside of the urban clusters of Vryheid and Louwsburg.

As aforementioned in 2017 the Department of Human Settlements did not approve the projects that had been identified and approved by the Municipality. The contention of the Department of Human Settlements was that the focus and priority of the National Government was on developing Human Settlements in urban areas and therefore advised the Municipality to prioritize urban projects.

➤ Real Estate: Land Availability for Middle- Income Development projects

It is known fact that housing is major problem in South Africa. Vryheid is very fast-growing urban town and despite efforts made by the AbaQulusi Municipality, housing backlog persists and is increasing on yearly basis. Since the closure of mines in early 90s and decline in agricultural employment in AbaQulusi Municipality. Most people have migrated to Vryheid in search of either basic services, shelter or employment. This results in people residing as tenants and /or in informal settlements. Hence this requires the municipality to provide housing for all the people who migrate closer to or into the urban centre of Vryheid.

The results of the 2015 Provincial Citizen Satisfaction Survey identified the provision of housing as the second and/or third priority in AbaQulusi municipality. Economist describes the middle class as a household of four persons with a total income of between R5 600.00 and R40 000.00 per month after direct income tax. These includes teachers, nurses, police officers, prison wardens, municipal workers, private sector employees just to mention a few.

The middle class, does not qualify for an RDP house since the pre-requisite is an income not exceeding R3500.00 per month. This makes it also difficult for middle class to qualify for a home loan. Building cost has escalated and availability of land is scarce and at times costly.

To address the above the municipality has availed land for developers to submit proposals to intervene in terms of investing in the housing spectrum. By assisting the middle-income class group in acquiring

affordable houses. The municipality has identified lands/area in Vryheid town that can be utilized for affordable housing.

The developers will have to co-operate with the technical and planning & development departments of AbaQulusi Municipality during the entire development project to ensure that all the municipal by laws and policies are adhered to during project implementation. All houses will have an approved plan together with registration to National Housing Board Regulation Council (NHBRC).

The success of this initiative will undeniably be another milestone by AbaQulusi Municipality, as the development of Middle -cost houses will indeed provide an opportunity for our citizens that do not qualify in other government funded housing programmes due to their income standards. Secondly the development of such houses will definitely contribute to generation of income in revenue for the municipality.

4.6.4 Backlogs and Demand

There are no updated statistics with regards to recent backlogs and it is expected that the current Housing Sector Plan Review to be completed in December 2022, will indicate the new backlogs. The Housing Sector Plan, 2012 which used 2001 Census data, projected that

- 2011 Backlog of 10 225 housing units
- 2012 Backlog of 10 608 housing units
- 2013 Backlog of 10 995 housing units
- 2014 Backlog of 11 382 housing units
- 2015 Backlog of 11 768 housing units
- 17/18 Backlog of 24 823 housing units

Due to the fact that only a few hundred housing units have been completed since 2015 and no new projects have been approved for since 2017, it is expected that the backlogs have increased significantly.

The results of the 2015 Provincial Citizen Satisfaction Survey identified the provision of housing as the second and/or third priority in all but one districts. Affordable housing was identified by 34.2% of respondents as a critically important service and by 41.7% as a very important service. The housing backlog for the AbaQulusi LM is estimated as 11 786, and the Housing Sector Plan estimates are expected to be generally higher than the census-based figures (HSP, Status Quo Report, 2017)

4.6.5 Trends

More settlements are developing in and around the Mondlo areas due to its urban nature the services it provides. In Vryheid town there has been invasion of land in areas such as Mooiplaas, dumpsite area, parts of Bhekuzulu area and the Transnet land on the periphery of Bhekuzulu Township.

Over the years there has been a migration of people from the rural areas or smaller settlements to the nodal centres of Louwsburg, Hlobane, Khambi and Mondlo for the provision of basic services. There has been an increased settlement in areas around Hlobane and Coronation with invasion of land in certain farms in Nkongolwane. There has also been an increased invasion of land in the Shoba area particularly around the land bought by the Municipality. This land is under dispute with the Mdlalose Family who have also lay claim to the land and this has delayed the

Township Establishment process effectively delaying human settlement delivery.

Most people have migrated to Vryheid in search of basic services and employment opportunities. Most people end up residing in these urban centres as tenants, in both formal and informal settlements. This then requires the Abaqulusi Municipality to provide housing for all the people who migrate closer to or into the urban centres. The Municipality therefore has to align itself with National Government policy of eradication of informal settlements, hence the reaction is to plan for and provide low income housing and also make provision for middle income earners in human settlements.

4.6.6 Challenges

There are challenges that the Municipality has experienced in the housing delivery process.

These include but are not limited to:

- a) Lack of land for the development of Human Settlements. Suitable land is owned by private individuals so the municipality needs to purchase the land first. This forces the Municipality to propose Rural Housing Projects yet the Department of Human Settlements is more inclined to approve urban housing projects than rural housing projects.
- b) The land purchase process is long particularly because the Municipality does not have the financial resource to purchase the

land directly. There is therefore heavy reliance on the Provincial Department of Human Settlements (PDHS) to purchase the land on behalf of the Municipality. This process can take a minimum of 2 years to complete depending on whether there are no delays during purchase price negotiations and the PDHS has the budget available for the purchase of the land.

- c) There is lack of understanding of the housing delivery process. The process from the identification of the need, land identification, land suitability, land purchase, procuring of Implementing Agent to the actual delivery of the house is very long ranging from 3 years to 5 years. In some instances projects have taken close to 10 years to be completed. The lack of understanding has led to increased expectations for housing to be delivered in a short period and increased pressure on the housing officials to deliver on unrealistic targets.
- d) The Municipality is not an Accredited Municipality hence all the housing delivery administration is not controlled directly by the municipality. The role of the Municipality is mainly project managing the housing delivery process which includes the process of procuring the Implementing Agents, ensuring the sitting of the Housing Forum, monitoring and evaluating the work of the Implementing Agents and general facilitation and coordination. Hence there is no direct control by the Municipality on the pace of some of some of the housing delivery processes.

- e) The Housing Section is generally lacking in capacity to be able to carry out its functions efficiently and effectively.

- f) There has been a slow implementation of the current approved projects by the Implementing Agents.

However, the AbaQulusi Municipality uses all the resources currently at its disposal, to ensure effective delivery of the houses to its community. There are currently very good relations with other government structures particularly the Provincial Department of Human Settlements which is a key partner in the housing delivery process which makes it easier to overcome any challenges that the Municipality experiences in the housing delivery process.

The municipality through Human Settlements and Real Estate department is currently employing strategies to speed up the implementing of the current projects by ensuring that any bottlenecks are resolved, providing the necessary guidance to Implementing Agents, monitoring and evaluating of the projects and ensuring coordination of all project activities.

The Human Settlements and Real Estate department has initiated a Housing Development Technical meeting, where the municipality engaged Implementing Agents on issues affecting projects and devise strategies to mitigate these challenges. Secondly through the Department of Human Settlements, there are set dates for Housing Forums, where all stakeholders meet to further dwell progress,

challenges and render tangible solutions for projects to be implemented efficiently.

4.7 Telecommunications and Household Goods

Few goods that were deemed necessary for the wellbeing of the households and that serves as a means for access to information were selected as shown in table below. These were selected from a wide range of goods that the households were required to respond on during the surveys. Looking at the two data sets, it can be observed that during the Community Survey 2016 there was an increase in the proportion of households having access to Television 74.4%, Cellular phone 93.1 and Refrigerators 68.0% when compared to the Census 2011. Access to Radio and Telephone landlines did however show a decrease in 2016 compared to that of 2011.

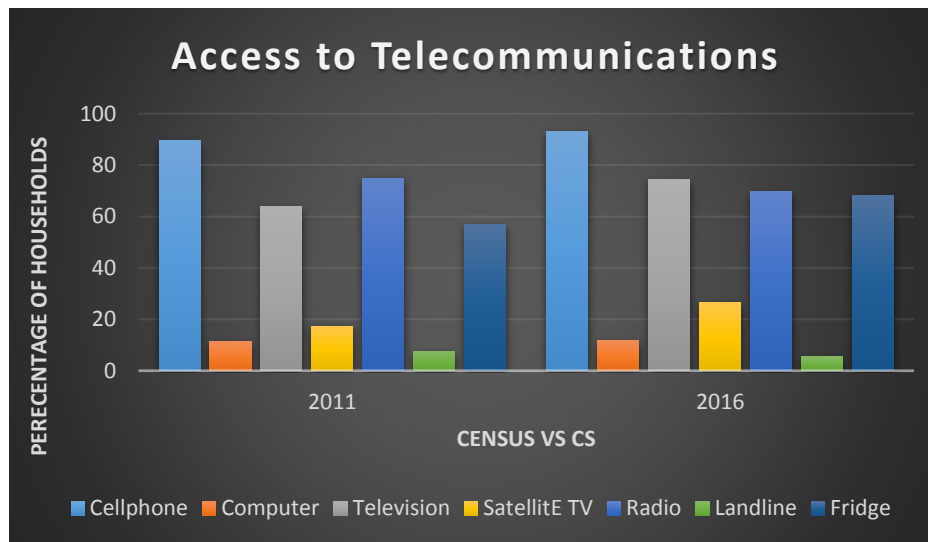
The promotion of internet cafes and computer training centres have been encouraged over the years in order to educate the youth and elderly on the importance of the internet, however the financing of such initiatives have proven to be a problem. On a positive note though, there is a high level of accessibility to cell phones which are proven to be a useful tool especially in rural areas where the landline infrastructure is a problem. It must be noted that the topography and size of the municipality also influences the telecommunications infrastructure that can be accessed or installed within the municipal jurisdiction.

Table 17: Access to Telecommunications and Household Goods

Item	Census 2011		Community Survey 2016	
	Yes	No	Yes	No
Cell phone	89,4%	10,6%	93.1%	6.9%
Computer	11,3%	88,7%	11.8%	88.2%
Television	63,8%	36,2%	74.4%	25.6%
Satellite Television	17,4%	82,6%	26.6%	73.4%
Radio	74,9%	25,1%	69.6%	30.4%
Landline / Telephone	7,5%	92,5%	5.4%	94.6%
Refrigerator	56.8%	43.2%	68.0%	32%

Source: STATS SA CS 2016

Figure 11: Access to Telecommunications and Household Goods



4.8 Basic Service Delivery and Infrastructure Development SWOT Analysis

Strengths	Weakness
<ul style="list-style-type: none"> • Availability of Technology and skills to implement projects • Availability of Grant funding • Strong intergovernmental relationship and other stakeholders • Political support to implement projects • Joint effort for revenue enhancement initiatives • Adequate support on coordinating public participation • Ability to provide free basic services to our consumers 	<ul style="list-style-type: none"> • Lack of implementation of technology • Insufficient equipment's and stock to carry out duties and deliver services daily • Number of vacant positions have not been filled over the years • Insufficient funding to carry out maintenance and repairs as and when required • Poor monitoring of service providers • Lack of implementation of policies and by-laws • No infrastructure and maintenance plans in place • There is insufficient fleet available to coordinate field work • There is insufficient office space to carry out all admin duties • Lack of forward planning on projects •

• Opportunities	• Threats
<ul style="list-style-type: none"> • Grant funding available for the implementation of projects • Conduct awareness campaigns on the effects of theft of municipal services • Attract investments as there is existing transport infrastructure networks (Roads, Rails, Airport) • Basic infrastructure development through Private Public Partnership • Eligibility of Water Services Authority • Continued professional development in engineering services to effectively deliver basic services 	<ul style="list-style-type: none"> • Ageing infrastructure could hinder investment and development opportunities • Value for money is not guaranteed from service providers • Large geographical area with scattered settlements makes it difficult to provide services • Theft of municipal services such as water and electrical connections reduces income levels. • Political opportunism/interference • Vandalising of infrastructure • Unplanned settlements- additional pressure on services

4.9 Basic Service Delivery and Infrastructure Development Key Challenges

Key Performance Area: Basic Service Delivery and Infrastructure Development			
Key Challenges	Problem Statement (Definition)	Proposed Interventions	Status Quo
1. Aging Infrastructure	Infrastructure within the urban areas of Abaqulusi municipality has being characterised as old and unreliable due to the number of interruptions experienced in services offered over the years.	-Prioritised planned maintenance with available budget -Development of maintenance plans	-Budget for planned repairs and maintenance is available, however very limited. -Maintenance plans are now in place to guide repairs and maintenance
2. Lack of Equipment and Stock	Financial constraints and difficulties hinder the supply of services as there are shortages in equipment and material required to execute a certain task.	-Municipal stores to report regularly on the levels of stock and equipment available	-This is still an on-going concern.
3. Non-filling of Critical posts	Over the years the municipality has experienced difficulties in filling critical vacant posts and often found that these positions were filled with 'acting' officials.	-Review of the Organogram and prioritising critical vacant posts with available budget	-Municipality has now filled its critical positions except for the MM post which is to be filled by 30 April 2022 -Organogram is reviewed annually in line with the budget and needs.

4. Poor quality work from Service Providers	Service providers contracted to work for the municipality were also found to not be performing from time to time and this severely impacted on municipal finances and service delivery.	-Review of Service Level Agreements and Introduce mechanisms to deal with poor performance. -Provide strict oversight on Contracts Management	-Close monitoring of Service Providers is still an issue, however mechanisms to rate their performance is in place.
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5. Local Economic Development and Social Development

5.1 Local Economic Development

The LED unit within Abaqulusi Local Municipality primary focus is to improve the Business (Formal and Informal), Agriculture, Mining, and Tourism Sector. The main purpose for LED is to support economic development initiatives that will empower the community, create job opportunities, minimise income leakages and growth by building partnerships within relevant stakeholders in order to create a conducive environment for job creation. ***In giving effect to these goals, the municipality has set aside a budget of R6 450 000 for the 2022-2023 financial year that will be dedicated to LED Projects as well as developing a new LED Strategy with an allocated budget of R300 000.***

The current LED Strategy is attached as Annexure I 6.

5.1.1 Municipal Comparative and Competitive Advantage

The municipality's Comparative and Competitive Advantage include following areas of potential:

- ✓ Mining
- ✓ Agriculture
- ✓ Tourism
- ✓ Geographical Location
- ✓ Corridor development

5.1.2 Main Economic Contributors (GVA Sector Share)

Gross value added (GVA) is the measure of the value of goods and services produced in an area, industry or sector of an economy, in economics.

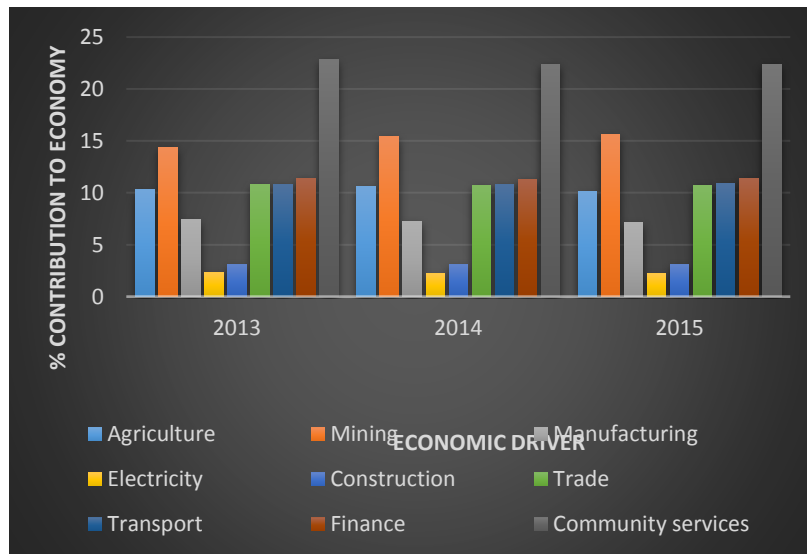
As per the table below, it is clearly evident that the 3 main economic drivers of Abaqulusi include that of Community Services, Mining and Finance Services. Community services contributes just 20% to the economy and is regarded as primary contributor to the economy. The potential to further increase the Mining, Agriculture, Trade and Transport sector of the economy is an opportunity that presents itself to Abaqulusi due to its rich history in Mining activities, large agricultural land and diverse productivity and its favourable location to promote trade and transport.

Table 18: GVA Sector

Economic Driver	2013	2014	2015
Agriculture	10.3%	10.6%	10.1%
Mining	14.4%	15.4%	15.6%
Manufacturing	7.4%	7.2%	7.1%
Electricity	2.3%	2.2%	2.2%
Construction	3.1%	3.1%	3.1%
Trade	10.8%	10.7%	10.7%
Transport	10.8%	10.8%	10.9%
Finance	11.4%	11.3%	11.4%
Community services	22.8%	22.4%	22.4%

Source: EDTEA

Figure 12: GVA Sector Share 2013-2015



5.1.3 Employment and Income Levels

According to the table below, Youth unemployment was high at about 45% during Census 2011 above the average official unemployment rate for the municipality which was found to be 35.4%. The unemployment rate for females at 38.8% was found to be higher than those of males 32.0% during the Census 2011. Even though the employment figures are still higher than average, overall there was noted improvement in the employment figures when comparing the two censuses, i.e Census 2001 and Census 2011 data sets.

No recent dataset on Employment and Income Levels were available from STATS SA.

Table 19: Employment Levels

Employment Status	Census 2001	Community Survey 2016
Labour absorption rate	19.4%	22.3%
Unemployment rate	59.4%	35.4%
<i>Unemployment by sex</i>		
Male	53.8%	32.0%
Female	65.2%	38.8%
Youth unemployment	69.2%	45.1%
Labour participation rate	47.8%	34.5%

Source: STATS SA CS 2016

Table 20: Income Levels

Income Levels	Year	
	2014	2015
	Number of Households	
0-2400	47	40
2400-6000	376	300
6000-12000	1 776	1 469
12000-18000	2 463	2 111
18000-30000	5 234	4 663
30000-42000	6 156	6 338
42000-54000	5 622	5 804

54000-72000	5 535	5 744
72000-96000	4 381	4 753
96000-132000	3 602	4 017
132000-192000	3 047	3 346
192000-360000	3 449	3 689
360000-600000	1 894	2 050
600000-1200000	1 039	1 148
1200000-2400000	284	323
2400000+	54	94
Total	44 961	45 889

Source: EDTEA

5.1.4 SMMEs

The role of the LED is to capacitate the informal traders aiming at empowering them to play a role in the Local economic growth. Coordinate meetings with Informal Traders establishing their structures like Informal Economy Chamber which is the wing which is accepting all the requirements and needs to the right channels. The Chamber meets quarterly to coordinate the tariffs that is being imposed to the informal traders for trading licenses and rental fees as the investment for the Municipality towards the upgrade of the facilities and sustainability of the operations of the facilities. The Municipality is aiming to build market

stalls for the Informal Traders to promote and improve the economy. The Informal Economy Policy and Street Trading By-Laws had been developed and adopted by Council and Informal Traders had been trained according to the Policy and By-laws.

SMMEs are divided into 5 categories in the Abaqulusi Municipality, namely:

- **Agriculture:** commonly is composed of co-operatives, individuals, small scale farmers and Farmers association.
- **Mining** : is still struggling for individual to operate but there are few who are sub –contracting to the big companies.
- **Manufacturing** commonly composed of individuals and co-operatives from medium, small and very small
- **Construction** ; are individuals , from medium, small ,very small ,micro
- **Retails** : are mostly individuals from medium , small , very small and micro

The main objectives of the SMME's in Abaqulusi is as follows:

- ✓ SMMEs contribute to investments, employment and income generation
- ✓ Encourage the previously disadvantaged to contribute to a distribution of economic ownership and income as well as more participatory economy
- ✓ Increase the competitiveness and their ability to fulfil a role in the society
- ✓ To promote the entrepreneurship development

- ✓ To alleviate poverty and uplift the standard of living of the community
- ✓ To reduce the unemployment rate within Abaqulusi Municipality

Abaqulusi local municipality currently supports the development of SMMEs within it area as it provides on-site trainings, workshops, seminars and registrations of businesses. Abaqulusi Municipality is intending to develop an SMME facility where women sewing co operatives , bakery , and motor mechanic work will take place . The objective of the project is to play a role in poverty alleviation and decrease unemployment levels.

To improve small town economy, Township economy and integrating it to the formal economy, 50 permanent jobs and 20 temporary jobs are to be created on the development of the Facility. The facility will improve 50 households who will be having a proper business facility to do their trade. The Municipality will be looking for interventions which is due to financial constraints and make it not able to finance capital investments as apart from grants. This grant will go a long way in revitalising the township economy. The Municipality has identified a site in the industrial area which has been set aside for this intervention.

According to the KZN Provincial Gazetted Grants, KZN Cooperative Governance and Traditional Affairs, Abaqulusi Local Municipality will receive ***R5 700 000 in the next financial year – 2022/2023 for Rehabilitation of Small Towns. An amount of R3 000 000 and R5 000 000 is also allocated in the outer 2 years.***

The intervention is highly required for the development of Informal traders market stalls at Mondlo and in Town. The development of market stalls is the project that will create the conducive environment for the Informal Traders and also to upgrade of the Informal trade space and facilities provision. Informal Traders play a crucial role in alleviating poverty and unemployment levels that characterized AbaQulusi local economy .The Informal traders will benefit in operating an acceptable environment which will improve the trading.

According to the KZN Provincial Gazetted Grants, KZN Economic Development, Tourism and Environmental Affairs, Abaqulusi Local Municipality will receive ***R2 000 000 in the next financial year – 2022/2023 for the development of Informal Traders Stores.***

5.1.5 Agriculture

Agricultural land is the dominant form of land use in the Abaqulusi Municipal area. The major agricultural practices are crop production (occurring mainly in the highveld areas and fertile valleys of the major rivers that runs through the area), cattle farming ranching, and game farming. A number of commercial farmlands are also subject to land restitution.

Current products farmed are maize, dry beans, soya beans, fruits and vegetables. Cattle farming have played a major role but this market is also strained due to rising input costs and stock theft. International and national meat exports have also been affected as a result of mad cow disease and foot-and-mouth disease. Small game farming provides opportunity for economic development and provides a solution to stock

theft, domestic diseases and the demands made by the national and international market.

The agriculture sector is also regarded as a critical economic driver of the local municipality, contributing to just over 10% on annual basis to the local economy. It is also a sector that provides large number of jobs to the population ranging from skilled, semi-skilled and unskilled.

A major investment and boost to the agricultural sector within Abaqulusi can be credited to the on-going development of the Agri-processing Industrial Economic Hub. This project will seeks to generate employment through facilitating lower cost access to inputs, facilitate access to export marketing and enhancing agri-processing.

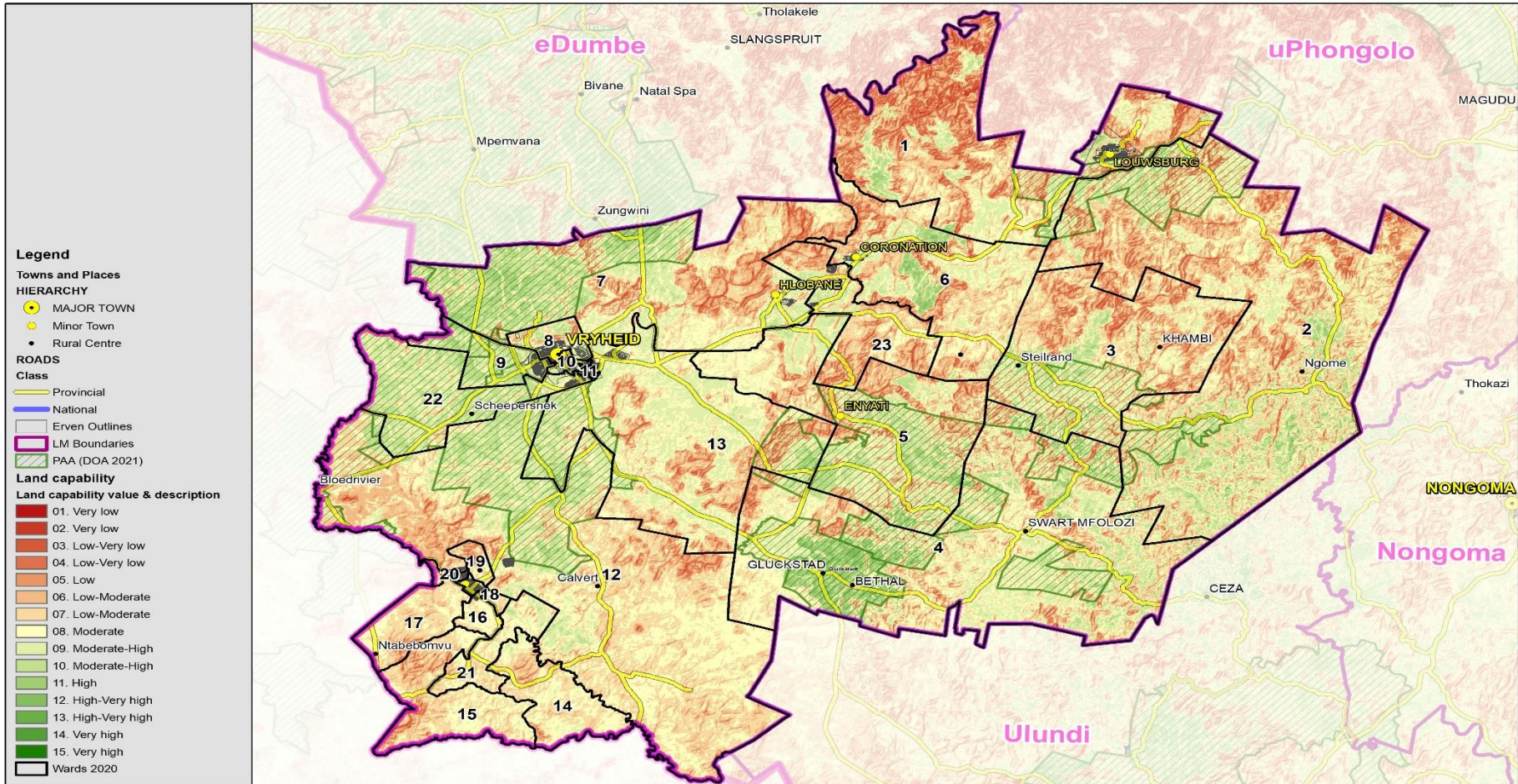
Due to the intense focus on agriculture, the AbaQulusi Agri Business Forum was established which meets quarterly to discuss all agricultural issues.

The objective of the forum is to:

- ✓ Unleashing agricultural potential within Abaqulusi Municipality
- ✓ Uplifting the emerging farmers
- ✓ Promoting agricultural activities for Emerging Farmers
- ✓ Provide mechanization to the agricultural sector as well as a link local farmers to funding organizations.
- ✓ Also Abaqulusi Municipality needs to consider provision of extension of services to Land reform farms , Municipal farms and private farms available within the Municipality

The maps below indicate the type of Agricultural Capability and Potential that exist within Abaqulusi.

Map 27: Agricultural Capability



Legend

Towns and Places

HIERARCHY

- MAJOR TOWN
- Minor Town
- Rural Centre

ROADS

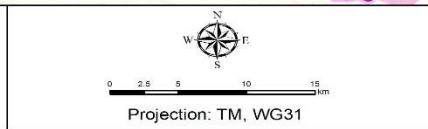
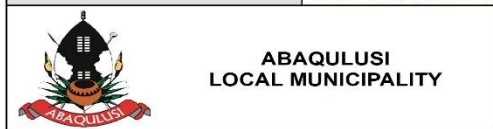
Class

- Provincial
- National
- Erven Outlines
- LM Boundaries
- PAA (DOA 2021)

Land capability

Land capability value & description

- 01. Very low
- 02. Very low
- 03. Low-Very low
- 04. Low-Very low
- 05. Low
- 06. Low-Moderate
- 07. Low-Moderate
- 08. Moderate
- 09. Moderate-High
- 10. Moderate-High
- 11. High
- 12. High-Very high
- 13. High-Very high
- 14. Very high
- 15. Very high
- Wards 2020



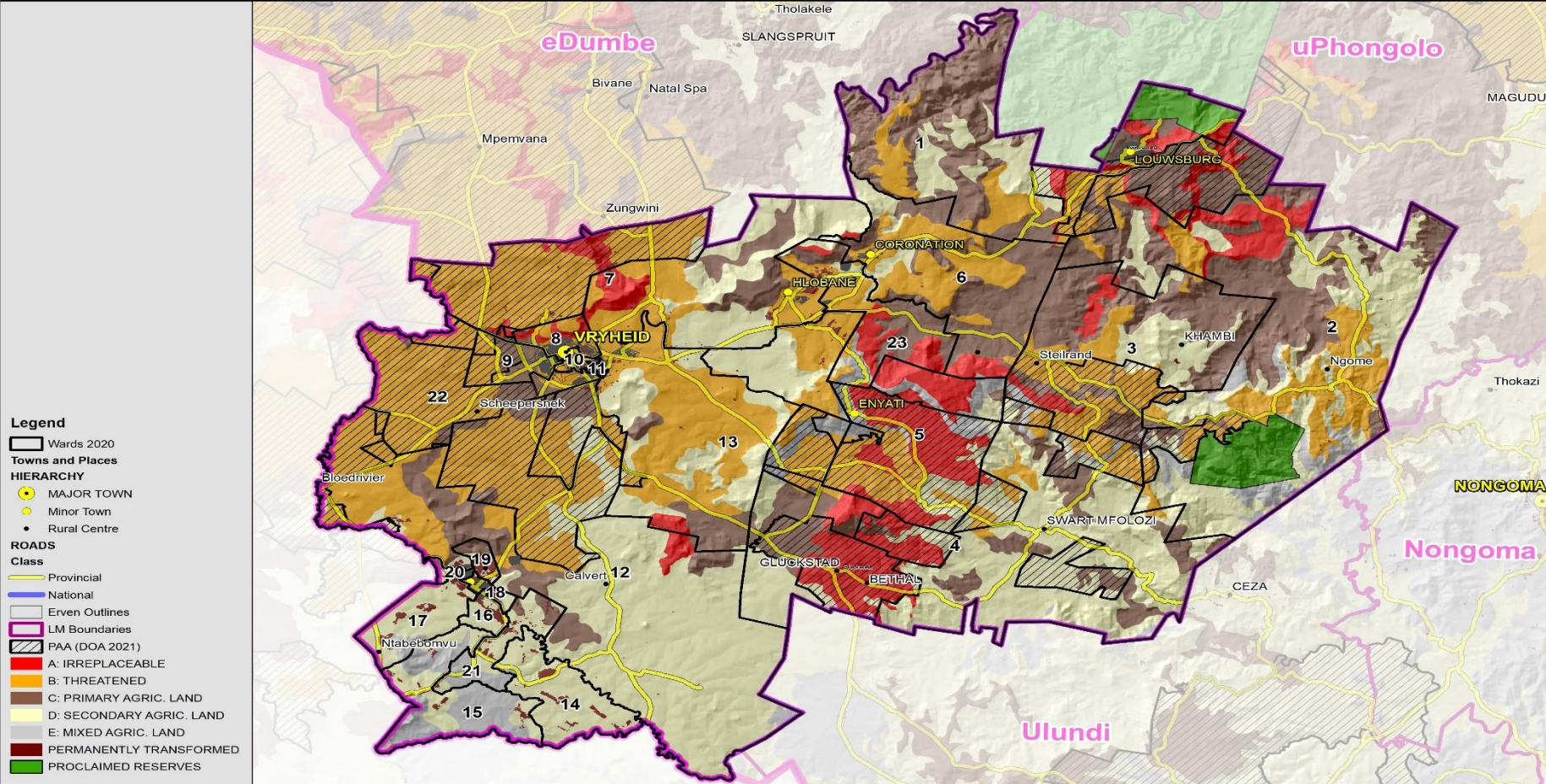
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MAP TITLE
LAND CAPABILITY (DOA)


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Map 28: Agricultural Potential




Legend

- Wards 2020
- Towns and Places HIERARCHY
 - MAJOR TOWN
 - Minor Town
 - Rural Centre
- ROADS Class
 - Provincial
 - National
- Erven Outlines
- LM Boundaries
- PAA (DOA 2021)
 - A: IRREPLACEABLE
 - B: THREATENED
 - C: PRIMARY AGRIC. LAND
 - D: SECONDARY AGRIC. LAND
 - E: MIXED AGRIC. LAND
 - PERMANENTLY TRANSFORMED
 - PROCLAIMED RESERVES



ABAQULUSI LOCAL MUNICIPALITY



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MAP TITLE	AGRICULTURAL POTENTIAL (DOA)
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PROJECT	SPATIAL DEVELOPMENT FRAMEWORK 2022
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5.1.6 Tourism

Tourism is becoming a more important part of the economy of the area and Vryheid is an active role player in the Battlefields Route and Zululand in general.

Vryheid evokes memories of the past. The Museum in town depict this era. At the heart of Vryheid's attractions to visitor's lies its cultural heritage. History has cast the cream of Zulu, Afrikaans, English and German people into the melting pot and out came the diverse entity which has become Vryheid as it is now. Late arrivals are added to the flavor.

Of all Vryheid's attractions, its natural diversity is the biggest draw card. We host the Grootgewacht, Bloemveld, Klipfontein and Bivane Dams which are major tourism destinations because they offer a variety of leisure and accommodation facilities, all centered on water sports.

With over 420 species of birds and many animals, reptiles, insects, amphibians and plants to view, it is an eco-tourist's dream come true. There are numerous game farms, sites of conservation significance, Heritage Sites and other areas of exquisite beauty and great interest. The major game reserves like Ithala, Umfolozi and Mkuzi, where the BIG FIVE can be seen are all easily accessible and a day outing from Vryheid.

Wetlands of national importance abound, with Blood River vlei the most important. The ecologically diverse Vryheid Hill nature Reserve and the Klipfontein Bird Sanctuary both border the town and form a natural haven for shy species such as crakes, fluff tails, warbles and oribi antelope.

Thangami Safari Spa is unique in that it has a number of mud fountains oozing from the river bed. The soothing experience of a warm, smooth, natural mud bath is not to be missed. Healthy mineral rich water gushing from the springs at 41 degrees Celsius.

There are 43 Accommodation establishments in Vryheid and close to Vryheid that have joint the Vryheid Tourism association. Vryheid Tourism is an organization established with the assistance of the Municipality (Information Bureau / Tourism) representing the local tourism trade – primary tourism industry.

Challenges are the prime Tourism attraction that are not under Development & Planning but under Community Services, Like the Klipfontein dam, Klipfontein Culture Centre, Vryheid Caravan park, Ntinginono and Vryheid Hill.

It is also important to note that the Municipality recently adopted its new Tourism Strategy which will assist in enhancing this sector of the economy and providing strategies on how the municipality will further unlock the tourism opportunities and potential the municipality possesses.

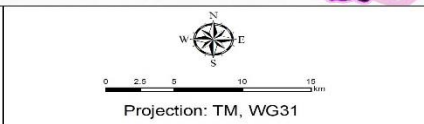
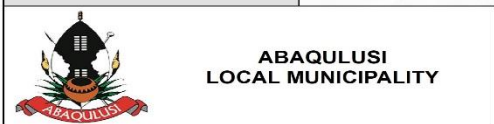
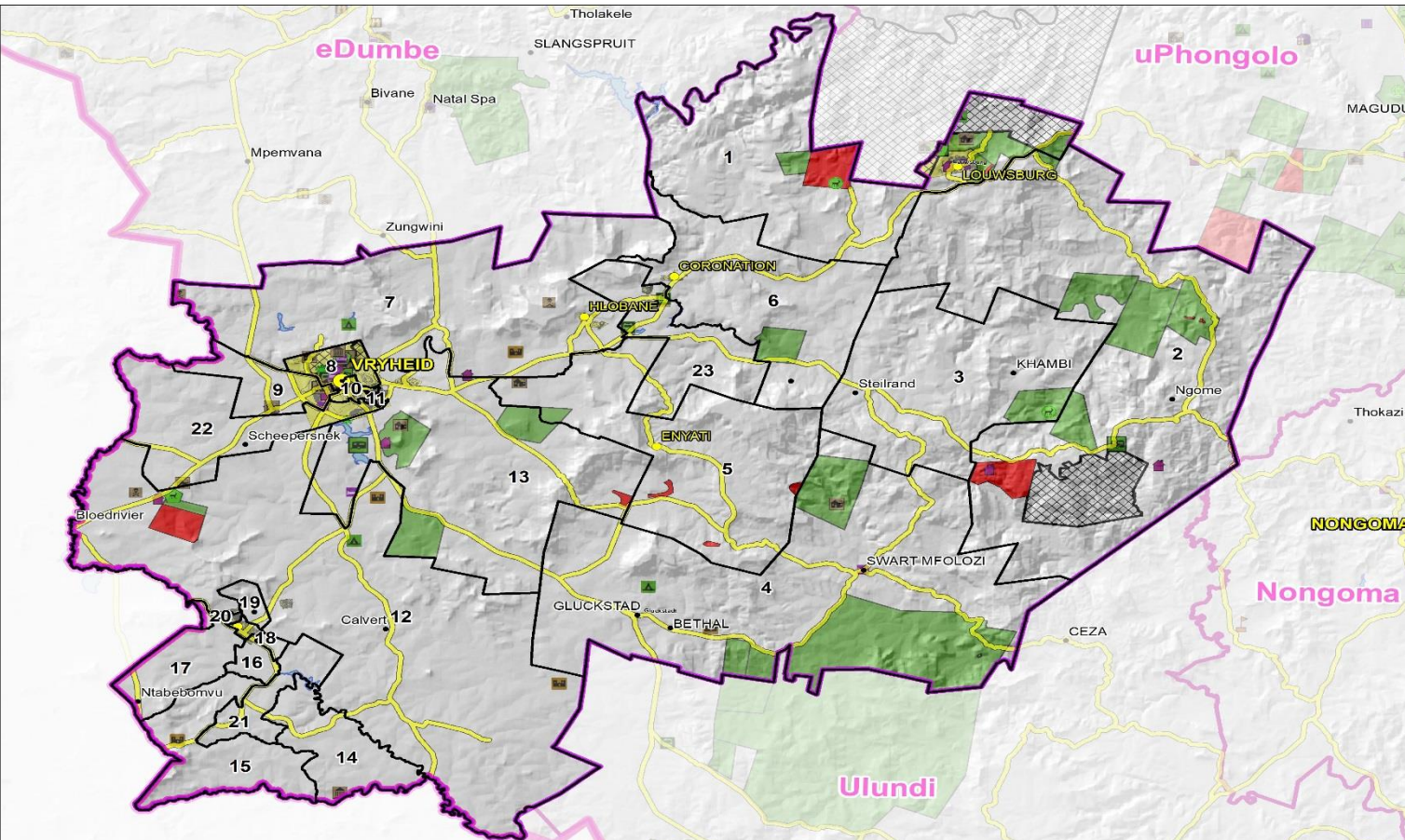
A budget of R300 000 has been set aside for the review of the Tourism Sector Plan in addition to a R100 000 allocated for Tourism Awareness Campaigns.

The map below highlights the tourism points and facilities that are on offer within Abaqulusi.

Map 29: Tourism Facilities

Legend

- Wards 2020
- Towns and Places
- HIERARCHY
 - MAJOR TOWN
 - Minor Town
 - Rural Centre
- ROADS
 - Class
 - Provincial
 - National
 - LM Boundaries
- Tourism Locations
 - ACCOMMODATION
 - ARCHAEOLOGICAL SITE
 - BATTLEFIELD
 - BED & BREAKFAST
 - BIRD SANCTUARY
 - BUSH CAMP
 - CARAVAN & CAMPING
 - CHALETs
 - FORT
 - GAME FARM
 - GAME RESERVE
 - GUEST HOUSE
 - HISTORICAL BUILDING
 - HISTORICAL GRAVE
 - HISTORICAL SITE
 - HOTEL
 - INDIGENOUS FOREST
 - LODGE
 - MONUMENT
 - MUSEUM
 - NATURE RESERVE
 - ROYAL PALACE
 - RUSTIC HUTS
 - TOUR GUIDE
 - TOURISM ATTRACTION
 - TOURIST INFO
 - Natural Heritage Sites
 - Nature Reserves
 - Dams
 - Private Game Reserves
 - Urban Cadastral



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SPATIAL DEVELOPMENT FRAMEWORK 2022

5.1.7 Manufacturing

The manufacturing sector within Abaqulusi is the third lowest contributor to the economy according to the GVA Sector share analysis. However, it is a sector that has the potential to expand due to the natural resources and land available within the municipality. The municipality is currently working with the Department of Economic Development and Department of Small Business in exploring and growing the Sewing industry and Food processing plants within the area. The Municipality is aiming to expand and diversify manufacturing activities. The benefit of the project will be:

- ✓ *Skill Development*
- ✓ *Women empowerment*
- ✓ *Promote local economic development*
- ✓ *Creation of sustainable decent jobs*
- ✓ *Improve intergovernmental relation*
- ✓ *Improvement of social cohesion*
- ✓ *Crime alleviation*
- ✓ *Youth development*

The beneficiaries include emerging business people, taxi associations and Abaqulusi community at large

5.1.8 Services

The Town of Vryheid serves as the primary service centre for Abaqulusi Municipality, offering a diverse range of services. These services vary from financial, administration, government to manufacturing and retail.

However, with the large geographical extent of Abaqulusi Municipality hindering development, the municipality has taken strides to increase levels of access to various services. Example to note; the eMondlo Thusong centre which recently opened functions as a multi-purpose centre for the community, offering government, administration and financial services to the people, preventing long distance travelling, travelling expenses and the overcrowding of services in the Vryheid Town. The widespread population within Abaqulusi Local municipality is a great concern because people are currently restricted to services that they are supposed to be exposed to on a daily basis and therefore the development of a Capital Investment Framework will assist the municipality in identifying the gaps and improving service delivery.

5.1.9 Mining

The Vryheid coalfield stretches from west of Vryheid in a broad band to the east of Louwsburg and is further divided into the Zuinguin Mountain area, the Hlobane/Matshongololo area, the Thabankulu/Enyathi Mountain area and Ngwini Mountain area.

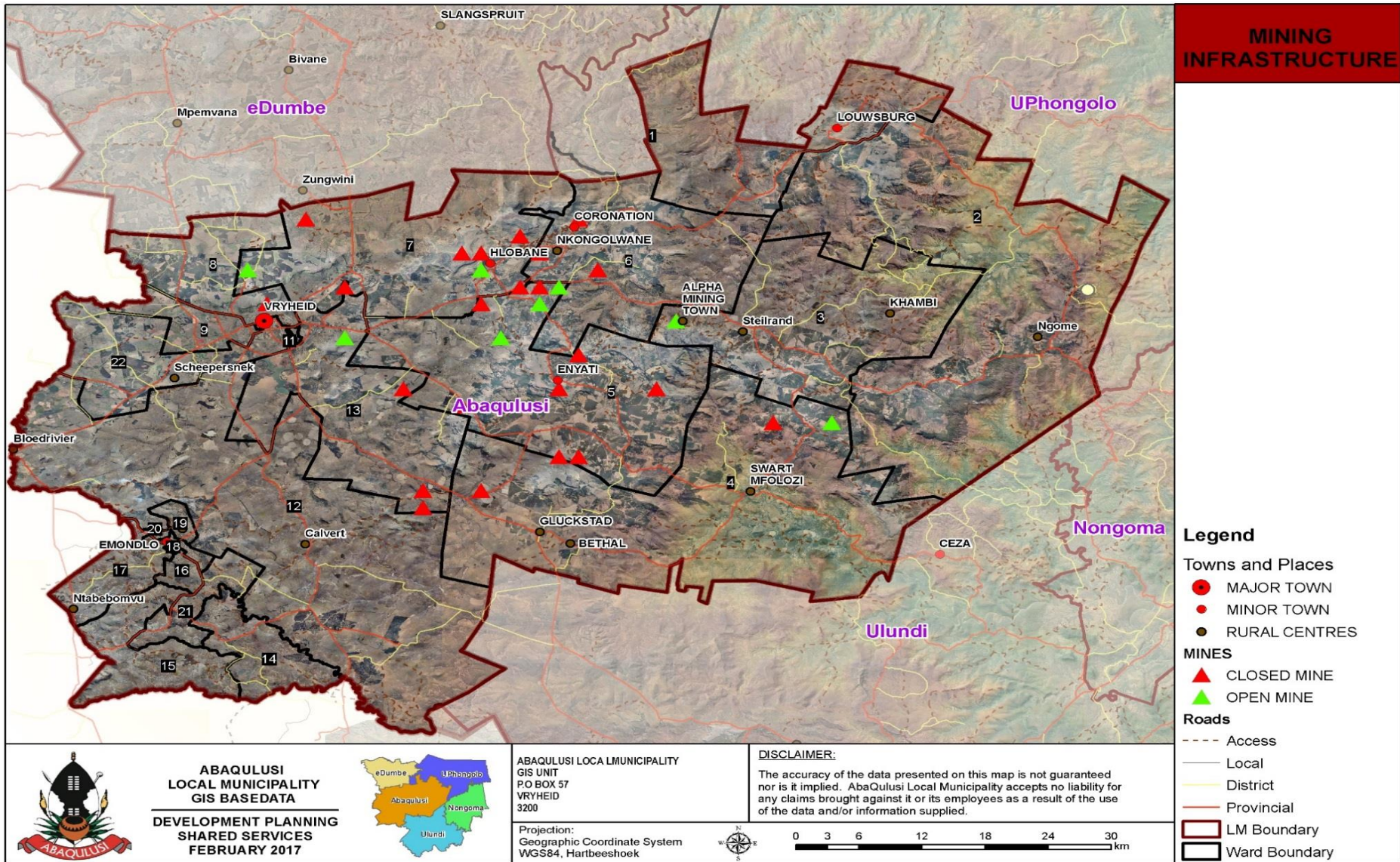
Coal mining historically provided a major force into the local economy of Northern KwaZulu Natal. However, over the past 15 years a number of mines in the area ceased operation impacting negatively on the regional economy. The Abaqulusi Municipality was particularly affected by the closure of the Coronation and Hlobane mines in 1997 and 1998 respectively. This proved to be a turning point in the economy of Abaqulusi as many people were left unemployed as well as the area experiencing a “drain brain”, were many professional, skilled and

semiskilled labourers moved out in order to seek employment opportunities elsewhere.

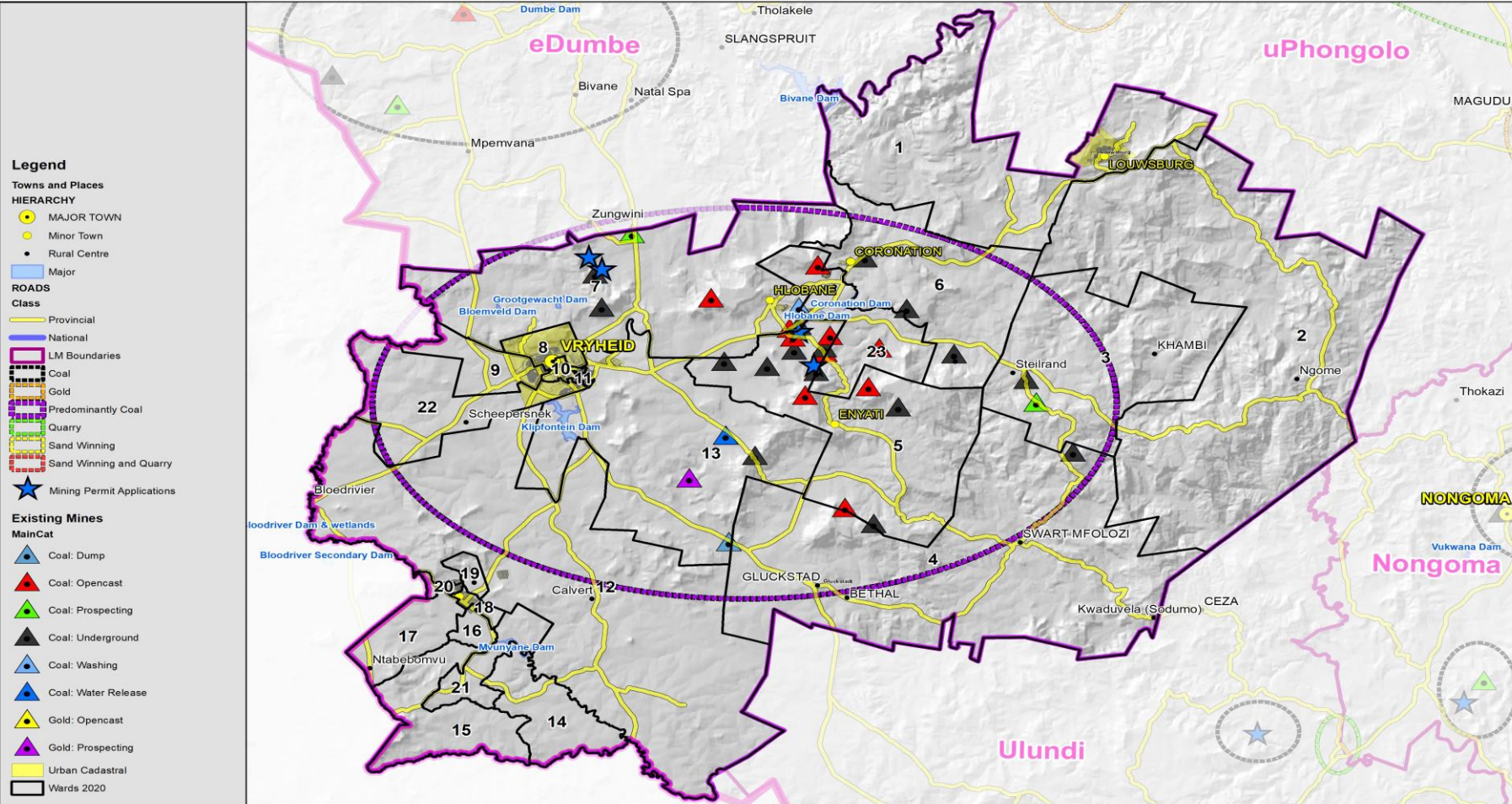

The effects of the closure of the mines can still be seen today, with many hostels (former mining housing) and developments within these areas left to deteriorate resulting in high levels of poverty and additional pressure on the municipality to provide services. The Abaqulusi Local Economic Development unit will however embark on a study to try and revitalise former mining towns/settlements. It must be also noted that not all mines within the region have shut down, as there are a few that are operating on a very small scale. The maps below clearly indicates the mines that exist/existed within Abaqulusi and the type of mining that was/is practiced. Local Economic Development unit is intending to regulate illegal dune mining. To improve mining infrastructure as well as develop skills in mining skills in mining industry. The intervention to provide support to beneficiation activities which create large scale employment.

In order to enhance and revivew the Mining Sector within the Abaqulusi Region, a budget of R200 000 has been set aside for the development of a Mining Strategy.

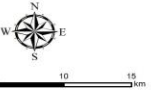
Map 30: Status of Mines



Map 31: Type of Mining

**ABAQULUSI
LOCAL MUNICIPALITY**



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MAP TITLE	MINING
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PROJECT	SPATIAL DEVELOPMENT FRAMEWORK 2022
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5.1.10 LED Strategic Approach

Economic Principle	Description	Relevance To LED
Broaden economic Base/diversification	<p>An important development principle underlying LED is to broaden the economic base, through the Integration of diverse economic initiatives. This principle encompasses a number of issues including:</p> <ul style="list-style-type: none"> • Introducing new activities, which are not currently operational in the area. • Development of SMMEs to have a broader representation base on the size of establishments; and • Ownership should be broadened to Include all members of the community. 	<ul style="list-style-type: none"> • Diversification and production of new products and services must be considered when identifying programmes and possible projects. • Promote SMMEs, women, youth, people with disability and BBBEE ownership of new and existing companies.
Capacity Building	This principle encompasses the building of capacity of	<ul style="list-style-type: none"> • Stakeholder participation at

Economic Principle	Description	Relevance To LED
	the municipalities and associated public sector role players with respect to LED.	<p>Economic Indabas in LED.</p> <ul style="list-style-type: none"> • LED training (theory and practice) for public officials. • Business start-up, management and financial training for private sector.
Comparative & Competitive Advantage	Comparative advantage indicates relatively more competitive production function for a product or service in a specific local economy (provincial or national). It therefore measures whether a specific economy produces a product or renders a service more efficiently.	<ul style="list-style-type: none"> • All comparative advantages in the local area must be identified in the SWOT analysis and built upon when identifying programmes and potential projects, thereby exploiting the existing strengths and opportunities in the local area.

Economic Principle	Description	Relevance To LED
Creation of favourable locational factors	<p>The environment in which businesses operate must be conducive to conducting business. This includes:</p> <ul style="list-style-type: none"> • Reducing the establishment and operating costs of businesses; • Improving infrastructure; and • Facilitating the provision of trained labour. 	<ul style="list-style-type: none"> • A locational analysis will reveal what locational factors need to be improved upon to promote the local area as a desirable location to conduct business.
Enabling Environment	<p>Creating favourable conditions for the growth and development of business enterprises by reducing risk and making it more calculable by:</p> <ul style="list-style-type: none"> • Creating a stable business environment (discussed above). • Increase confidence levels of the public 	<ul style="list-style-type: none"> • One of the roles of the local municipality is to create an environment that promotes both existing and new business in the local area. The LED process can be used to

Economic Principle	Description	Relevance To LED
	<p>and private sectors investors; and</p> <ul style="list-style-type: none"> • Unlocking under-utilised resources. 	<p>facilitate this process.</p>
Historically Disadvantaged Individuals (HDIs)	<p>LED should target HDIs, marginalized communities and geographic regions, BBBEE companies and SMMEs to allow them to participate fully in the economy.</p>	<ul style="list-style-type: none"> • This principle must be incorporated during the visioning and setting of LED objectives and may be implemented through specific LED projects.
Income Generation Potential	<p>The sustainable income generation potential is a way to measure market potential and is used to inform the prioritization of projects.</p>	<ul style="list-style-type: none"> • The income generation potential of a specific project must be considered when prioritizing potential projects.
Integrated/Holistic Approach	<p>An integrated and holistic approach to the</p>	<ul style="list-style-type: none"> • The situational analysis of the

Economic Principle	Description	Relevance To LED
	development planning process is of paramount importance. This implies that the interrelationships between economic activities and other development dimensions such as the social, demographic, institutional, infrastructural, financial and environmental aspects have been carefully considered.	local area will identify social, demographic, infrastructural, financial and environmental strengths and opportunities that must be considered and included in potential LED programmes and projects.
Linkages	<p>Linkages refer to the flow of goods and services between at least two agents. Linkages with neighbouring economies refer to:</p> <ul style="list-style-type: none"> Leakages (the net outflow of buying power) that is households residing within the study but purchasing goods 	<ul style="list-style-type: none"> It is important to encourage circular flow of capital within the community. One LED objective is to reduce leakages and increase injections through

Economic Principle	Description	Relevance To LED
	<p>and services outside the local area; and</p> <ul style="list-style-type: none"> Injections, (the net inflow of buying power) that are businesses located outside the study area purchasing products inside the study area. 	programmes and projects.
Local Markets	LED aims at creating places and opportunities to match supply and demand as well as to discover, propagate and promote new business opportunities.	<ul style="list-style-type: none"> The identification and involvement of key stakeholders will ensure that local leadership and the local economy are involved in the LED process. Specific LED projects may be aimed at increasing the number of locally

Economic Principle	Description	Relevance To LED
		owned enterprises.
Public Private Partnerships (PPP)	LED involves local, national, and international partnerships between communities, businesses and governments to solve problems create joint business ventures and build up local areas.	<ul style="list-style-type: none"> The establishment of PPPs should be explored in the implementation of projects.
Promoting Business	This can be the promotion of existing business, start-ups or external companies coming into a location.	<ul style="list-style-type: none"> Local municipalities are responsible for creating an enabling business environment that encourages the expansion of existing business the emergence of new business ventures.
Maximise the use of existing resources	LED aims at making better use of locally available resources and skills and	<ul style="list-style-type: none"> Local skills and resources of the local area must be

Economic Principle	Description	Relevance To LED
	maximizes opportunities for development of resources.	identified during the situational analysis and ideally must be utilized during the implementation of projects, as extensively as possible.
Promoting SMMEs	It is important to involve and uplift the SMME sector through enhancing the capacity of local entrepreneurs by establishing support measures and incentives to promote participation. This suggests that appropriate technology transfer needs to place in an environment conducive for the successful establishment of SMMEs.	<ul style="list-style-type: none"> An enabling environment in which SMMEs can be established and maintained must be created; and SMMEs can be promoted through specific projects.

5.1.11 Catalytic Projects

The Catalytic Projects identified below are considered to be “game changers” if implemented within the Abaqulusi area. These Projects primarily focus on the goal of job creation and enhancing economic growth and development within the region. An important note to consider is that the municipality does not need a budget to implement these projects as it will encourage investments from private stakeholders.



Project Description: Golf Course Estate



And Airport Development

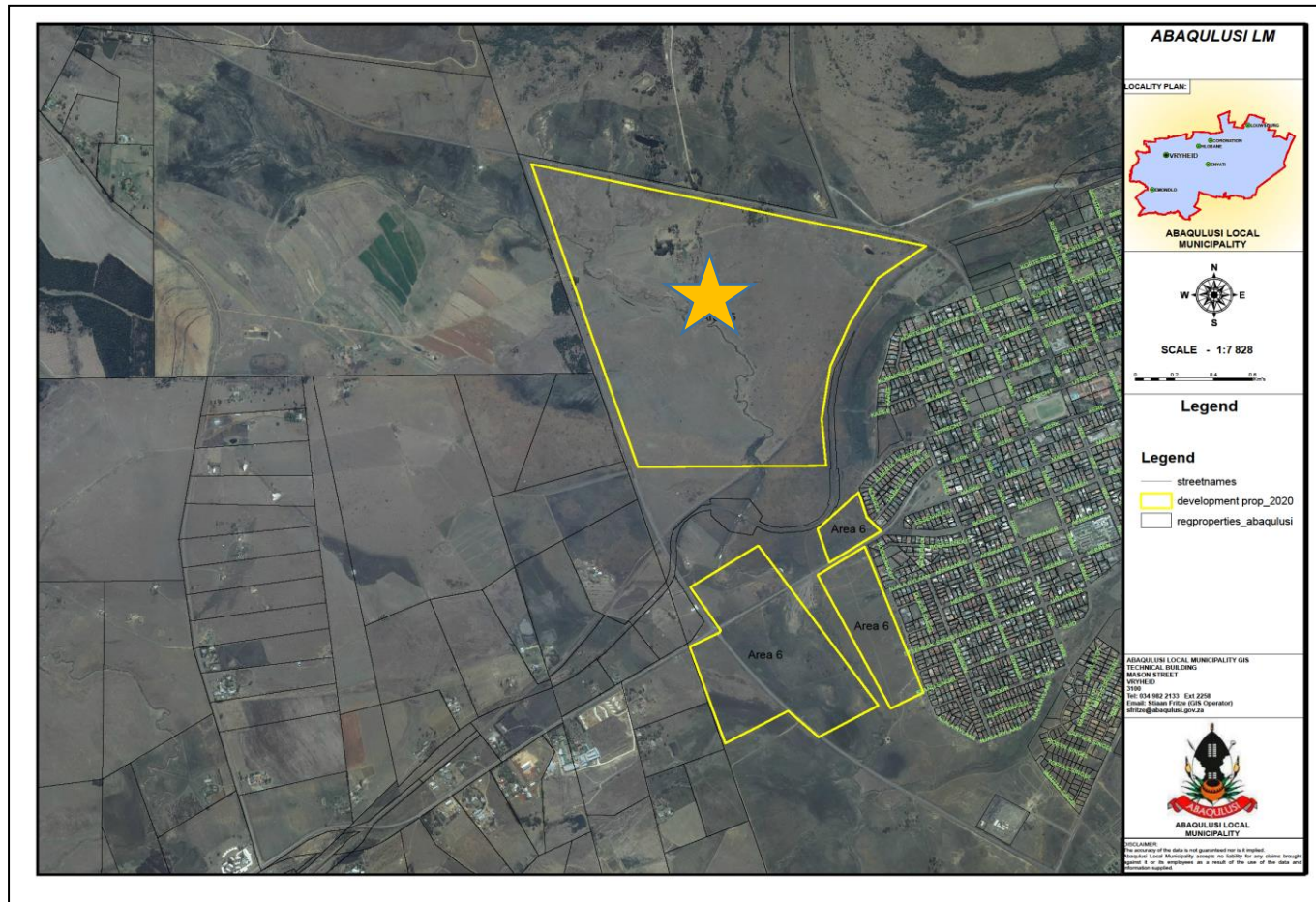


Objective: To enhance the municipal revenue base and create a modern, upmarket area of development which will positively impact the economic growth of the town.

Location: Vryheid

Budget: N/A (Call for Proposal)

Implementation Year: 2022-2023



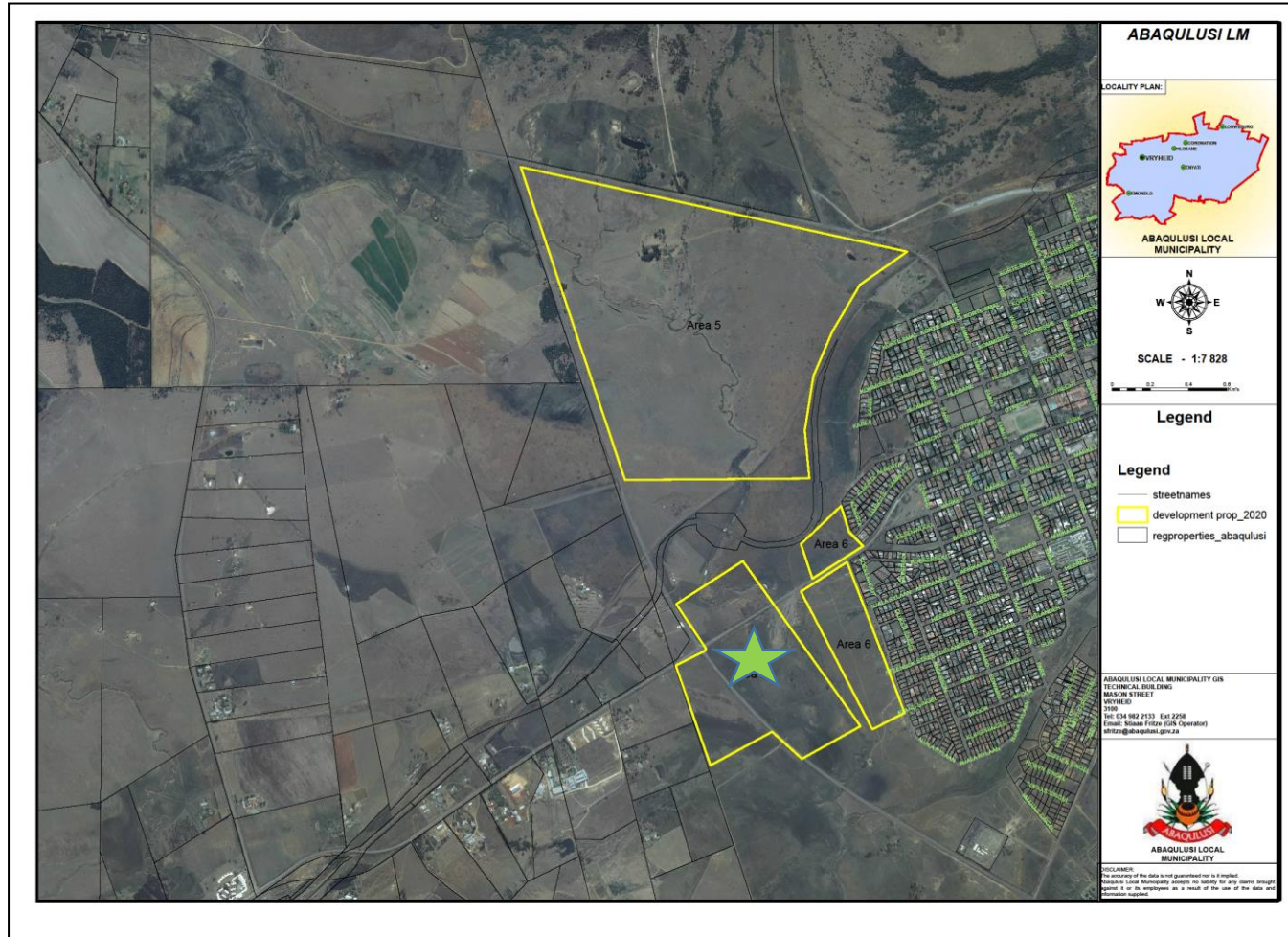
Project Description: Vryheid Middle Income Housing ★

Objective: To enhance the municipal revenue base and provide access to land for housing opportunities.

Location: Vryheid

Budget: N/A (Call for Proposal)

Implementation Year: 2022-2023



Project Description: Vryheid Commercial Nodal Development

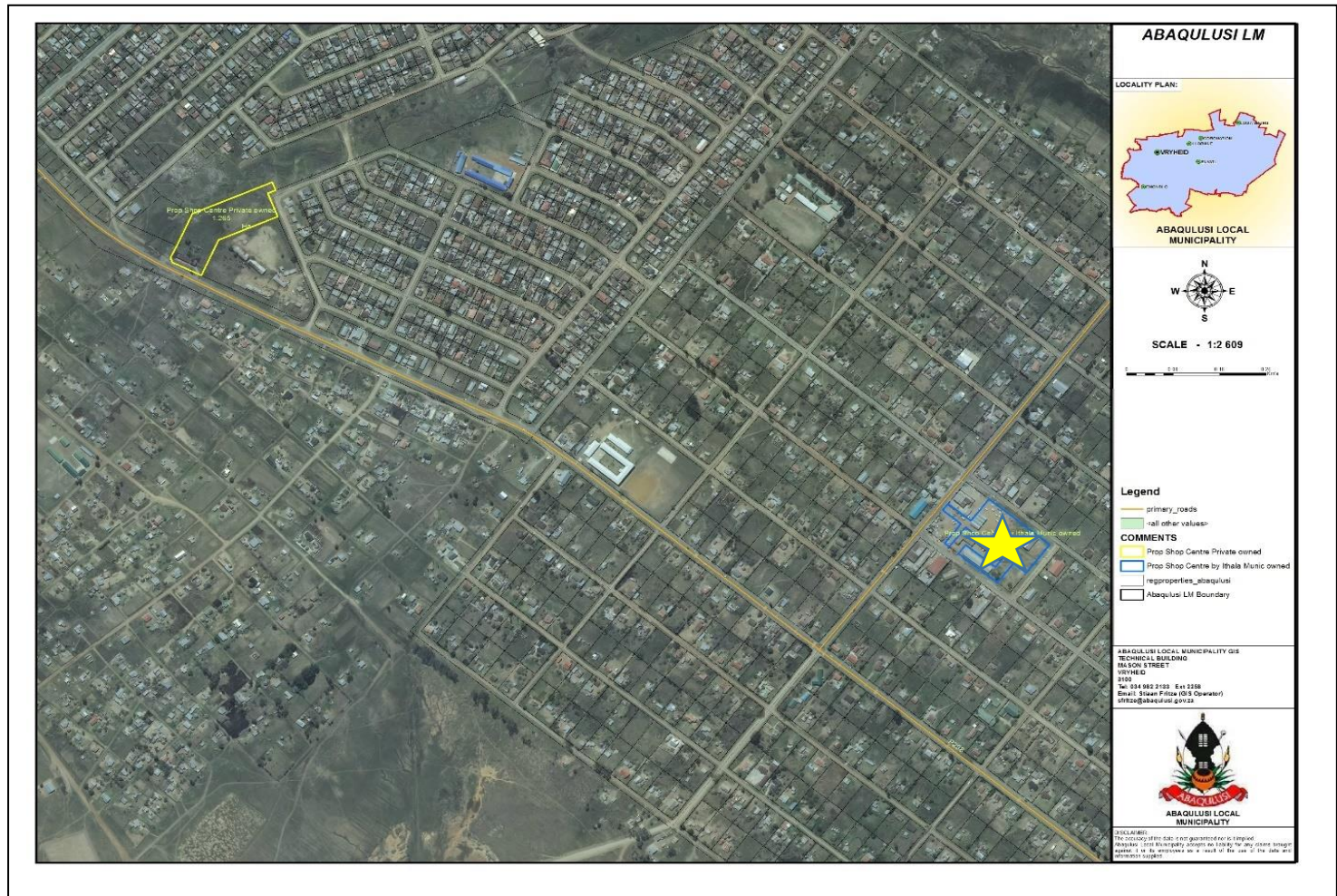



Objective: To increase job opportunities and promote economic growth and development.

Location: Vryheid

Budget: N/A (Call for Proposal)

Implementation Year: 2022-2023



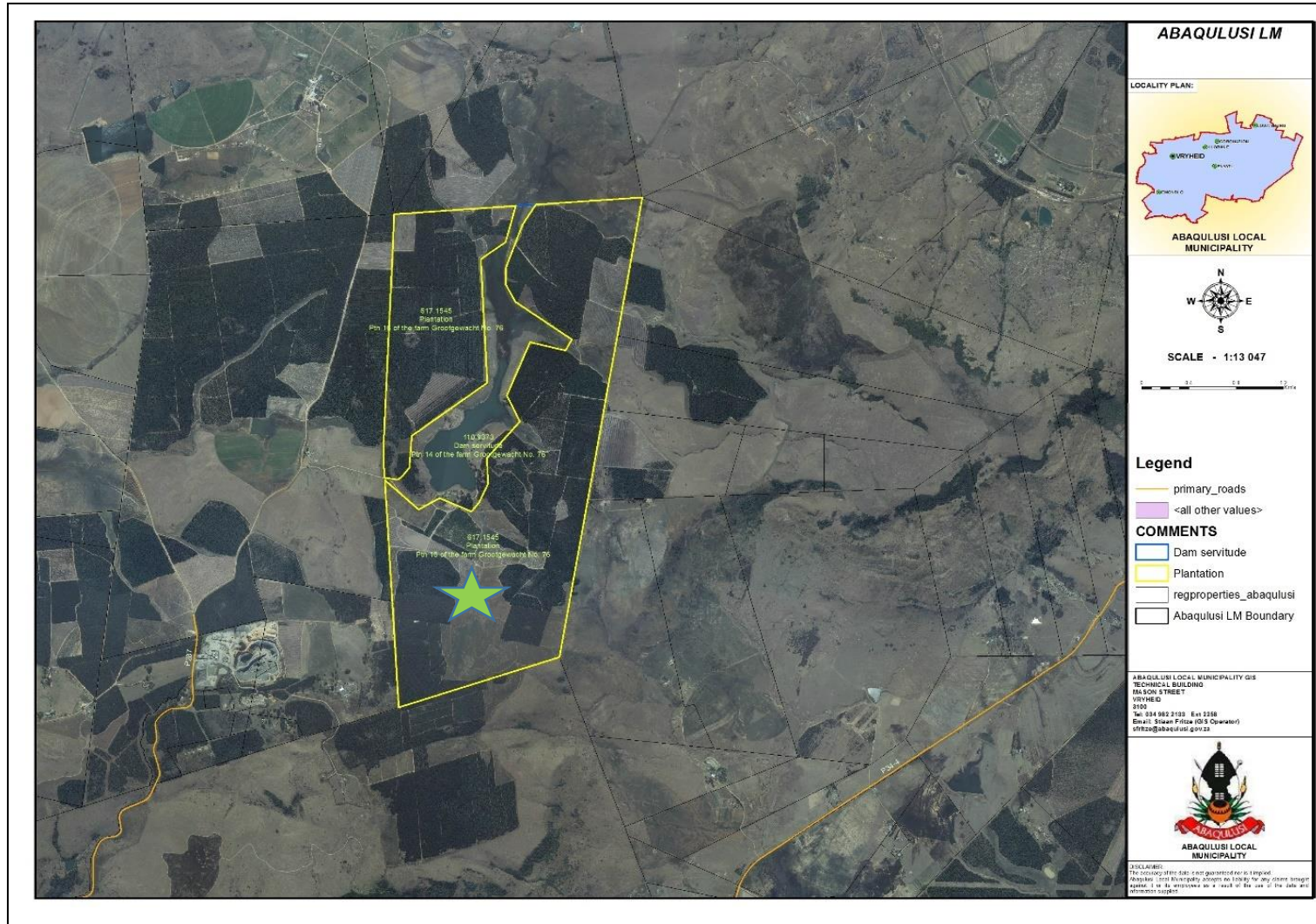
Project Description: eMondlo Shopping Centre 


Objective: To increase job opportunities and promote economic growth and development.

Location: eMondlo A

Budget: N/A (Privately Owned. Awaiting submission of proposal)

Implementation Year: 2022-2023



Project Description: Grootgewacht Plantation 

Objective: To increase job opportunities and unleash agricultural potential

Location: Vryheid

Budget: N/A (Call for Proposal.)

Implementation Year: 2022-2023



Project Description: Klipfontein Cultural Centre and Dam ●

Objective: To increase job opportunities and unleash tourism potential

Location: Vryheid

Budget: N/A (Call for Proposal.)

Implementation Year: 2022-2023

5.1.12 Local Economic Development SWOT Analysis

<ul style="list-style-type: none"> ● Strengths ● Certain LED Policies and by-laws in place ● Continuous training and workshops held with SMME's ● Active and progressive agri-forum meetings conducted quarterly ● Business licenses are issued timeously ● Sector plans in place (Tourism, and LED) ● Statutory structures in place (SMME, Agricultural, and Tourism) ● Community empowerment programs ● EPWP initiatives for job creations 	<ul style="list-style-type: none"> ● Weakness ● LED budget is very limited ● No land release strategy and investment strategy ● No skills transfer to EPWP employees ● Limited access to businesses by SMME
<ul style="list-style-type: none"> ● Opportunities ● Area is rich in agriculture and tourism potential ● Land available for industrial development and expansion ● High Mining prospects with many mines in the municipality ● Commercial centers can be established outside of Vryheid due to their threshold 	<ul style="list-style-type: none"> ● Threats ● Old data can be very misleading for investor opportunity ● Loss of revenue due to Illegal businesses operating in outer lying areas- large geographical area and too little officials to monitor

<ul style="list-style-type: none"> ● Opportunity to appoint additional LED personnel as positions exist on Organogram ● Development of Agri-processing hub underway ● Strengthen relations with external stakeholders ● Attract funding as there are various committees that are established ● Tapping on corridor development ● Agricultural development programs ● Private Public Partnership ● Heritage Routes ● Full utilisation of Municipal Land and Properties ● Revitalization of mines 	
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5.2. Social Development Analysis

Social Services section is one of the components under community services department that is responsible for mobilization, lobbying and motivating the community to seize developmental opportunities from the municipality and all other statutory bodies that are custodians of social services.

The key responsibility of the section is to initiate and implement social upliftment programmes and developmental projects in the following units:

- ✓ Sports and Recreation
- ✓ Arts and culture
- ✓ Historical, Heritage & Museum Services
- ✓ Educational Programmes and Library Services
- ✓ Thusong centres (Community Service Centre)
- ✓ Special programmes (Youth, HIV/AIDS, Gender, Disability, Children and Elderly)

5.2.1 Broad Based Community Needs

The Broad Based Community Needs are a direct result of the public participation process held during the drafting of the IDP. This process is usually held and setup by municipal councillors, led by the honourable Mayor and Speaker within a municipality. An important structure during this process is the Ward Committee Members as they are the community representatives on a ground level.

In the context of Abaqulusi Municipality, the common community needs identified were as follows:

Wish-list	Responsibility
Water	ALM and ZDM
Electricity	ALM and Eskom
Sanitation	ALM and ZDM
Refuse	ALM
Housing	ALM and Human Settlements
Community Halls	ALM
Apollo Lights	ALM
Upgrading of Roads (Access Roads, Gravel Roads, Pothole Patching, Paving, Tarring)	ALM and Department of Transport
Street Names	ALM
Street Lights	ALM
Traffic Signs	ALM
Sewer Blockages	ALM
Sports field	ALM
Gym / Parks	ALM
Fencing of Cemeteries	ALM
New Cemeteries	ALM
Bridges	ALM
LED Projects and Initiatives	ALM
Toilets	ZDM
Clinics	Department of Health
Schools	Department of Education
Boreholes	ALM and ZDM
Taxi Ranks	ALM

Libraries	ALM and Department of Arts and Culture
Creche	ALM and Department of Social Development
Illegal Dumping	ALM
Land Availability	ALM

A detailed ward by ward wish-list is attached as Annexure 1 4.

5.2.2 Poverty

From the table below, Poverty head count refers to the proportion of the population that is poor and living below the poverty line. There are four dimensions of poverty which were measured by the data sets, i.e. Health, Education, Living standards and Economic activity. The data sets shows that there was a marginal increase in the proportion of the population that is poor from 11.2% during Census 2011 to 11.4% during Community Survey 2016. The Intensity of poverty (or poverty gap) is an indicator used to measure the depth to which the standard of living of the poor population is under the poverty line. The higher the indicator, the greater the intensity of poverty (or poverty gap) is said to be, which implies that the standard of living of the poorest is a very long way below the poverty line. From the above data sets it can be observed that there was a slight increase in the intensity of poverty from 41.9% during Census 2011 up to 43.3% during Community Survey 2016.

Table 21: Poverty Status

Category	Census 2011	Community Survey 2016
Poverty head count	11.2%	11.4%
Intensity of poverty	41.9%	43.3%

Source: STATSA CS 2016

5.2.3 Education

As per the table below, there was a significant decrease in the proportion of people aged 20 years or above with no schooling as the figure dropped from 16.9% in 2011 to about 8% in 2016. Also an increase in the proportion of persons aged 20 years or above who have completed matric was observed during the Community Survey 2016 with the figure recorded at 33.4% compared to the 28.1% recorded during Census 2011. The proportion of those with higher education was observed to be just above 6% for both 2011 and 2016.

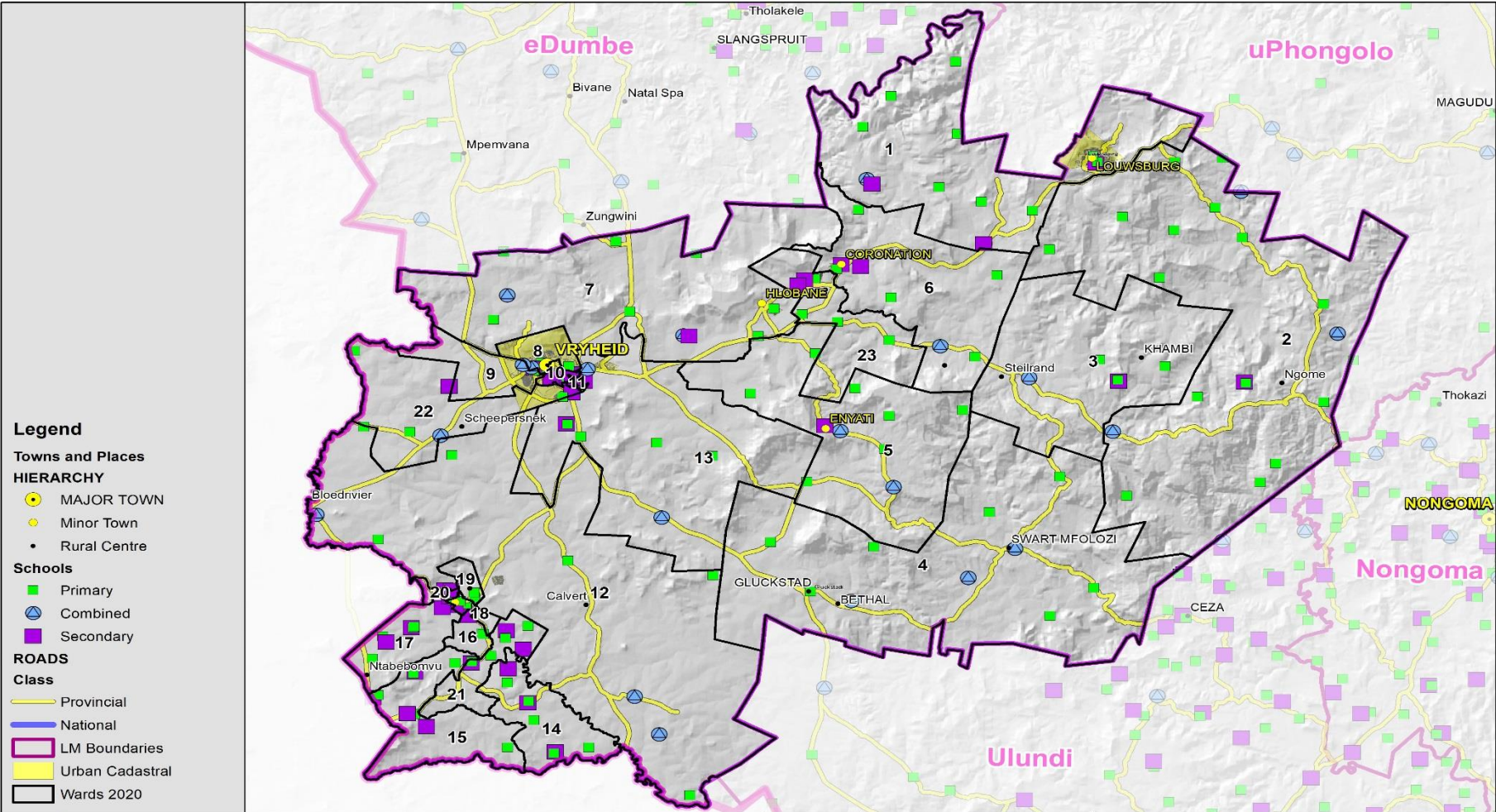
The Mthashana College (technical) offers tertiary courses on a part-time or full-time basis to about 650 students. It should also be noted that Vryheid plays an important regional educational function and draws pupils from the whole sub-region. The municipality also offers bursaries to prospective students on an annual basis, along with in-service training and internships in order to support the drive of having an educated and skilled society. The map below spatially depicts the educational facilities that exist within Abaqulusi.

Table 22: Education Status

Highest Level of Education	Census 2011	Community Survey 2016
No schooling (aged 20+)	16.9%	8.1%
% completed matric (aged 20+)	28.1%	33.4%
% completed higher education	6.6%	6.2%

Source: STATSA CS 2016

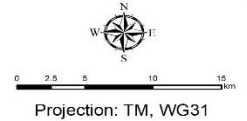
Map 32: Educational Facilities



- Legend**
- Towns and Places HIERARCHY**
- MAJOR TOWN
 - Minor Town
 - Rural Centre
- Schools**
- Primary
 - Combined
 - Secondary
- ROADS Class**
- Provincial
 - National
 - LM Boundaries
 - Urban Cadastral
 - Wards 2020



ABAQULUSI LOCAL MUNICIPALITY



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DRAWING STATUS
DRAFT REVIEW

MAP TITLE
EDUCATION FACILITIES

PROJECT
SPATIAL DEVELOPMENT FRAMEWORK 2022

5.2.4 Health

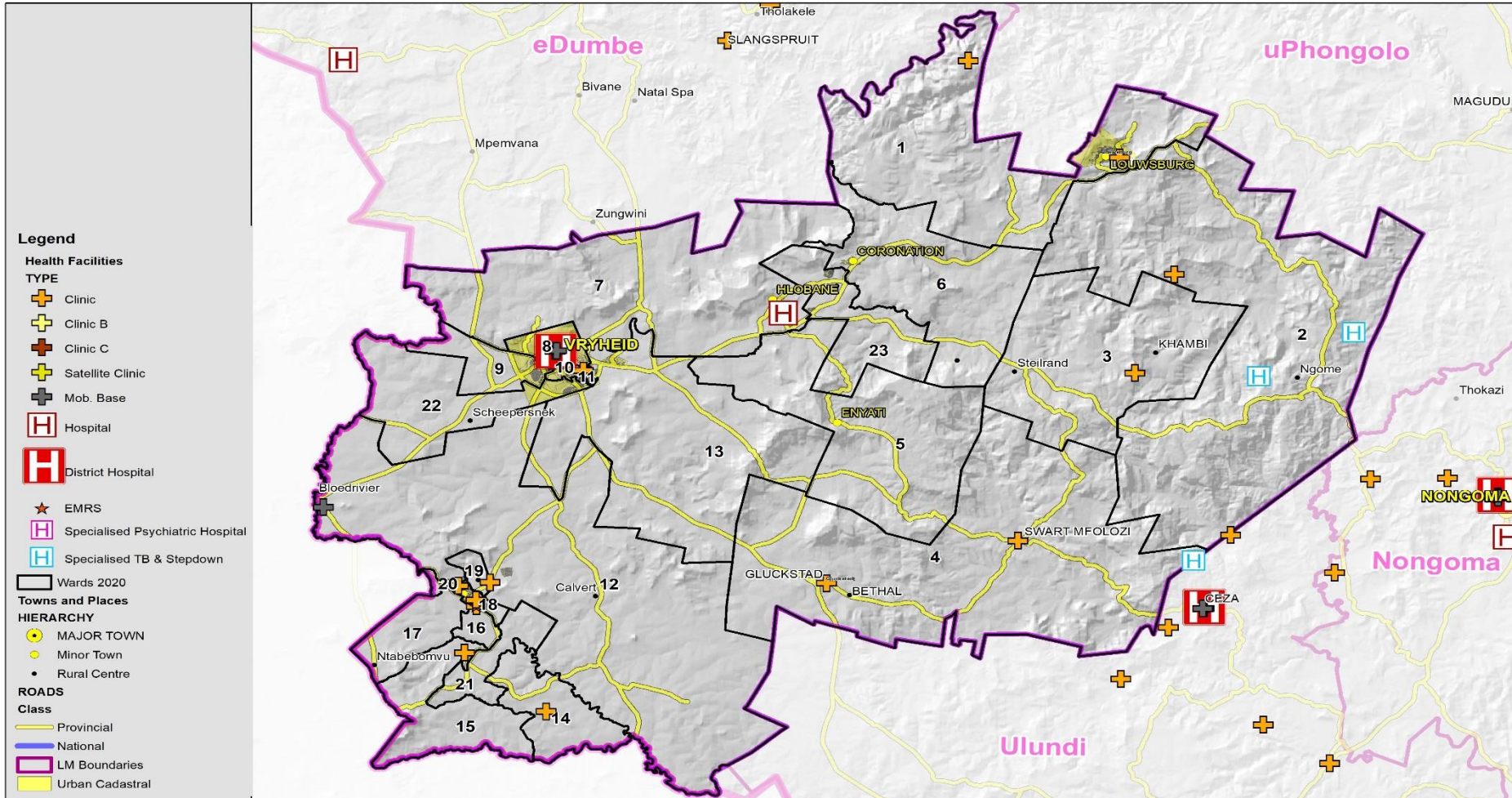
As per the map and table below, there are 3 Hospitals and 17 Clinics within Abaqulusi. The Municipal SDF clearly indicates that there is a shortage of clinics in certain wards according to the CSIR requirements. Healthcare in Abaqulusi, specifically in Vryheid is under extreme pressure due to the Vryheid Hospital serving as the primary regional hospital. Due to the shortage and lack of private medical facilities in Abaqulusi, a private hospital has been developed within the town of Vryheid. This private hospital aims to relieve the pressure of surrounding hospitals and reduce the distance travelled by Abaqulusi residents in search of quality private healthcare.

Clinic/Hospital Name	Area/Suburb	Authority	Type
Bhekumthetho Clinic	eMondlo	Provincial	Clinic B
Bhekuzulu Clinic	Vryheid	Provincial	Clinic
Gluckstadt Clinic	Vryheid	Provincial	Clinic B
Hlobane Clinic	Vryheid	Provincial	Clinic B
Hlobane Mine Clinic	Hlobane	Private	Hospital
Lethimpilo (NGO) Clinic		State Aided	Clinic
Louwsburg Clinic	Vryheid	Provincial	Clinic B
Makhwela Clinic	Louwsburg	Provincial	Clinic B

Mason Street Clinic	Vryheid	Provincial	Clinic B
Mondlo 2 Clinic	eMondlo	Provincial	Clinic C
Mountain View Salvation Army Mission PHC	Ngome Area	State Aided	Specialised TB Clinic
Ntababomvu Clinic	Vryheid	Provincial	Clinic B
Siloah Lutheran Mission TB Hospital	Dlomodlomo Mission Farm	State Aided	Specialised TB Hospital
Siyakhathala Clinic	Vryheid	Provincial	Clinic B
St Davies (NGO) Clinic		State Aided	Clinic
Swart Mfolozi Clinic	Vryheid	Provincial	Clinic B
Thembumusa Clinic	eMondlo	Provincial	Clinic C
Vryheid Gateway Clinic	Vryheid	Provincial	Clinic B
Vumani Clinic	Vumani	Provincial	Clinic
Vryheid Hospital	Vryheid	Provincial	District Hospital
Abaqulusi Private Hospital	Vryheid	Private	Hospital

Source: KZN Department of Health 2018

Map 33: Health Facilities



Legend

Health Facilities

TYPE

- Clinic
- Clinic B
- Clinic C
- Satellite Clinic
- Mob. Base
- Hospital
- District Hospital
- EMRS
- Specialised Psychiatric Hospital
- Specialised TB & Stepdown

Wards 2020

Towns and Places

HIERARCHY

- MAJOR TOWN
- Minor Town
- Rural Centre

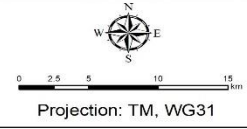
ROADS

Class

- Provincial
- National
- LM Boundaries
- Urban Cadastral



**ABAQULUSI
LOCAL MUNICIPALITY**



SCALE:	1:322 564
DATE:	March 2022
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CHECKED:	L. Dookhilal

DRAWING STATUS	DRAFT REVIEW
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MAP TITLE	HEALTH FACILITIES
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PROJECT	SPATIAL DEVELOPMENT FRAMEWORK 2022
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5.2.5 Safety and Security

Local Government: Municipal Systems Act 32 of 2000 has clearly provided a directive in terms of the role of Local Municipalities towards safer and secure communities. The indication from the Act is that municipalities as the closest sphere of government to the communities must “*Promote safe and healthy environment*” through which social cohesion. The understanding is that as the operational sphere of government, municipalities are severely affected by crime and safety issues on the ground which often impact negatively on the mandate given by communities to the government, namely; service delivery. We further understand and most importantly acknowledge the role played by various sectors through our Security agencies and Community Safety Forum in trying to ameliorate the living conditions of our people and economic development can be enriched and sustained.

When addressing the risk factors for crime by enhancing parenting practices, improving access and investment in education, reducing access to alcohol, illegal substances and weapons, and increasing employment opportunities it is important to simultaneously build the resilience of individuals, families and communities to crime and violence. Resilience is the ‘process of, capacity for, or outcome of, successful adaptation, despite challenging or threatening circumstances. It is important therefore, that safety strategies, particularly those aimed at addressing crime and violence, must include mechanisms which build the capacity of individuals and institutions to deal with the adversity that may makes them more vulnerable to crime.

In developing strategies to deal with crime and violence, risk and protective factors must be disaggregated by target groups. Risk factors for crime and violence include those set out in the table below.

Risk factors for crime and violence

Individual	Risk Factors
	Violence, abuse, maltreatment, neglect
	Dysfunctional families
	Gender
	Age
	Low social status related to class, race, ethnicity
	Poor nutritional, pre-natal and health care
	Disability

Relationship	Risk factors
	Family violence and conflict
	Absent/low levels of parental involvement
	Teenage parenthood
	Gender inequalities
	Violence, abuse, maltreatment, neglect in the home

Community	Risk factors
	Easy availability of drugs, alcohol, firearms
	Lack or poor access to quality education, training

	opportunities, employment
	Family/community attitudes condoning violence

Macro/structural	Risk factors
	Structural inequalities (social, economic, political)
	Social norms condoning inequality and violence
	Lack of access to /poor delivery of basic services (eg housing, water and sanitation)
	Unemployment

There are six police stations located within the AbaQulusi Municipal area of jurisdiction, namely:

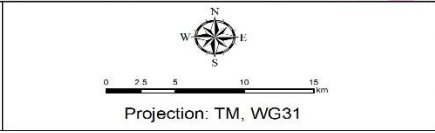
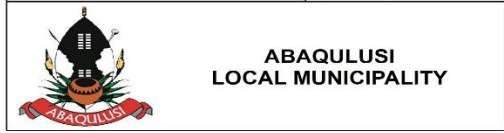
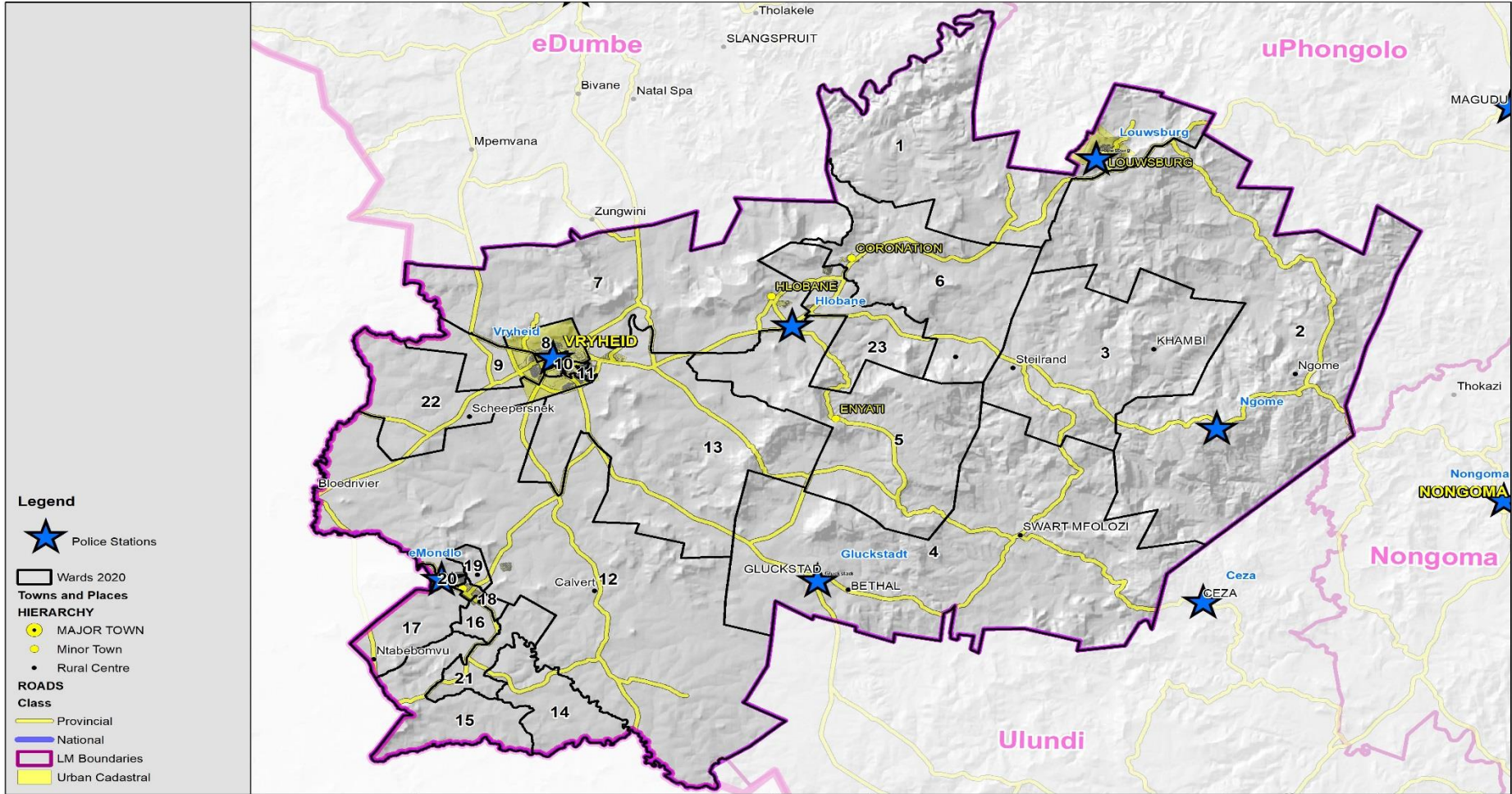
1. Vryheid
2. eMondlo
3. Gluckstadt
4. Louwsburg

5. Driefontein
6. Ngome

The Abaqulusi Public Safety Section which forms part of the Community Services Directorate also responsible for the traffic law enforcement, including road blocks, speed control, attending to road accidents, enforcing Bylaws, conducting road safety, motor vehicle testing and licensing. Its additional functions include crime prevention, and participation in Community Policing Forums (CPF) and supporting the Neighbourhood Watches that exist around the various areas. It also render services in disaster risk management, however, the operations of this unit are limited by the shortage of both financial and human resources.

The map below indicates the Police Stations located around Abaqulusi.

Map 34: Police Stations



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DATE:	March 2022
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CHECKED:	L. Dookhilal

DRAWING STATUS	DRAFT REVIEW
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MAP TITLE	PROTECTION SERVICES
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PROJECT	SPATIAL DEVELOPMENT FRAMEWORK 2022
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5.2.6 Nation Building and Social Cohesion

AbaQulusi municipality arts and culture unit serves as the co-ordinating body for the community to arts, culture, entertainment and talent developmental opportunities through programmes such as

- ✓ Umbele wethu local competition
- ✓ Umbele wethu district competition
- ✓ Operation siyaya Emhlangeni
- ✓ Artists festival
- ✓ Umkhosi Womhlanga (Reed Dance)
- ✓ Heritage day
- ✓ Mayoral Cup and SALGA Games

In support of the above the municipality has set aside a budget of R2 000 000 for Arts and Culture related programmes and R3 000 000 for the Mayoral Cup and SALGA Games.

5.2.7 Community Development with particular focus on Vulnerable Groups

The implementation of Special Projects within the Abaqulusi Municipality which primarily focuses on vulnerable groups and other initiatives is done so via the Office of the Mayor. Over the years, many challenges were experienced by the municipality in ensuring the functioning of the various committees and support offered to the structures which was largely due to the financial constraints facing the municipality. ***A budget of R1 500 000 has been allocated to the Mayor's Office to support the programmes that focus on Vulnerable Group and an additional R650 000 for Student Bursaries.***

5.2.7.1 Youth Development

The municipality has the responsibility of co-coordinating the development and promotion of youth development initiatives, establishment of youth desk, youth structures and implementation of procedures, reporting and upliftment of youth programmes. Due to the high youth population of about 40% according to the Community Survey 2016, and difficult economic climate that we live in, the municipality also has a bursary programme that offers potential students to empower themselves through education. During the 2022/2023 financial year, the Abaqulusi Municipality will aim to achieve the following:

- Establishment of Youth Committee (Youth Council)
- Conduct youth empowerment sessions
- Provide government departments, statutory bodies and private sector with a platform to engage with the youth in order to disseminate developmental information.
- Support programmes: Youth Summit, Youth EXPO, and Youth in dialogue.

5.2.7.2 Development of People with Disabilities

According to the National Disability Strategy, Municipalities are charged with the responsibility to ensure that that the playing field is levelled for all people with disabilities, focusing on employment opportunities. During the 2022/2023 financial year, the Abaqulusi Municipality will aim to achieve the following:

- Establishment of Social services stakeholder Committees for the disabled
- Conduct empowerment sessions
- Support DSD in out rolling social development programmes for the disabled

5.2.7.3 Development of the Elderly

The elderly citizens of Abaqulusi municipality comprises of just under 5% of the total population according the Community Survey 2016. However, although the elderly are usually associated with the age group of 65+ and the retired population from the workforce, it is still imperative that they are given the necessary attention that is required. During the 2022/2023 financial year, the Abaqulusi Municipality will aim to achieve the following:

- Establishment of Social services stakeholder Committees for the elderly
- Conduct empowerment sessions
- Support DSD in out rolling social development programmes for the elderly

5.2.7.4 Development of Women

It has been researched that no society thrives where women are not supported and respected. Abaqulusi population studies indicate that its population is comprised of more females than males, accounting for 52% as per the recent Community Survey 2016 results. With this statistic in mind, specific projects are sponsored targeting women empowerment

include women in agriculture and in establishing co-operatives with a view to growing them into SMMEs and medium to large businesses. During the 2022/2023 financial year, the Abaqulusi Municipality will aim to achieve the following:

- Establishment of Social services stakeholder Committees for Women
- Conduct empowerment sessions
- Support DSD in out rolling social development programmes for Women
- Co-ordinate responsive programmes such as 16 days of activism against Women abuse

5.2.7.5 People affected by Crime, HIV/AIDS, Drugs, etc

The HIV/AIDS pandemic is major concern in all municipalities around the country. In order to reduce the levels of HIV/AIDS in the Abaqulusi region, the Municipality will set-up a fully functional Local AIDS Council, which will be represented by various stakeholders. The OSS Task Team Members also play a very active role in ensuring that the fight is won at local levels under the collaborative strategies like establishing War-rooms at Ward levels. In the fight against HIV/AIDS, the Abaqulusi Municipality will aim to achieve the following: during the 2022/2023 financial year:

- Establishment of HIV/AIDS Council
- Conduct awareness and empowerment sessions
- Support DSD in out rolling social development programmes for people affected with HIV/AIDS

- Co-ordinate responsive programmes such as commemoration day for HIV/AIDS
- Seek funding to deliver projects related to assisting those people affected with HIV/AIDS

5.2.7.6 Early Childhood Development

It is finding in many studies conducted around the world that the responsibility and development of a child is one that belongs to society. It is for this reason that all spheres of government and various stakeholders play a critical role in protecting and developing children as they are considered to be the future. During the 2022/2023 financial year, the Abaqulusi Municipality will aim to achieve the following:

- Establishment of Social services stakeholder Committees for Children
- Support DSD in out rolling social development programmes for Children
- Co-ordinate responsive programmes such as 16 days of activism against Child abuse

5.2.8 Social Development SWOT Analysis

• Strengths	• Weakness
<ul style="list-style-type: none"> • Municipality provides a platform for various committees to discuss social related issues • Special programmes and projects are rolled out annually to enhance social stability • War rooms and OSS is fully functional in addressing social issues 	<ul style="list-style-type: none"> • Funding for addressing social issues is limited • Support from external stakeholders is limited • Social facilities across the municipality is limited and backlogs exist • Non functionality of War rooms and OSS in certain wards to address social issues
• Opportunities	• Threats
<ul style="list-style-type: none"> • Strengthen relations with external stakeholders • Attract funding as there are various committees that are established 	<ul style="list-style-type: none"> • Lack of social facilities lead to social decay • Lack of job opportunities increase poverty • Low education levels lead to unskilled labour force and increase in social problems

5.3 LED and Social Development Key Challenges

Key Performance Area: LED and Social Development			
Key Challenges	Problem Statement (Definition)	Proposed Interventions	Status Quo
1. Limited development opportunities	Financial climate has made it difficult for large scale developments to occur and the shortage of suitable land has further hindered the process.	-Land availability -Rates Rebates -Discounted services	-Municipality is currently identifying land it owns in order to make available for development. -Rates rebates and discounted services are also offered as a means to attract investments and development
2. High levels of unemployment	Large youthful population within the area characterised with unemployment due to lack of employment opportunities	-Employ people through EPWP programme and support SMMEs and Informal Traders	-EPWP is fully implemented -SMMEs are assisted daily -Large development are encouraged to employ local citizens -This is an on-going concern.
3. Capacity Constraints	Internal and external capacity to drive LED and Social Development	-Appoint LED Manager -Assist local educational and training institutions to expand	-LED Manager has now been appointed -Workshops and forums are held

		-Improve Relationship Building	with local forums and businesses
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6. Financial Viability and Management Analysis

6.1.1 Capability of the Municipality to Execute Capital Projects

Capital projects in the municipality is executed by utilising the Grant Funding that is received from government and also a portion of the municipality's budget. However, the loss of revenue over the last few years has restricted the municipality in rolling out and executing Capital projects, thereby making it grant dependable to fulfil its service delivery mandate.

The tables below presents the municipality's CAPEX Performance:

KZN263 Abaqulusi - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding										
Vote Description	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<i>Capital expenditure - Vote</i>										
<i>Single-year expenditure to be appropriated</i>										
Vote 1 - VOTE1	13	13	–	2 400	4 499	4 499	–	500	–	–
Vote 2 - Finance & Administration	(5 136)	4 325	165	570	570	570	551	7 000	6 000	7 287
Vote 3 - Community & Social Services	3 079	11 467	13 749	5 022	5 981	5 981	2 209	–	15 600	23 400
Vote 4 - Energy Sources	3 517	4 305	8 327	2 277	2 600	2 600	1 515	2 425	10 000	10 449
Vote 5 - Housing	–	–	–	–	–	–	–	–	–	–
Vote 6 - Internal Audit	–	–	–	–	–	–	–	–	–	–
Vote 7 - Other	–	–	–	–	–	–	–	–	–	–
Vote 8 - Planning and Development	3 650	3 650	–	–	–	–	–	–	–	–
Vote 9 - Public Safety	(29)	(29)	–	2 350	110	110	2	–	–	–
Vote 10 - Road Transport	22 143	35 299	17 153	30 290	31 350	31 350	11 486	45 979	26 066	20 061
Vote 11 - Sport and Recreation	–	–	319	–	–	–	–	–	2 500	2 500
Vote 12 - Waste Management	6 619	8 220	7 397	2 000	2 000	2 000	1 479	–	–	–

Vote 13 - Waste Water Management	(1 208)	(1 503)	3 392	–	221	221	192	–	–	–
Vote 14 - Water Management	(95 393)	(95 394)	–	–	–	–	–	–	–	–
Vote 15 -	–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total	(62 747)	(29 648)	50 503	44 908	47 330	47 330	17 434	55 904	60 166	63 697
Total Capital Expenditure - Vote	(62 747)	(29 648)	50 503	44 908	47 330	47 330	17 434	55 904	60 166	63 697
<u>Capital Expenditure - Functional</u>	(4 828)	4 338	165	2 970	5 069	5 069	551	7 500	6 000	7 287
<i>Governance and administration</i>										
Executive and council	13	13	–	2 400	4 499	4 499	–	500	–	–
Finance and administration	(4 841)	4 325	165	570	570	570	551	7 000	6 000	7 287
Internal audit	–	–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>	3 050	11 437	14 069	7 372	6 091	6 091	2 211	–	18 100	25 900
Community and social services	8 144	16 532	13 749	5 022	5 981	5 981	2 209	–	15 600	23 400
Sport and recreation	–	–	319	–	–	–	–	–	2 500	2 500
Public safety	(29)	(29)	–	2 350	110	110	2	–	–	–
Housing	–	–	–	–	–	–	–	–	–	–
Health	(5 065)	(5 065)	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>	25 793	38 949	17 153	30 290	31 350	31 350	11 486	45 979	26 066	20 061
Planning and development	3 650	3 650	–	–	–	–	–	–	–	–
Road transport	22 143	35 299	17 153	30 290	31 350	31 350	11 486	45 979	26 066	20 061
Environmental protection	–	–	–	–	–	–	–	–	–	–
<i>Trading services</i>	(86 761)	(84 372)	19 116	4 277	4 821	4 821	3 186	2 425	10 000	10 449
Energy sources	3 517	4 305	8 327	2 277	2 600	2 600	1 515	2 425	10 000	10 449
Water management	(95 394)	(95 394)	–	–	–	–	–	–	–	–
Waste water management	(1 503)	(1 503)	3 392	–	221	221	192	–	–	–
Waste management	6 619	8 220	7 397	2 000	2 000	2 000	1 479	–	–	–
<i>Other</i>	–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	(62 747)	(29 648)	50 503	44 908	47 330	47 330	17 434	55 904	60 166	63 697
<u>Funded by:</u>										

National Government	15 894	37 437	36 447	38 928	39 252	39 252	13 992	40 904	51 666	53 910
Provincial Government	–	–	–	–	–	–	–	–	–	–
District Municipality	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	15 894	37 437	36 447	38 928	39 252	39 252	13 992	40 904	51 666	53 910
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	100	888	7 352	5 980	8 079	8 079	2 206	15 000	8 500	9 787
Total Capital Funding	15 993	38 325	43 799	44 908	47 330	47 330	16 198	55 904	60 166	63 697

6.1.2 Indigent Support (Free Basic Services)

A large portion of the population in AbaQulusi Municipality is indigent; this has an impact of reduced revenue. The Municipality receives the free basic grant from National Treasury, which is utilized to offer the following free basic services:

- Free 50kwh of electricity a month
- Free rates up to the value of R80, 000
- Free 6kl of water per month
- Free refuse

These allocations are per the national government policy guidelines.

The Indigent Support Budget for the 2022/2023 financial year amounts to R11,5 million

The municipality does currently have an Indigent Register in place which is monitored and updated on a monthly basis. In trying to reduce the number of indigents that exist, the municipality will attempt to conduct a thorough analysis of all indigents that appear on the register. ***The Indigent Register is attached as Annexure I 7.***

The tables below indicates the number of households that receive Free Basic Services over the last 3 years and the financial implications thereof.

Financial Year	Budgeted Amount	Actual Spent	Total Number of Indigents
2019/2020		R	2315
2020/2021		R	2581
2021/2022	R12 000 000	R	2800

6.1.3 Revenue Enhancement and Protection Strategies

In terms of MFMA Circular No 64 the main responsibility of the municipality is to deliver services. In terms of Section 75A of the Municipal Systems Act the municipality is allowed to levy and recover fees, charges or tariffs in respect of municipal service delivery functions and recover collection charges and interest on outstanding amounts. The municipality must adopt by-laws to give effect to the implementation and enforcement of the tariff policies.

Revenue generation is everyone's responsibility, not just that of the revenue Section. The municipality must effectively manage all functions that impact protecting and growing the revenue base. The implementation of internal controls along the revenue value chain will aid effective data handovers; utilising system data validation mechanisms and ensuring that service level standards are fundamental to ensuring the integrity of the billing data but are advised to stay away from costly data cleansing exercises.

The following strategies are fundamental to maximising the existing revenue of Abaqulusi Municipality:

- Billing system that correctly reflects all billing and customer information required to issue accurate accounts to consumers.
- All property within the municipal jurisdiction must be correctly valued and the billing system must be updated with any change in

property ownership. This is necessary to protect and grow the property rates base.

- Effective business processes to ensure new property development as well as improvements to existing properties are valued as required.
- Correct categorisation of properties.
- Water and electricity meter numbers must be recorded correctly and linked to corresponding property.
- Continual maintenance of water and electricity meters to minimise losses due to leakages or incorrectly metered consumption.
- Accurate meter reading and minimising the amount of meter reading estimates. Refuse and sanitation service charges must be included in all billing records and the municipality must ensure these services are not run at a loss.
- Billing queries to be resolved within reasonable timeframes.
- Municipal functions must be adequately staffed with competently skilled individuals who understand the job requirements and how to deliver on it.

It must also be noted that through KZN CoGTA, a Revenue Enhancement team was recently appointed to further assist the municipality in increasing its revenue.

6.1.4 Municipal Consumer Debt Position (Debtors Age Analysis)

The increased number of indigents is negatively affecting the municipality's ability to collect all service revenue billed; there has been a considerable increase in the debtors' balances over 90 days as a result of this. These outstanding balances have been adequately provided for as doubtful debts. The table below is a representation of the municipal consumer debt position and age analysis for such debt within the municipality and includes indigents as well.

As indicated in the table below, it is clearly evident that the municipality is owed a substantial amount of money as per the various services that it offers to its citizens. The Debt owed to the municipality for a period for over 1 Year is R203 928 427.6

Type Of Service	202203 (Current)	202202 (30 Days)	202201 (60 Days)	202112 (90 Days)	202111 (120 Days)	202110 (150 Days)	202109 (180 Days)	202108-202104 (210 Days To 1 Year)	202103+ (Over 1 Year)	Total
V.A.T.	-22739.7	3087567	1635348	918179.4	936180.9	948131.6	795518.9	2793054	14661302	25752543
Deposit Elec	-25234.3	28364.05	-12461	-2954.59	-5862.09	-7088.84	-10451.5	-46371.6	127215.5	45155.69
Interest	-3.93	1317240	1252262	495100.3	484372.6	460374.1	453061.4	2151411	21502822	28116640
Adjustments	0	69175.66	-5433.34	0	1278.71	11524.06	0	0	391699.6	468244.7
Electricity	10485.73	8449134	2625043	887939.9	683162.3	602975.6	479409.1	1551796	3213306	18503251
Demand/Basic Charges	-3459.8	3098170	774670.8	332971.6	180403.4	123034.1	197932.5	439194.5	2179375	7322292
Water Consump.	-875.46	4670876	4243195	1988356	2636911	2989227	2128682	5972136	18638607	43267115
Refuse	-10635.8	2149392	1280882	1128066	1068392	1018175	979118	3798456	24198239	35610084
Add Sewerage	-657.14	342566.5	144395.2	69027.35	39791.57	30975.74	24894.88	89089.9	565445.6	1305530
Rates General	-13920.4	5405125	2467977	2361454	2011201	1762958	1695358	7734469	64322107	87746729
Avail Sewer	-15801.9	2011908	1309080	1183353	1124641	1066300	1031560	4617328	32581814	44910183
Avail Water	-7017.06	676871.3	438244	391779.1	369988	355489.6	342966	1543853	11958052	16070226
Service Charge	0	0	0	0	0	0	0	0	360856.9	360856.9
Old Debt	0	0	0	0	0	0	0	0	2136.18	2136.18

Penalties Late Payment	0	7997.78	0	0	0	0	0	64.29	7239963	7248025
Coll. Fees	0	0	0	0	0	0	0	0	49399.12	49399.12
Legal Fees	0	6143.24	11923.44	0	4900.92	7858.83	0	3338.13	943817.1	977981.7
Deposit Water	284.13	833.98	-1534.91	-1299	-549	-212.79	-400	-4636.2	38560.61	31046.82
Sundry Charge	0	500	0.08	0	0	0	0	0	6386.24	6886.32
Indigent Support	-2448.29	-643.49	-828.56	-214.31	-147.82	-147.82	-101.68	-169.36	818.89	-3882.44
Agreements	17986.22	465360.6	970067	280580.4	394124.2	201836.6	310115.8	1227948	2341037	6209055
Receipts	-255865	-592498	-309950	-5149926	-306175	-1016234	-168554	-1235814	-1394533	-1e+07
Total	-329902	31194084	16822879	4882413	9622615	8555176	8259110	30635147	203928427.6	313569948.1

6.1.5 Grants and Subsidies

The table below reflects the Grants and Subsidies that Abaqulusi Municipality will receive from both, Provincial and National Government in order to render various services to its citizens.

The Equitable Share has increased from R167,8 million to R187,4 million.

The subsidies allocated in terms of the Provincial DORA for the below mentioned services are:

- *Library Services – R3,540,000*
- *Museum – R235,000*
- *Library Funding to provide internet and other ICT facilities for the public and staff to provide training – R1,223,000*
- *Economic Development – Informal Trader Stores – R2,000,000*

- *Human Settlements – creation of sustainable and integrated human settlements – R1,326,000*
- *Human Settlements – upgrade informal settlements – R5,685,000*
- *COGTA – Rehabilitation of Small Towns – R5,700,000*

The following grants have been allocated in terms of the National DORA:

- *MIG – R42,083,000*
- *INEP – R18,485,000*
- *EPWP – R2,773,000*
- *FMG – R3,000,000*

The following grants have been allocated in terms of the National DORA to Zululand District Municipality for Abaqulusi Municipality:

- MIG – R54,264,000
- WSIG – R22,000,000
- Equitable Share Sanitation – R54,092,000
- Equitable Share Water – R78,475,000

The following grant has been allocated in terms of the National DORA to Eskom for Abaqulusi Municipality:

- INEP – R13,407,000

Supporting Table SA18 Transfers and grant receipts

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast
RECEIPTS:									
Operating Transfers and Grants									
National Government:	147 963	153 327	203 075	178 361	178 361	178 361	211 752	214 285	229 965
Local Government Equitable Share	130 262	148 281	191 340	167 845	167 845	167 845	187 494	201 285	216 516
Expanded Public Works Programme	954	1 995	1 831	2 515	2 515	2 515	2 773	–	–
Financial Management Grant	1 770	2 235	2 600	2 650	2 650	2 650	3 000	3 000	3 000
Integrated National Electrification Programme	14 977	816	7 304	3 396	3 396	3 396	18 485	10 000	10 449
MIG				1 955	1 955	1 955			
Provincial Government:	4 525	4 319	5 372	4 763	4 763	4 763	19 709	16 771	17 667
Library	4 333	4 319	5 372	4 538	4 538	4 538	4 763	4 763	4 974
Museum	192			225	225	225	235	249	260
Economic Development - Information Trader Stores							2 000		
Human Settlements							1 326	1 326	

Human Settlements - upgrade informal settlements							5 685	7 433	7 433
COGTA Rehabilitation							5 700	3 000	5 000
District Municipality:	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	152 488	157 646	208 447	183 124	183 124	183 124	231 461	231 056	247 632
Capital Transfers and Grants									
National Government:	30 047	42 260	37 713	37 152	37 152	37 152	42 083	43 859	45 748
MIG	30 047	42 260	37 713	37 152	37 152	37 152	42 083	43 859	45 748
Provincial Government:	-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]									
District Municipality:	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	30 047	42 260	37 713	37 152	37 152	37 152	42 083	43 859	45 748
TOTAL RECEIPTS OF TRANSFERS & GRANTS	182 535	199 905	246 160	220 276	220 276	220 276	273 544	274 915	293 380

6.1.6 Municipal Infrastructure Assets and Maintenance

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2022/23 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by MFMA Circular 98 as well as the outcome of the 2020/2021 audit the municipality should budget for 8% of its expenditure budget to be allocated to repairs and maintenance and the on-going health of the municipality's infrastructure must be supported by an asset management plan. A further 40% of the municipal budget must be allocated to Capital for the renewal of existing assets and provide a detailed explanation and assurance that the budgeted amount is adequate to secure the on-going health of the municipality's infrastructure supported by reference to its asset management plan. The municipality in the state of local government finances and financial management has been accused of persistent under spending on capital and that the municipality is too reliant on capital grants. In terms of the Municipal

Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services.

Description	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	R thousand Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
CAPITAL EXPENDITURE									
Total New Assets	11 984	30 143	32 860	30 235	29 924	29 924	41 154	48 243	30 900
<i>Roads Infrastructure</i>	5 915	13 075	8 057	17 293	15 944	15 944	37 229	22 643	7 500
<i>Storm water Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>	735	735	-	-	-	-	1 425	10 000	-
<i>Water Supply Infrastructure</i>	(278)	(278)	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>	(1 675)	(1 675)	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>	3 303	4 829	6 315	-	-	-	-	-	-
<i>Rail Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>	-	-	-	-	-	-	-	-	-
Infrastructure	8 000	16 685	14 373	17 293	15 944	15 944	38 654	32 643	7 500
Community Facilities	5 832	7 276	15 907	7 262	6 201	6 201	-	15 600	23 400
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Community Assets	5 832	7 276	15 907	7 262	6 201	6 201	-	15 600	23 400
Heritage Assets	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	70	2 169	2 169	1 500	-	-
Housing	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	70	2 169	2 169	1 500	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-
Computer Equipment	503	503	31	500	500	500	1 000	-	-
Furniture and Office Equipment	490	490	-	-	-	-	-	-	-
Machinery and Equipment	(2 840)	(2 764)	1 467	600	600	600	-	-	-
Transport Assets	-	7 952	1 082	4 510	4 510	4 510	-	-	-

Land	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	(90 731)	(81 587)	0	-	-	-	-	-	-
Roads Infrastructure	244	1 240	0	-	-	-	-	-	-
Storm water Infrastructure	-	-	-	-	-	-	-	-	-
Electrical Infrastructure	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	(95 142)	(95 142)	-	-	-	-	-	-	-
Sanitation Infrastructure	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure	-	-	-	-	-	-	-	-	-
Rail Infrastructure	-	-	-	-	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-
Infrastructure	(94 898)	(93 902)	0	-	-	-	-	-	-
Community Facilities	4 167	11 111	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Community Assets	4 167	11 111	-	-	-	-	-	-	-
Heritage Assets	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Operational Buildings	-	1 205	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Other Assets	-	1 205	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets	16 000	21 796	17 643	14 673	17 406	17 406	14 750	11 923	32 797
Roads Infrastructure	6 761	11 760	9 096	12 897	15 306	15 306	8 750	3 423	12 561
Storm water Infrastructure	-	-	-	-	-	-	-	-	-
Electrical Infrastructure	954	1 742	6 994	1 777	2 100	2 100	1 000	-	10 449
Water Supply Infrastructure	-	-	-	-	-	-	-	-	-

Sanitation Infrastructure	-	-	1 188	-	-	-	-	-	-
Solid Waste Infrastructure	-	-	-	-	-	-	-	-	-
Rail Infrastructure	-	-	-	-	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-

Infrastructure	7 715	13 502	17 278	14 673	17 406	17 406	9 750	3 423	23 010
Community Facilities	(5 465)	(5 465)	46	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	319	-	-	-	-	2 500	2 500
Community Assets	(5 465)	(5 465)	366	-	-	-	-	2 500	2 500
Heritage Assets	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-
Computer Equipment	7	7	-	-	-	-	-	-	-
Furniture and Office Equipment	48	57	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-
Transport Assets	13 695	13 695	-	-	-	-	5 000	6 000	7 287
Land	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Total Capital Expenditure	(62 747)	(29 648)	50 503	44 908	47 330	47 330	55 904	60 166	63 697
Roads Infrastructure	12 920	26 075	17 153	30 190	31 250	31 250	45 979	26 066	20 061
Storm water Infrastructure	-	-	-	-	-	-	-	-	-
Electrical Infrastructure	1 689	2 477	6 994	1 777	2 100	2 100	2 425	10 000	10 449
Water Supply Infrastructure	(95 420)	(95 420)	-	-	-	-	-	-	-
Sanitation Infrastructure	(1 675)	(1 675)	1 188	-	-	-	-	-	-
Solid Waste Infrastructure	3 303	4 829	6 315	-	-	-	-	-	-
Rail Infrastructure	-	-	-	-	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-
Infrastructure	(79 184)	(63 715)	31 650	31 966	33 350	33 350	48 404	36 066	30 510
Community Facilities	4 534	12 922	15 953	7 262	6 201	6 201	-	15 600	23 400

Sport and Recreation Facilities	-	-	319	-	-	-	-	2 500	2 500
Community Assets	4 534	12 922	16 272	7 262	6 201	6 201	-	18 100	25 900
Heritage Assets	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Operational Buildings	-	1 205	-	70	2 169	2 169	1 500	-	-
Housing	-	-	-	-	-	-	-	-	-
Other Assets	-	1 205	-	70	2 169	2 169	1 500	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-
Computer Equipment	510	510	31	500	500	500	1 000	-	-
Furniture and Office Equipment	538	547	-	-	-	-	-	-	-
Machinery and Equipment	(2 840)	(2 764)	1 467	600	600	600	-	-	-
Transport Assets	13 695	21 647	1 082	4 510	4 510	4 510	5 000	6 000	7 287
Land	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	(62 747)	(29 648)	50 503	44 908	47 330	47 330	55 904	60 166	63 697
ASSET REGISTER SUMMARY - PPE (WDV)	1 420 634	1 292 745	1 274 439	1 427 836	1 429 934	1 429 934	1 356 683	1 327 736	1 308 630
<i>Roads Infrastructure</i>	154 258	215 535	206 441	242 735	242 735	242 735	241 806	223 204	196 031
<i>Storm water Infrastructure</i>	23 467	0	-	(336 748)	(336 748)	(336 748)	-	-	-
<i>Electrical Infrastructure</i>	535 478	396 690	374 814	502 271	502 271	502 271	371 074	366 212	374 042
<i>Water Supply Infrastructure</i>	156 997	119 374	105 621	(6 832)	(6 832)	(6 832)	99 461	98 146	97 809
<i>Sanitation Infrastructure</i>	112 531	105 004	109 221	608 687	608 687	608 687	107 827	104 634	104 428
<i>Solid Waste Infrastructure</i>	8 114	7 800	12 661	5 766	5 766	5 766	10 529	10 435	10 335
<i>Rail Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>	630	-	-	634	634	634	-	-	-
Infrastructure	991 474	844 403	808 757	1 016 513	1 016 513	1 016 513	830 697	802 630	782 644
Community Assets	122 393	103 241	108 377	123 662	123 662	123 662	164 116	164 864	164 595
Heritage Assets	3 855	3 855	3 855	3 855	3 855	3 855	3 855	3 855	3 855
Investment properties	66 249	54 678	70 605	54 677	54 677	54 677	70 605	70 605	70 605
Other Assets	83 929	78 879	75 894	80 702	82 800	82 800	77 355	75 853	75 851
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Intangible Assets	666	364	271	240	240	240	141	135	129
Computer Equipment	1 097	654	544	393	393	393	1 410	404	398
Furniture and Office Equipment	967	420	306	(2 089)	(2 089)	(2 089)	(2 323)	(2 438)	(2 562)

Description	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand								
Machinery and Equipment	1 069	1 131	1 069	1 069	1 069	1 131	1 131	1 131
Transport Assets	7 946	7 462	9 946	9 946	9 946	12 462	13 462	14 749
Land	197 235	197 235	138 868	138 868	138 868	197 235	197 235	197 235
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	1 292 745	1 274 439	1 427 836	1 429 934	1 429 934	1 356 683	1 327 736	1 308 630
EXPENDITURE OTHER ITEMS	59 910	109 675	80 062	93 689	93 689	64 357	73 442	93 593
Depreciation	45 692	84 771	42 666	42 666	42 666	32 695	41 229	63 834
Repairs and Maintenance by Asset Class	14 218	24 904	37 396	51 023	51 023	31 662	32 213	29 759
<i>Roads Infrastructure</i>	4 267	250	3 800	6 450	6 450	5 000	5 210	5 444
<i>Storm water Infrastructure</i>	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>	3 395	5 999	8 200	7 627	7 627	6 270	6 533	6 827
<i>Water Supply Infrastructure</i>	5 011	11 055	7 000	21 200	21 200	5 100	5 285	5 474
<i>Sanitation Infrastructure</i>	442	2 966	2 900	3 400	3 400	2 750	2 867	2 995
<i>Solid Waste Infrastructure</i>	-	-	14 046	6 046	6 046	4 367	1 833	1 833
<i>Rail Infrastructure</i>	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>	-	-	-	-	-	-	-	-
Infrastructure	13 116	20 270	35 946	44 723	44 723	23 487	21 728	22 574
Community Facilities	5	-	-	300	300	1 500	3 521	3 181
Sport and Recreation Facilities	-	-	-	4 000	4 000	-	-	-
Community Assets	5	-	-	4 300	4 300	1 500	3 521	3 181
Heritage Assets	-	-	-	-	-	-	-	-
Revenue Generating	-	894	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-
Investment properties	-	894	-	-	-	-	-	-
Operational Buildings	186	2 404	750	1 000	1 000	2 390	2 490	2 603
Housing	-	-	-	-	-	-	-	-
Other Assets	186	2 404	750	1 000	1 000	2 390	2 490	2 603
Biological or Cultivated Assets	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-

Intangible Assets	-	-	-	-	-	-	-	-	-
Computer Equipment	7	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment	11	35	200	200	200	1 285	1 342	1 401	
Transport Assets	894	1 302	500	800	800	3 000	3 132	-	
Land	-	-	-	-	-	-	-	-	
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	
TOTAL EXPENDITURE OTHER ITEMS	59 910	109 675	80 062	93 689	93 689	64 357	73 442	93 593	
<i>Renewal and upgrading of Existing Assets as % of total capex</i>	201.7%	34.9%	32.7%	36.8%	36.8%	26.4%	19.8%	51.5%	
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>	-130.9%	20.8%	34.4%	40.8%	40.8%	45.1%	28.9%	51.4%	
<i>R&M as a % of PPE</i>	1.1%	2.0%	2.7%	3.6%	0.9%	2.5%	2.5%	2.4%	
<i>Renewal and upgrading and R&M as a % of PPE</i>	-4.0%	3.0%	4.0%	5.0%	5.0%	3.0%	3.0%	5.0%	

During the compilation of the 2022/23 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the ageing of the Municipality's infrastructure and historic deferred maintenance. To this end, repairs and maintenance is allocated an amount of R 31,6 million and will increase in 2023/24 to R32,2 million and then decrease to R29,7 million by 2024/25. Notwithstanding, as part of the 2022/23 MTREF this strategic imperative remains a priority as can be seen by the budget appropriations over the MTREF. The total allocation for 2022/23 equates to R 31,6 million in relation to the Adjustment Budget and continues to grow over the MTREF. In relation to the total operating expenditure, repairs and maintenance comprises of 4,51% for the respective financial years of the MTREF.

Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance:

Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		12 605	13 116	20 270	35 946	44 723	44 723	23 487	21 728	22 574
Roads Infrastructure		182	4 267	250	3 800	6 450	6 450	5 000	5 210	5 444
Roads		182	4 267	234	3 500	6 000	6 000	5 000	5 210	5 444
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	15	300	450	450	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-

Storm water Infrastructure	-	-	-	-	-	-	-	-	-	-
<i>Drainage Collection</i>	-	-	-	-	-	-	-	-	-	-
<i>Storm water Conveyance</i>	-	-	-	-	-	-	-	-	-	-
<i>Attenuation</i>	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure	4 733	3 395	5 999	8 200	7 627	7 627	6 270	6 533	6 827	
<i>Power Plants</i>	-	-	-	-	-	-	-	-	-	-
<i>HV Substations</i>	-	-	-	-	-	-	-	-	-	-
<i>HV Switching Station</i>	-	-	-	-	-	-	-	-	-	-
<i>HV Transmission Conductors</i>	-	-	-	-	-	-	-	-	-	-
<i>MV Substations</i>	224	1 706	5 034	5 000	4 677	4 677	4 270	4 449	4 650	
<i>MV Switching Stations</i>	315	704	0	250	250	250	-	-	-	
<i>MV Networks</i>	170	862	848	1 200	1 450	1 450	2 000	2 084	2 178	
<i>LV Networks</i>	4 024	123	117	1 750	1 250	1 250	-	-	-	
<i>Capital Spares</i>	-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	6 058	5 011	11 055	7 000	21 200	21 200	5 100	5 285	5 474	
<i>Dams and Weirs</i>	-	-	-	-	-	-	300	313	327	
<i>Boreholes</i>	-	-	-	-	-	-	-	-	-	-
<i>Reservoirs</i>	-	-	-	-	1 200	1 200	-	-	-	-
<i>Pump Stations</i>	-	-	-	-	-	-	3 300	3 445	3 594	
<i>Water Treatment Works</i>	6 076	5 011	9 321	5 000	19 000	19 000	-	-	-	
<i>Bulk Mains</i>	-	-	1 735	2 000	1 000	1 000	-	-	-	
<i>Distribution</i>	(18)	-	-	-	-	-	1 500	1 526	1 554	
<i>Distribution Points</i>	-	-	-	-	-	-	-	-	-	-
<i>PRV Stations</i>	-	-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure	1 634	442	2 966	2 900	3 400	3 400	2 750	2 867	2 995	
<i>Pump Station</i>	-	-	-	-	1 000	1 000	1 750	1 825	1 906	
<i>Reticulation</i>	-	-	2 174	400	400	400	-	-	-	
<i>Waste Water Treatment Works</i>	1 634	442	792	2 500	2 000	2 000	1 000	1 042	1 089	
<i>Outfall Sewers</i>	-	-	-	-	-	-	-	-	-	-
<i>Toilet Facilities</i>	-	-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-	-	-	-	-	-

Solid Waste Infrastructure	-	-	-	14 046	6 046	6 046	4 367	1 833	1 833
Landfill Sites	-	-	-	14 046	6 046	6 046	4 367	1 833	1 833
Waste Transfer Stations	-	-	-	-	-	-	-	-	-
Waste Processing Facilities	-	-	-	-	-	-	-	-	-
Waste Drop-off Points	-	-	-	-	-	-	-	-	-
Waste Separation Facilities	-	-	-	-	-	-	-	-	-
Electricity Generation Facilities	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Rail Infrastructure	-	-	-	-	-	-	-	-	-
Rail Lines	-	-	-	-	-	-	-	-	-
Rail Structures	-	-	-	-	-	-	-	-	-
Rail Furniture	-	-	-	-	-	-	-	-	-
Drainage Collection	-	-	-	-	-	-	-	-	-
Storm water Conveyance	-	-	-	-	-	-	-	-	-
Attenuation	-	-	-	-	-	-	-	-	-
MV Substations	-	-	-	-	-	-	-	-	-
LV Networks	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-	-	-	-	-
Sand Pumps	-	-	-	-	-	-	-	-	-
Piers	-	-	-	-	-	-	-	-	-
Revetments	-	-	-	-	-	-	-	-	-
Promenades	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-
Data Centres	-	-	-	-	-	-	-	-	-
Core Layers	-	-	-	-	-	-	-	-	-
Distribution Layers	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Community Assets	63	5	-	-	4 300	4 300	1 500	3 521	3 181
Community Facilities	63	5	-	-	300	300	1 500	3 521	3 181
Halls	63	5	-	-	300	300	500	521	544

Centres	-	-	-	-	-	-	-	-	-	-
Crèches	-	-	-	-	-	-	-	-	-	-
Clinics/Care Centres	-	-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations	-	-	-	-	-	-	-	-	-	-
Testing Stations	-	-	-	-	-	-	-	-	-	-
Museums	-	-	-	-	-	-	-	-	-	-
Galleries	-	-	-	-	-	-	-	-	-	-
Theatres	-	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria	-	-	-	-	-	-	1 000	3 000	2 637	-
Police	-	-	-	-	-	-	-	-	-	-
Parks	-	-	-	-	-	-	-	-	-	-
Public Open Space	-	-	-	-	-	-	-	-	-	-
Nature Reserves	-	-	-	-	-	-	-	-	-	-
Public Ablution Facilities	-	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-	-
Stalls	-	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	4 000	4 000	-	-	-	-
Indoor Facilities	-	-	-	-	4 000	4 000	-	-	-	-
Outdoor Facilities	-	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-	-
Monuments	-	-	-	-	-	-	-	-	-	-
Historic Buildings	-	-	-	-	-	-	-	-	-	-
Works of Art	-	-	-	-	-	-	-	-	-	-
Conservation Areas	-	-	-	-	-	-	-	-	-	-
Other Heritage	-	-	-	-	-	-	-	-	-	-
Investment properties	1 318	-	894	-	-	-	-	-	-	-

Revenue Generating	1 318	-	894	-	-	-	-	-	-
<i>Improved Property</i>	-	-	-	-	-	-	-	-	-
<i>Unimproved Property</i>	1 318	-	894	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
<i>Improved Property</i>	-	-	-	-	-	-	-	-	-
<i>Unimproved Property</i>	-	-	-	-	-	-	-	-	-
Other assets	424	186	2 404	750	1 000	1 000	2 390	2 490	2 603
Operational Buildings	424	186	2 404	750	1 000	1 000	2 390	2 490	2 603
<i>Municipal Offices</i>	372	32	2 389	750	1 000	1 000	2 390	2 490	2 603
<i>Pay/Enquiry Points</i>	-	-	-	-	-	-	-	-	-
<i>Building Plan Offices</i>	-	-	-	-	-	-	-	-	-
<i>Workshops</i>	52	154	14	-	-	-	-	-	-
<i>Yards</i>	-	-	-	-	-	-	-	-	-
<i>Stores</i>	-	-	-	-	-	-	-	-	-
<i>Laboratories</i>	-	-	-	-	-	-	-	-	-
<i>Training Centres</i>	-	-	-	-	-	-	-	-	-
<i>Manufacturing Plant</i>	-	-	-	-	-	-	-	-	-
<i>Depots</i>	-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
<i>Staff Housing</i>	-	-	-	-	-	-	-	-	-
<i>Social Housing</i>	-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-
<i>Servitudes</i>	-	-	-	-	-	-	-	-	-
<i>Licences and Rights</i>	-	-	-	-	-	-	-	-	-
<i>Water Rights</i>	-	-	-	-	-	-	-	-	-
<i>Effluent Licenses</i>	-	-	-	-	-	-	-	-	-
<i>Solid Waste Licenses</i>	-	-	-	-	-	-	-	-	-
<i>Computer Software and Applications</i>	-	-	-	-	-	-	-	-	-

<i>Load Settlement Software Applications</i>		-	-	-	-	-	-	-	-	-
<i>Unspecified</i>		-	-	-	-	-	-	-	-	-
Computer Equipment		131	7	-	-	-	-	-	-	-
Computer Equipment		131	7	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		243	11	35	200	200	200	1 285	1 342	1 401
Machinery and Equipment		243	11	35	200	200	200	1 285	1 342	1 401
Transport Assets		1 644	894	1 302	500	800	800	3 000	3 132	-
Transport Assets		1 644	894	1 302	500	800	800	3 000	3 132	-
Land		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	1	16 429	14 218	24 904	37 396	51 023	51 023	31 662	32 213	29 759
R&M as a % of PPE		1.2%	1.1%	2.0%	2.7%	3.6%	0.9%	2.5%	2.5%	2.3%
R&M as % Operating Expenditure		2.9%	2.5%	3.7%	6.1%	7.5%	7.5%	8.6%	4.6%	4.0%

6.1.7 Current and Planned Borrowings

The municipality has no current or planned borrowings.

Supporting Table SA17 Borrowing

Borrowing - Categorized by type	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Parent municipality									
Annuity and Bullet Loans									
Long-Term Loans (non-annuity)									
Local registered stock									
Instalment Credit									
Financial Leases									
PPP liabilities									
Finance Granted By Cap Equipment Supplier									
Marketable Bonds									
Non-Marketable Bonds									
Bankers Acceptances									
Financial derivatives									
Other Securities									
Municipality sub-total	-	-	-	-	-	-	-	-	-
Entities									
Annuity and Bullet Loans									
Long-Term Loans (non-annuity)									
Local registered stock									
Instalment Credit									
Financial Leases									
PPP liabilities									
Finance Granted By Cap Equipment Supplier									
Marketable Bonds									

Non-Marketable Bonds									
Bankers Acceptances									
Financial derivatives									
Other Securities									
Entities sub-total	-	-	-	-	-	-	-	-	-
Total Borrowing	-	-	-	-	-	-	-	-	-
Unspent Borrowing - Categorized by type									
Parent municipality									
Long-Term Loans (annuity/reducing balance)									
Long-Term Loans (non-annuity)									
Local registered stock									
Instalment Credit									
Financial Leases									
PPP liabilities									
Finance Granted By Cap Equipment Supplier									
Marketable Bonds									
Non-Marketable Bonds									
Bankers Acceptances									
Financial derivatives									
Other Securities									
Municipality sub-total	-	-	-	-	-	-	-	-	-
Entities									
Long-Term Loans (annuity/reducing balance)									
Long-Term Loans (non-annuity)									
Local registered stock									
Instalment Credit									
Financial Leases									
PPP liabilities									
Finance Granted By Cap Equipment Supplier									
Marketable Bonds									
Non-Marketable Bonds									
Bankers Acceptances									
Financial derivatives									

Other Securities									
Entities sub-total	-	-	-	-	-	-	-	-	-
Total Unspent Borrowing	-	-	-	-	-	-	-	-	-

6.1.8 Municipal Credit Rating

The municipality currently does not have a credit rating.

6.1.9 Municipal Ratios

The table below depicts the Municipal Ratios.

Table SA 8: Municipal Ratios

Description of financial indicator	Basis of calculation	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<u>Borrowing Management</u>											
Credit Rating											
Capital Charges To Operating Expenditure	Interest & Principal Paid /Operating Expenditure	3.4%	0.1%	0.2%	0.0%	0.0%	0.0%	1.5%	0.0%	0.0%	0.0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	5.0%	0.1%	0.3%	0.0%	0.0%	0.0%	1.8%	0.0%	0.0%	0.0%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>											

Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity											
Current Ratio	Current assets/current liabilities	0.7	0.8	0.9	1.4	1.3	1.3	1.4	1.0	1.1	1.2
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.7	0.8	0.9	1.4	1.3	1.3	1.4	1.0	1.1	1.2
Liquidity Ratio	Monetary Assets/Current Liabilities	0.0	0.1	0.0	(0.5)	0.1	0.1	0.2	0.2	0.3	0.4
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		97.3%	187.5%	94.4%	73.8%	74.5%	74.5%	75.2%	88.4%	88.5%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		97.3%	187.5%	94.4%	73.8%	74.5%	74.5%	75.2%	88.4%	88.5%	88.6%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	53.5%	45.4%	51.5%	50.0%	38.9%	38.9%	72.0%	31.1%	31.2%	31.8%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within`MFMA' s 65(e))										
Creditors to Cash and Investments		48.5%	11.4%	12.7%	-547.1%	2063.0%	2063.0%	8.8%	235.4%	156.3%	131.5%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Distribution	Total Volume Losses (kℓ)										

Losses (2)	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	32.5%	26.1%	25.0%	28.0%	27.1%	27.1%	21.6%	27.9%	27.3%	27.9%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	29.4%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	2.7%	3.3%	2.5%	3.5%	4.2%	4.2%		6.1%	3.8%	3.9%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	24.8%	14.6%	8.8%	8.1%	7.7%	7.7%	1.1%	7.5%	7.5%	7.7%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	-	1 428.1	-	231.4	231.4	231.4	182.1	248.5	245.9	253.5
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	84.7%	70.9%	81.5%	79.5%	65.6%	65.6%	130.4%	48.1%	48.0%	48.2%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	12.4	29.7	24.7	(1.3)	0.4	0.4	17.5	1.2	2.0	2.3
<u>References</u>											
1. Consumer debtors > 12 months old are excluded from current assets											
2. Only include if services provided by the municipality											
<u>Calculation data</u>											
Debtors > 90 days											
Monthly fixed operational expenditure		32 656	38 142	41 487	38 930	42 331	42 331	28 148	45 072	45 170	46 967
Fixed operational expenditure % assumption		40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
Own capex		(92 828)	(78 641)	(67 085)	14 990	7 146	7 146	5 199	2 000	-	-
Borrowing		-	-	-	-	-	-	-	-	-	-

6.1.10 Employee Related Costs

The budgeted allocation for employee related costs for the 2022/23 financial year totals R192,1 million, which equals 27,4% of the total operating expenditure. The multi-year Salary and Wage Collective Agreement from SALGBC to be implemented from 1 July 2022 is CPI (4,9%) in terms of the agreement.

Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand		A	B	C	D	E	F	G	H	I
<u>Councillors (Political Office Bearers plus Other)</u>										
Basic Salaries and Wages		943	21	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		751	1 672	1 971	2 160	2 070	2 070	2 174	2 269	2 372
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		14 335	13 344	16 369	16 963	16 793	16 793	17 633	18 408	19 237
Sub Total - Councillors		16 029	15 036	18 340	19 123	18 863	18 863	19 806	20 678	21 608
% increase			(6.2%)	22.0%	4.3%	(1.4%)	-	5.0%	4.4%	4.5%
<u>Senior Managers of the Municipality</u>										
Basic Salaries and Wages		2 807	6 729	5 373	6 613	7 713	7 713	8 098	8 454	8 835
Pension and UIF Contributions		-	11	-	12	12	12	12	13	14
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		104	-	758	196	196	196	206	215	224
Motor Vehicle Allowance		172	-	-	-	-	-	-	-	-
Cellphone Allowance		31	179	165	212	192	192	202	211	220
Housing Allowances		14	-	-	-	-	-	-	-	-
Other benefits and allowances		132	-	1	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		3 260	6 918	6 297	7 033	8 113	8 113	8 518	8 893	9 293
% increase			112.2%	(9.0%)	11.7%	15.4%	-	5.0%	4.4%	4.5%

Other Municipal Staff										
Basic Salaries and Wages		78 991	103 969	100 727	100 327	113 695	113 695	122 695	128 094	133 858
Pension and UIF Contributions		16 177	16 334	17 984	17 742	18 315	18 315	19 231	20 077	20 981
Medical Aid Contributions		6 974	5 584	7 544	9 442	11 006	11 006	11 556	12 065	12 608
Overtime		9 600	1 475	9 783	8 928	11 627	11 627	10 894	11 373	11 885
Performance Bonus		6 320	6 817	6 339	7 576	8 324	8 324	8 740	9 124	9 535
Motor Vehicle Allowance		7 331	2 299	9 241	8 209	2 579	2 579	2 708	2 827	2 954
Cellphone Allowance		1 054	1 158	1 149	982	1 465	1 465	1 539	1 606	1 679
Housing Allowances		978	1 062	1 090	1 117	953	953	-	-	-
Other benefits and allowances		4 314	535	1 978	3 544	2 658	2 658	2 791	2 914	3 045
Payments in lieu of leave		-	-	3 251	-	-	-	-	-	-
Long service awards		-	3 457	1 844	1 098	1 098	1 098	1 153	1 204	1 258
Post-retirement benefit obligations		(4 059)	(7 893)	(5 787)	2 229	2 229	2 229	2 340	2 443	2 553
Sub Total - Other Municipal Staff		127 682	134 796	155 143	161 195	173 950	173 950	183 647	191 728	200 356
% increase			5.6%	15.1%	3.9%	7.9%	-	5.6%	4.4%	4.5%
Total Parent Municipality		146 971	156 751	179 780	187 351	200 925	200 925	211 972	221 299	231 257
			6.7%	14.7%	4.2%	7.2%	-	5.5%	4.4%	4.5%
Board Members of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance										
Cellphone Allowance										
Housing Allowances										
Other benefits and allowances										
Board Fees										
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations										
Sub Total - Board Members of Entities		-	-	-	-	-	-	-	-	-
% increase			-	-	-	-	-	-	-	-
Senior Managers of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										

Overtime									
Performance Bonus									
Motor Vehicle Allowance									
Cellphone Allowance									
Housing Allowances									
Other benefits and allowances									
Payments in lieu of leave									
Long service awards									
Post-retirement benefit obligations									
Sub Total - Senior Managers of Entities		-	-	-	-	-	-	-	-
% increase		-	-	-	-	-	-	-	-
Other Staff of Entities									
Basic Salaries and Wages									
Pension and UIF Contributions									
Medical Aid Contributions									
Overtime									
Performance Bonus									
Motor Vehicle Allowance									
Cellphone Allowance									
Housing Allowances									
Other benefits and allowances									
Payments in lieu of leave									
Long service awards									
Post-retirement benefit obligations									
Sub Total - Other Staff of Entities		-	-	-	-	-	-	-	-
% increase		-	-	-	-	-	-	-	-
Total Municipal Entities		-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS		156 751	179 780	187 351	200 925	200 925	211 972	221 299	231 257
% increase		6.7%	14.7%	4.2%	7.2%	-	5.5%	4.4%	4.5%
TOTAL MANAGERS AND STAFF		141 715	161 440	168 228	182 062	182 062	192 166	200 621	209 649

6.1.11 Supply Chain Management

The Abaqulusi Municipality currently has a Supply Chain Management unit that manages the flow of goods and services via the municipal SCM Policy. In order to give effect to the SCM Policy, the municipality has an established Bid Specification, Evaluation and Adjudication Committee that is fully functional.

The composition of the committees and members that serve on them is as follows:

Bid Specification Committee			
Name of Official	Department	Position	Position in Committee
MB Sibiya	MM's Office	Manager Office of the MM	Chairperson
ZD Gumbi	Community	Manager Environmental	Member
B Buthelezi	Finance	Manager Income	Member
S Mhlongo	Corporate	Manager HR	Member

Bid Evaluation Committee			
Name of Official	Department	Position	Position in Committee
L Dookhilal	Development Planning	Manager: IDP/PMS	Chairperson
CS Thungo	Finance	SCM Accountant	Member

PJ Ndlovu	Technical	Manager: Road & Storm water	Member
NC Khumalo	PMS	Manager : PMS	Member
TS Mthembu	Community	Manager Public Safety	Member

Bid Adjudication Committee

Name of Official	Department	Position	Position in Committee
MPE Mthembu	Finance	CFO	Chairperson
SP Dlamini	Corporate	Director	Member
JS Landman	Planning	Director	Member
T Xaba	Community	Director	Member
N Mbongwa	Technical	Director	Member
PH Nxumalo	Finance	SCM Manager	Member

6.1.11.1 SCM BID Committee Meetings held over the 2019/2020 Financial Year

Bid Specification Meeting		Bid Evaluation Meeting		Bid Adjudication Meeting	
Number of Meetings	Date	Number of Meetings	Date	Number of Meetings	Date
1.	27/07/2021	1.	07/07/2021	1.	15/07/2021

2.	31/08/2021	2.	04/08/2021	2.	12/08/2021
3.	28/09/2021	3.	08/09/2021	3.	16/09/2021
4.	19/10/2021	4.	06/10/2021	4.	15/10/2021
5.	16/11/2021	5.	03/11/2021	5.	11/11/2021
6.		6.	08/12/2021	6.	03/12/2021
7.	25/01/2022	7.	05/01/2022	7.	13/01/2022
8.	22/02/2022	8.	02/02/2022	8.	10/02/2022

6.1.12 Auditor General's Opinion and 2019-2020 Action Plan

Over the last 3 financial years the Abaqulusi Municipality has received the following Opinion from the Auditor General.

- 2017/2018 – Qualified
- 2018/2019 – Unqualified
- 2019/2020 – Qualified
- 2020/2021 - Qualified

In addressing the issues raised by the Auditor General in order to improve its financial affairs and performance, the AbaQulusi Municipality has in place an Audit Action Plan which it is currently implementing.

Component affected	Nature of finding as per Management Report	Management comment in response to finding	Action required	Start Date	End Date	Department/ Official Responsible for Implementation	Reported progress	Status
Asset Management	<p>1. Meters inaccurately removed from the asset register In performing the audit of PPE prior period adjustment relating to prepaid meters as disclosed in note 42 to the annual financial statements (AFS), the following issues were identified:</p> <p>(a) The total number of prepaid meters of 4 627 written off as per the supporting calculation to the adjustment could not be reconciled to a detailed meter report from the Contour system as was requested at the draft management report meeting on 3 December 2021. As per the prior year meter listing that was provided as part of the expert's report from Mamellang Technologies cc dated 24 February 2021, the total of 4 627 is for conventional meters and not prepaid meters. On removing duplicates, this become 4 524. The total prepaid meters on the meter listing is 15 202 and this was not factored in the calculation.</p> <p>(b) The 794 Sasko prepaid meters costing R2 309 063 as per the prior year asset register were not considered in the supporting calculation provided for the write-off of prepaid meters.</p> <p>(c) The cost of R10 500 per meter as per the supporting calculation includes costs applicable to the entire network as it contains costs such as project engineering, network planning etc. Based on the previous valuation of prepaid meters that was provided the municipality, the cost per meter was R531.</p> <p>(d) Section 4 "Assigning asset categories" of the expert's report from Mamellang Technologies cc dated April 2014, the useful lives for meters is 20 years which is inconsistent with the useful lives used in the calculation of 45 years (540 months /12).</p> <p>Consequently, this results in a material misstatement of the prior year adjustment as follows:</p> <p>(a) The total prepaid meters relating to a network cost of R245 560 425 as per the prior year asset register was not removed from the cost of the electricity network, only conventional meters have been removed. The actual number of prepaid meters that should be written off could not be confirmed.</p> <p>(b) The accuracy of the removal of the Sasko prepaid meters with a cost of R2 309 063 as per the prior year asset register could not be confirmed.</p> <p>(c) The asset register is overstated by prepaid meters not removed by an estimated amount of R8 072 262 (15 202 x 531). Conventional meters for electricity and water is understated by an amount to be determined as the R10</p>	<p>Management notes the finding and responds as follows:</p> <p>(a) The total number of meters considered for removal in the FAR should be 19 729, which is made up of 15 205 prepaid meters and 4 524 conventional meters as these were included in the original calculation of the meters. Based on the meter cost of R10 500, the adjustment to the cost will be R207 154 500 as well as the resultant depreciation. A Journal was proposed.</p> <p>(b) Also, the cost of the Sasko prepaid meters costing R2 309 063 will be removed from the PPE as well as the resultant depreciation. A Journal was proposed.</p> <p>(c) It must be noted that R531 is the cost of an individual meter but not necessarily a cost of installing the meter and therefore, the municipality used the value of R10 500 to properly reflect the effect of a meter installation.</p> <p>(d) The reversal of the meters costs will also result in the reversal of the related accumulated depreciation that has been previously been charged on the meters. However, the municipality will also adjust the accumulated depreciation on the remaining network cost to align it to the asset management policy on depreciation. <u>Refer to page 52 to 53 of MR</u></p>	<p>Obtain supporting information for the project costs for the meter insallations and costs per meter. Obtain supporting information for total number of meters installed. Allocate cost per meter for write off. Alternetively if the actual costs for the meters cannot be obtained, calculate the deemed cost.</p>	01-Jul-21	31-Jul-22	CFO	The expenditure unit is currently compiling supporting information for the expenditure incurred during the project.	No Progress

	<p>500 used in the calculation is unreasonable.</p> <p>(d) The useful life used to calculate accumulated depreciation is inaccurate. <u>Refer to page 50 to 51 of MR</u></p>							
Asset Management	<p>2. Land schedule provided for reclassification does not include erf numbers In performing the audit of PPE, the prior period adjustment of R55 107 213 relating to land reclassification, management provided a schedule including details of the reclassified land with GPS coordinates however no erf numbers were provided. The municipality's rights to this land cannot be confirmed with GPS co-ordinates as this cannot be agreed to details from the Deeds Office or to the municipal valuation roll. Consequently, this results in a material limitation of scope in auditing the land reclassification amounting to R55 107 213. <u>Refer to page 54 of MR</u></p>	<p>Management notes. Please see Annexure A with SG codes. The codes have erf numbers in them. <u>Refer to page 54 of MR</u></p>	<p>A schedule was prested to AGSA with ERF numbers. AGSA concluded that there were properties wich could not be verified with a deeds search as belonging to the municipality and there were duplicated assets on the register. 1.) Obtain title deeds for the land belonging to the municipality from the planning department.</p>	01-Jul-21	31-Jul-22	CFO	The process has not been started yet.	No Progress
Asset Management	<p>3. Average useful lives inconsistent with the accounting policy Inconsistencies were identified between the average useful lives according to the accounting policy note in the AFS and the actual useful lives according to the AR. Furthermore it could not be determined how the useful lives were reviewed and revised in the current year as a report and calculation of how this was performed was not provided for audit and no disclosure was made of this change in estimate in the notes to the AFS. Consequently, the average useful lives as per the accounting policy note are no longer the best estimate to disclose in the AFS and reasonability of the useful lives used in depreciation calculation in the AR could not be confirmed. Furthermore, the change in estimate disclosure required by paragraph 41 of GRAP 3 was not included on the AFS. <u>Refer to page 64 to 65 of MR</u></p>	<p>Management accepts the finding. The asset useful life in the original register was in no way linked to the depreciation calculations. All depreciation was calculated using the adjusted remaining useful life. The useful life does not appear to have been updated and was imported as presented. To mitigate any errors that we may have in asset useful life we propose the following: The remaining useful life be recalculated using the estimates of remaining useful life as provided by Treasury which is detailed in the asset policy as a percentage of the useful life as detailed in the POLICY (Column AO) of the attached fixed asset register. This has been calculated in column AQ. The useful life Column AP is calculated by adding the asset age and the new remaining useful life. The final remaining useful life (Column AR) is calculated using the new useful life and the asset age. <u>Refer to page 64 to 65 of MR</u></p>	<p>The report and calculation of the review and revision of the useful lives should be submitted to the auditors. The accounting policy note for average useful lives should be reviewed and updated to ensure they are still the best estimate based on the experience with similar assets. The change in accounting estimate should be diclosed in the AFS in accordance with GRAP 3.</p>	01-Jul-21	31-Jul-22	CFO	The process has not been started yet.	No Progress

Asset Management	<p>4. Fully depreciated assets still in use Two hundred and eighteen (218) fully depreciated assets were still in use at reporting date however no evidence was provided that they were assessed for a change in estimate.</p> <p>Consequently, assets may be understated. <u>Refer to page 68 to 69 of MR</u></p>	<p>Management notes the finding. For fully depreciated assets, some are taken care of by the adjustment in the useful life. Those that are not taken care of having been treated in columns BC – BG. The reversal of depreciation has been calculated for the assets with 0 carry value. <u>Refer to page 68 to 69 of MR</u></p>	<p>Management must assess at year end whether there is any indication that the municipality's expectations about the residual value and the useful life of an asset have changed since the previous reporting date.</p>	01-Jul-21	31-Jul-22	CFO	The process has not been started yet.	No Progress
Asset Management	<p>5. Work in progress with no movement not assessed for impairment There were projects (WIP) had no movement in the current year however no evidence was provided that they were assessed for impairment. Consequently, assets may be overstated. <u>Refer to page 70 to 71 of MR</u></p>	<p>Management notes the finding and provides the following response. These projects were verified during the year under audit and no indicators of impairment were identified. Construction was halted due reprioritization of funds due to COVID-19 pandemic, construction as set to resume in the 2021/2022 financial year. <u>Refer to page 71 of MR</u></p>	<p>Review the WIP register to identify projects with indicators of impairment and physically verify projects with slow or no movement for impairment indicators.</p>	01-Jul-21	31-Jul-22	CFO	The process has not been started yet.	No Progress
Revenue Management	<p>6. Properties not billed for solid waste, sewerage and sanitation In performing the audit of service charges as disclosed in note 19 to the AFS, the following issues were identified: (a) Non-vacant stands not billed for refuse removal. Given that these properties were not billed, the amount that should have been billed for the year was calculated based on the approved tariff for the type of properties. (b) Properties billed for water but not billed for sewerage and sanitation: Consequently, revenue from solid waste is understated by a projected amount of R4 466 477,12 and revenue from sewerage and sanitation charges is understated by a projected amount of R24 835 593,88. Receivables from exchange transactions relating to the same revenue type is understated by the same projected amount. The impact on surplus for the year is understatement by a projected amount of R29 302 071. Furthermore, there is a material non-compliance with section 64(2)(e) of the MFMA in that the municipality did not recognise the revenue when it was earned. <u>Refer to page 73 to 74 of MR</u></p>	<p>Management agrees with the finding. When the tenants accounts were closed, tariffs were not linked to owner accounts. The municipality intends to investigate the reasons for this through a detailed data cleansing exercise and monthly reconciliation. <u>Refer to page 75 of MR</u></p>	<p>a) Revenue manager to investigate if refuse is being collected from the properties identified by AG. If it is found that refuse is being collected , the accounts will be billed. b) Perform meter audit (to identify how many meters the municipality has at the properties, identify which ones are functional and which meters are not working)(for water consumption which is the actual issue identified by AG).</p>	01-Jan-22	30-Jun-22	Revenue Manager	Investigation is in progress.	In progress

Expenditure Management	<p>7. Inadequate support for invoices on Gardening services In performing the audit of contracted services "Gardening services" as disclosed in note 34 to the AFS, issues were identified on the invoices submitted in support of the expenditure. The issues result in a material limitation of scope in auditing the contracted services "Gardening services" amount of R9 291 015 as sufficient appropriate evidence has not been provided to support the expenditure which will result in a modification of the audit opinion. <u>Refer to page 76 to 85 of MR</u></p>	<p>Supervision of gardening services contractor is monitored weekly using signed a grass cutting schedule. Invoices are signed on the basis of this documentary evidence which is done for every month <u>Refer to page 85 of MR</u></p>	Community services department to attach supporting evidence for the monitoring of gardening services.	01-Jul-21	30-Jun-22	Director Community Services		In progress
Expenditure Management	<p>8. Inadequate support for invoices on Water Tankers In performing the audit of outsourced services "Water Tankers" as disclosed in note 34 to the AFS, there were issues identified on the invoices submitted in support of the expenditure. The issues result in a material limitation of scope in auditing the outsourced services "water tankers" amount of R1 948 596 as sufficient appropriate evidence has not been provided to support the expenditure and will be aggregated with other misstatements and evaluated for reporting based on materiality. In addition, invoice number INV0055 below was not accounted for appropriately. Consequently, outsourced services "Water Tankers" expenditure in the current year and accumulated surplus are overstated by R208 150, and surplus in the current year is understated by the same amount. Receivables are understated by R120 495 relating to the overpayment to the service provider. <u>Refer to page 86 to 89 of MR</u></p>	<p>DIKIDA TRANSPORT, MSUFTU AND ZAMADLOMO (RESPONSE TO THE PROOF OF SERVICE RENDERED TO CONSUMERS) Abaqulusi delivers water to various areas, there is a standard roster which is used and the ward councillors are aware of this roster and the days in which water is supplied to their various areas in their wards. Water has always been distributed together with a person who is designated by the ward councillor. This approach is used even when the water is supplied on emergency basis, where the municipality will rely on the ward councillor or the person allocated by the ward councillor to control and gage the level of service and also as a proof that the service does reach the intended consumers. Abaqulusi LM has a supervisor who is in charge of filling the water tankers and keeps records of water tankered to various communities. This gives a tool to monitor the service from the beginning or inception by the municipality. There is always constant communication between the supervisor and the ward councillors/ person allocated by the ward councillor as the communication or contact person. The amount of work recorded at the water point shows the number of loads that is collected and this is recorded by the supervisors at water. Dikida Transport was appointed to deliver water during the emergency. The service provider was made to deliver at least a minimum of five (5) water load per day. It must also be noted that when the water tankers were employed an order had to be created with a certain amount in rands and cents this required forecast of the expected number of load to be delivered to these various areas in a day and also the estimate of expected distance in kilometres to be travelled. This then require an estimate base on the expected load of work. The distance that is travelled in in many case is more than the one indicated in the quotation because of extended distance that the water tanker has to travel to bring water to each and every household that has to be supplied with water, however the service provider is always</p>	Technical services department to attach supporting evidence for the monitoring of water tankers.	01-Jul-21	30-Jun-22	Director Technical Services	A panel of service providers has been appointed to provide water tankers. We are developing a register to be used as a monitoring tool.	In progress

		<p>paid base on the estimate that they provide. The records that are kept by the supervisor are relied on to calculate the estimate work load. The records that are kept at the water point are used as the report of the service rendered. The constant communication with the ward councillor is always used as a measure to gauge that the service was delivered.</p> <p>It should be noted that the Municipality has since developed a system of service feedback (happy letter/ Customer feedback letter) which will serve as a tangible proof in black and white to confirm and gage the service. This will be a report from the councillor or the councillor's representative. This will forward address the level of satisfaction and provide confidence that the service did reach the intended communities. In the past the Municipality had relied on the ward councillors or the ward councillors' representatives for such feedback and gaging of the service.</p> <p>ZAMADLOMO (RECORDS OF WORKS THAT WAS DONE BY ZAMADLOMO SEE ATTACHMENTS NUMBERED A& B)</p> <p>The invoice was based on a quotation that clearly stipulating the require wor. The invoice could have been clear and accurately to the indicate exactly what was in the quotation, however it should always be read in conjunction with the related quotation which simple request that water be tankered to various areas as identified. The driver of Zamadlomo is not the employee of the Municipality; the Municipality had again relied on the information that was provided by the water point supervisor. The iteneral indicated the distance or places that the driver travelled to deliver water to the areas.</p> <p>DIKIDA TRANSPORT (PROOF OF OVERSTATED EXPENDITURE SEE ATTACHEMENTS NUMBERED)</p> <p>The service provider (Dikida Transport) was in this case requested to deliver at least a minimum of five water loads per day in various areas, this is evident on the record that are attached. If is factored into the calculation the amount that was paid to the service provider is justifiable or the amount paid is equal to the amount that was in the order. There is a record that was errously omitted. This will balance the amount that was paid to the service provider i.e. the daily rate and the kilometres that were travelled to various areas.</p> <p>There was an error on the memorandum with respect to 14 days, the service was requested in January for a period of 30 days which was paid and correspond to the order amount and the amount of work done.</p> <p>Attached is proof of work done by Dikida that</p>						
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		was not attached with the initial invoice :labelled 1,2,3,&4 <u>Refer to page 90 to 91 of MR</u>						
Water losses	<p>9. Supporting documents for water units purified not provided for audit Request for information (RFI) 133 was issued on 16 November 2021 and was due on 19 November 2021 however, the following still remains outstanding;</p> <ul style="list-style-type: none"> • Signed reports/sheets supporting the water-purified units per purification plant per month during the 2020/21 financial year. <p>Management only submitted the excel spreadsheet with number of units purified. Consequently, this results in a material limitation of scope on the audit of water losses totalling 71 899 449 units in note 33 to the AFS and a modification of the audit opinion. <u>Refer to page 93 of MR</u></p>	<p>None <u>Refer to page 93 of MR</u></p>	Awaiting the required actions to clear the findings from the CFO and technical director					No Progress

Performance Management System	10. Inconsistencies between planned and reported key performance indicators Audit Finding During the audit of the annual performance report (APR), it was identified that initially planned key performance indicators (INITIAL SDBIP) (KPIs) were excluded on the adjusted SDBIP approved by the Acting Mayor on 15 March 2021 however the APR does not include reporting on the initial and the amended plan (i.e. organisational scorecard) to account for performance and related utilised funding against both plans for the following KPIs (Basic services delivery & infrastructure development). Consequently, this results in inconsistencies between reported KPIs and planned KPIs and will be evaluated for reporting based on materiality. <u>Refer to page 95 of MR</u>	Communication finding noted, the preparation of the Annual Performance Report was prepared guided by section 46 of the Local Government Municipal Systems Act 32 of 2000. The municipality always relies on the previous audits for best practice and incorporate recommendations. In the absence any further legislative guideline to also report on all the initially prepared KPIs the PMS Framework will be revised together with Annual Performance Reporting template and will be taken to council for endorsement. <u>Refer to page 96 of MR</u>	AG to provide legislation guiding that initially planned KPIs that were removed during SDBIP Adjustment must be reported in the APR			AGSA	No specific legislation provided by AG after request was made during the meeting	Require guidance as there will be an adjusted APR soon going to council for approval and certain targets will be removed due to budget and other constraints
Performance Management System	11. Reported actual achievement not supported For the below key performance indicators (Basic services delivery & infrastructure development) of which the actual achievement is cumulative, management has not submitted a detailed schedule or billing report of households (i.e. consumer number, name, surname, street address, ID number etc.) that reconciles to the reported actual achievement in the APR, instead a billing report with consolidated household figures has been submitted. Furthermore, a reconciliation of the current (2021/2022) additions/movements to the current year reported actual achievement could not be provided for audit. Consequently, this results in a material limitation of scope on the audit of the above indicators. <u>Refer to page 97 of MR</u>	Management disagrees with the finding. The billing report provided in support of the APR. Considering that households which had access to sanitation were 16859 and water were 18321. The billing report is a summarized version of all the households that had access to water and sanitation during the period 2020/21 and it is used a PoE to be provided as defined in the Organisational Scorecard, Annexure "A" during the planning period under Column PoE. The municipality consider this information as reliable and manageable version and never had any challenges in the previous audit in this regard and therefore regarded it as reliable, however if the auditee wishes to be provided with a detailed report and view all the reported households the management has therefore provided it in the attached supporting document. The current (2021/2022) additions/movements to the current year reported actual achievement is also provided. <u>Refer to page 98 of MR</u>	Technical Services to provide alternative PoE to adequately support households actually provided with basic level of water, sanitation and electricity. Internal Audit to assist on the completeness of the information. 2021/22 SDBIP Adjustment to be submitted to Council with the adequate information(PoE)	31-Mar-22	30-Jun-22	Technical Services, NW Mbongwa	Request made to Technical Services to provide adequate and reliable information for further review by Internal Audit Manager	Evidence for some reported achieved targets cannot be reliably be confirmed. The technical team is in the process of resolving the issues identified. Awaiting further information from technical for basic service delivery
Performance Management System	12. Inadequate corrective measures A review of the measures taken to improve performance as disclosed in the annual performance report (APR) revealed the following issues: 1. Performance targets express a specific level of performance that the municipality is aiming to achieve within a given time period. The initial step in setting performance targets is to identify the baseline, which in most instances is the level of performance recorded in the year prior to the planning period. The current level of performance of which the municipality should aim to improve will not be achieved by revision of performance targets. The corrective measure does not address the root cause that resulted in the target not being met so that corrective action can be taken to rectify the matter in future. Furthermore, the reason for variance incorrectly states a	Management agrees with the finding will amend the APR to ensure adequate corrective measures. Amendments proposed on corrective measures have been indicated in green colour font. The review processes will be further strengthened during 2021/22. The role players will also be revived to improve performance information. There will also be workshops coordinated to improve oversight by all structures in performance management i.e., audit structure, council structures and management structures. <u>Refer to page 102 of MR</u>	Corrective measures reviewed in the 2020/21 APR. The review processes will be undertaken in the 2021/22 Performance Reports. Workshops will requested from CoGTA to strengthen the capacity of all role players	31-May-22	30-Jun-22	All Senior Managers	In progress, corrective measures were reviewed in 2020/21 APR. Issues of audit also discussed in the Mid-year performance review meeting held 23 January 2022 and corrective measures were strengthened in the 2021/22 Mid-year performance assessment report. Close monitoring will undertaken by PMS Manager and the Acting Municipal Manager	No consequence management whereby corrective measures are not implemented by management. Vacancy rate an issue as there not enough human resources to complete tasks timeously

	<p>figure of 18 900 instead of 16 859 as per the reported actual achievement.</p> <p>2.The SDBIP is a detailed plan, approved by the Mayor of a municipality, for implementing the municipality's planned service delivery and its annual budget. The performance indicator should have been budgeted for when it was included in the SDBIP and target set. The corrective measure does not address the root cause that resulted in the target not being met so that corrective action can be taken to rectify the matter in future.</p> <p>Consequently, this results in inadequate presentation and disclosure of the APR and therefore a modification of the audit opinion on performance information. <u>Refer to page 99 to101 of MR</u></p>							
Performance Management System	<p>13.Key performance indicator not well defined The following key performance indicator (KPI)(% of construction of emergency interventions completed by 30 Sep 2020) does not specify the type of emergency interventions related to curbing the spread of COVID19 <u>Refer to page 105 of MR</u></p>	<p>Disagree with the finding the project was meant to address operational and maintenance issues on water and sanitation infrastructure to curb the spread of COVID 19 on different areas, hence the wards have been indicated in the Organisational Scorecard and was indeed an emergency intervention. <u>Refer to page 105 of MR</u></p>	<p>multiple interventions within one project will be broken down for well definition. Any projects operational in nature will be dealt with within the department of Technical Services. Considerations will be made in the 2021/22 SDBIP Adjustment</p>	01-Mar-22	31-Mar-22	All Senior Managers, PMS Manager	In progress, 2021/22 SDBIP adjustment will be finalised and submitted to Council for approval by end of February 2022	None
Revenue Management	<p>14.Interest not charged on debt in arrears In performing the audit of non-compliance with key legislation in respect of the revenue management subject matter, it was identified that no interest was charged on all debt in arrears for the 2020/21 financial year even though no exemption was granted by council. Consequently, this has resulted in the following of which will be evaluated for reporting based on materiality:</p> <ul style="list-style-type: none"> • Understatement of interest charged on debtors and receivables • Non-compliance with section 64(2)(g) of the MFMA • A possible financial loss to the municipality <p><u>Refer to page 105 of MR</u></p>	<p>Management have perused the policy and it was noted that interest was not charged on all services which is inconsistency with the tariff policy adopted by council. Management has calculated the interest impact for 2019/2020 and 2020/2021 which is R5 126 837.31 and R7 946 285.62 respectively. Management have attached the calculations which are Annexure A and B as well as Annexure C, as Prime Rates. There were journals proposed. <u>Refer to page 108 of MR</u></p>	<p>1. The Creditors Control and Debtors collection policy needs to be updated to indicate that interest is only charged on rates. 2. Management must calculate forgone interest from prior years and present it to council for write-off.</p>	01-Jan-22	30-Jun-22	Revenue Manager	Updating of the Creditors Control and Debtors collection policy is in progress.	In progress

Supply Chain Management	<p>15. Unauthorised, irregular and fruitless and wasteful expenditure not prevented</p> <p>In performing the audit of disclosure notes, it was identified that the municipality incurred the following unauthorised, irregular and fruitless and wasteful expenditure during the 2020-21 financial year:</p> <p>Unauthorised expenditure (Note 46) R 87 741 863</p> <p>Fruitless and wasteful expenditure (Note 47) R 8 063 478</p> <p>Irregular expenditure (Note 48) R 27 588 723</p> <p>The expenditure</p> <p>a) occurred in both the current and prior years;</p> <p>b) related to the same transgression in both the current and prior year</p> <p>i) unauthorized: overspending on the budget votes</p> <p>ii) fruitless and wasteful: interest charged on overdue accounts</p> <p>iii) irregular: competitive bidding not being followed; and</p> <p>c) could have been avoided had reasonable care been taken</p> <p>Furthermore, the mayor did not authorise unforeseeable and unavoidable expenditure for which no provision was made in an approved budget and the total unforeseen and unavoidable expenditure incurred during the current year for which no provision was made in the approved budget exceeded the greater of R 5 million or 4% of own revenue .</p> <p>Consequently, this results in material non-compliance with section 62(1)(d) and 29(1) of the MFMA and section 72(b) of the municipal budget and reporting regulations .</p> <p>Refer to page 109 of MR</p>	<p>Management accepts the finding and management noted the Auditor's recommendation and the Municipality is on the stage to appoint panels of service providers to avoid irregular expenditures. With regard to fruitless and wasteful expenditure, the municipality is experiencing cashflow constraints and as a result is incurring penalties and interest due to late payment. Unauthorised expenditure was condoned by council at 30 June 2021.</p> <p>Refer to page 110 of MR</p>	<p>1. Unauthorised Management to budget for the following non-cash items:</p> <p>Employee related cost - Leave Pay Provision</p> <p>Depreciation and amortisation</p> <p>Finance charges - Service & Interest</p> <p>Cost Post Employee Benefits</p> <p>Provision of impairment</p> <p>Inventory write down</p> <p>Unauthorised expenditure on cash items was due to user departments, allocating expenditure to incorrect segments.</p> <p>Amend SCM SOP to include a process of reviewing the segments and verify the availability of the budget by Financial planning before submitting the request for goods to SCM.</p> <p>2, Fruitless and wasteful expenditure Revenue enhancement strategy to be implemented to assist the municipality with cashflow matters.</p> <p>3. Irregular Expenditure</p> <p>Conduct voucher audit of SCM transactions to confirm implementation of the SCM Compliance Checklist.</p> <p>Internal Audit to assist MPAC in conducting investigations of identified irregular expenditure.</p>	20-Jan-22	30-Jun-22	SCM Manager	<p>A voucher audit and the review of all SCM transactions is in progress.</p> <p>The SCM Checklist and SCM SOP have been updated and awaiting approval from the CFO.</p>	In progress
Supply Chain Management	<p>16. Unauthorised and irregular expenditure not investigated</p> <p>In performing the audit of disclosure notes, the following issues were identified:</p> <p>(a) Instances of unauthorised expenditure reported in previous years amounting to R267 800 878 as disclosed in note 46 to the AFS was not investigated.</p> <p>(b) Instances of irregular expenditure reported in previous years amounting to R188 410 933 as disclosed in note 48 of the AFS was not investigated.</p> <p>Consequently, this results in a material non-compliance to section 32(2)(b) of the MFMA.</p> <p>Refer to page 111 of MR</p>	<p>Management accepts finding that unauthorized expenditure of R 267 800 878 and irregular expenditure of R 192 373 991 was not investigated adequately. Management has tasked the Internal Audit unit to investigate these transgressions and will be reported in the 2021/2022 audit year.</p> <p>Refer to page 111 of MR</p>	<p>Internal audit to assist MPAC in the investigation of UIFW expenditure.</p>	20-Jan-22	30-Jun-22	SCM Manager		In progress

Supply Chain Management	<p>17. Reason for deviations not justifiable In performing the audit of procurement and contract management, it was identified that the following procurement through deviations from competitive bidding processes were approved by the Municipal manager on the basis of it being an emergency or exceptional case/impracticability, however the reasons provided for emergency or exceptional case/impracticability circumstances are not justifiable. Consequently, the expenditure incurred from the above non-compliance with SCM regulations (i.e. unjustifiable deviations) results in irregular expenditure of an amount to be determined. Furthermore, the note 49 disclosure of deviations from SCM regulations is materially misstated and will result in a modification of the audit report. <u>Refer to page 112 to 119 of MR</u></p>	<p>Management disagrees with audit finding <u>Refer to page 119 to 122 of MR</u></p>	<p>The municipality will appoint a panel of service providers through a process of competitive bidding for services which are normally required on an emergency basis. Review regulation 36 and 32 SCM deviations and indicate and any irregular expenditure to be included in the irregular register. Deviations which are not justifiable will be subjected to investigation and disciplinary action to be taken by the Dicipinary Board.</p>	01-Jul-21	15-Jul-22	SCM Manager	<p>The municipality appointed a panel of service providers through a process of competitive bidding for services which are normally required on an emergency basis. Quarter one and two deviations have been reviewed and a report was issued to the SCM Manager.</p>	In progress
Supply Chain Management	<p>18. Reason for deviations not justifiable In performing the audit of procurement and contract management, it was identified that the following procurement through deviations from competitive bidding processes were approved by the Municipal manager on the basis of it being an emergency or exceptional case/impracticability, however the reasons provided for emergency or exceptional case/impracticability circumstances are not justifiable. Consequently, the expenditure incurred from the above non-compliance with SCM regulations (i.e. unjustifiable deviations) results in irregular expenditure of an amount to be determined. Furthermore, the note 49 disclosure of deviations from SCM regulations is materially misstated and will result in a modification of the audit report. <u>Refer to page 123to 131 of MR</u></p>	<p>Management disagrees with audit finding <u>Refer to page 132 to 135of MR</u></p>	<p>The municipality will appoint a panel of service providers through a process of competitive bidding for services which are normally required on an emergency basis. Review regulation 36 and 32 SCM deviations and indicate and any irregular expenditure to be included in the irregular register. Deviations which are not justifiable will be subjected to investigation and disciplinary action to be taken by the Dicipinary Board.</p>	01-Jul-21	31-Jul-22	SCM Manager	<p>The municipality appointed a panel of service providers through a process of competitive bidding for services which are normally required on an emergency basis. Quarter one and two deviations have been reviewed and a report was issued to the SCM Manager.</p>	In progress
Supply Chain Management	<p>19. Performance of service providers not monitored monthly The contracts and project progress reports for the following bidders were not provided for audit therefore it could not be confirmed that the performance of the contractor was monitored monthly or that contract performance measures and the methods were sufficient to ensure effective contract management. Consequently, the performance of service providers was not monitored monthly, as required by section 116(2)(b) of the MFMA and the non-compliance will be reported in the audit report. <u>Refer to page 137 to 138 of MR</u></p>	<p>Management Disagrees with the finding: the performance of service providers is monitored monthly and this is confirmed by user departments who signs monthly invoices as evidence of services being rendered and performance being monitored. <u>Refer to page 139 of MR</u></p>	<p>Performance of contractor's form must be sent to the relevant departments monthly. To update the External Service Provider Assessment Form to include assessment date and munites of the engagement with the supplier need to be filed as proof of assesment and engagment with the service provider regarding the assessment.</p>	20-Jan-22	30-Jun-22	SCM Manager	<p>The External Service Provider Assessment Form has been updated.</p>	In progress

Supply Chain Management	20. Local content and production not specified During the audit of procurement, it was noted that the request for quotations/ tenders did state the requirements of the local content however, the minimum threshold for local production and content was not specified in the request for quotation/tender. <u>Refer to page 140 to 141 of MR</u>	Management disagree with the finding as the above list of service providers were appointed on a panel of service providers and the Local production and Content requirement was part of their tender documents and they filled in as required. <u>Refer to page 141 of MR</u>	Develop SCM Checklist for Local Content to include the processes to be followed by municipal officials when requesting and awarding quotations or tenders for designated sectors.	20-Jan-22	28-Feb-22	SCM Manager	Developed SCM Checklist for Local Content to include the processes to be followed by municipal officials when requesting and awarding quotations or tenders for designated sectors.	In progress
Supply Chain Management	21. Suppliers whose tax status was not in order or cleared by SARS During the audit of procurement and contract management, it was noted that the following suppliers' did not provide proof that their tax matters were in order or cleared by SARS when the bids from the suppliers were considered and awarded. Consequently, this results in a material non-compliance to be reported in the management and audit report and the expenditure incurred should be disclosed as irregular in the annual financial statements. <u>Refer to page 142 of MR</u>	Five service providers that were non compliant. 1. Luzuko Trading 2. Mancinza Civil 3. Mathiyane Construction 4. Matsiya Construction 5. Ethala Constryction During the appointment of the above mention service providers, the CSD possible was not working. Attached are the CSD Records <u>Refer to page 142 of MR</u>	SCM Manager to monitor implementation of the compliance checklist before making the order. Expenditure manager must also monitor the implementation of the compliance checklist before making the payment. Conduct voucher audit of SCM transactions to confirm implementation of the SCM Compliance Checklist. Internal Audit to assist MPAC in conducting investigations of identified irregular expenditure.	20-Jan-22	30-Jun-22	SCM Manager	A voucher audit and the review of all SCM transactions is in progress.	In progress
Supply Chain Management	22. Interest payment to Msuftu Transport and Mahalla Building not prevented On 8 September 2020 the municipality was sent a letter of demand by Tenza Attorneys on behalf of their clients, Msuftu Transport (Pty) Ltd and Mahalla Building Restorations CC respectively. The following was indicated; • Msuftu Transport was contracted to Abaqulusi Local Municipality to render services, pursuant to which the said services were accordingly rendered for the period of February 2015 until October 2015. • Following completion of such services, Abaqulusi Local Municipality became liable for payment therefor in the total sum of R3 872 588,69. • Since the last date of completion of the services, no payments was effected by Abaqulusi Local Municipality to Msuftu Transport • As a result of the above, the total amount of accrued interest is R3 243 293,22. • Likewise, alternatively, concomitantly with the above entity, Mahalla Building was also contracted to the Abaqulusi Local Municipality to render services, which were duly performed during same period as the Msuftu Transport hereinabove. • Upon completion of the aforementioned services, Abaqulusi Local Municipality became liable to the Mahalla Building entity for the total sum of R985 361,28.	Management accepts the Auditor's finding, that such liability could have been prevented, however the dispute or claim emanated in 2015. The present Management and Administrator was not part of the municipality at the time this claim was instituted and didn't have historical knowledge to make any assertions. Therefore, an investigation had to be conducted to establish the legality of the claim prior to any settlement. Management has tasked the Internal Auditor to have this expenditure investigated. Outcomes of this investigation will be provided and reported in the 2021/2022 Financial year. The financial loss pertains only to the Municipality and no other public sector institution was affected by such resolution or actions. Management has implemented cost containment measures and procurement plans as part of the adopted 2021/2022 budget, which will prevent procurement without proper planning. <u>Refer to page 145 to 146 of MR</u>	Internal audit has conducted an investigation to identify who is liable and make further recommendations to the audit committee and council.	20-Jan-22	31-Mar-22	SCM Manager	The process has not been started yet	In progress

	<ul style="list-style-type: none"> • Despite, demands to pay on several occasions by the Mahalla Building entity, the Abaqulusi Local Municipality failed to make payment. • As a result of the above, the total amount of accrued interest is R775 971,99. • With the above capital having been paid as aforementioned, an accumulated interest on the aforementioned capital debts, viz, R775 971,99 and R3 243 293,22 respectively, is in the total sum of R4 019 265,21 still remained unpaid by the Abaqulusi Local Municipality. <p>On the settlement agreement signed by the Municipal Manager and the Administrator on 2 October 2020 the following was agreed;</p> <ul style="list-style-type: none"> • That on 2 October 2020 the debtor shall pay the creditor the amount of R3 900 000. <ul style="list-style-type: none"> • Upon payment of the amount of R3 900 000 there is no other debt due and payable to Msuftu Transport (Pty) and Mahalla Building and Restorations CC respectively. <p>Consequently, the municipality made the interest payment of R3 900 000 on 2 October 2021 as per invoice dated 2 October 2020 from Msuftu Transport resulting in a financial loss. It is evident from the above that there was no dispute that services were rendered to the municipality and therefore this interest payment could have been avoided had effective liability management been implemented. <u>Refer to page 144 to 145 of MR</u></p>							
Supply Chain Management	<p>23. Interest payment to Izingodla Engineering (Pty) Ltd not prevented</p> <p>On 7 December 2020 the municipality received a letter of demand from Luthuli Attorneys Incorporated on behalf of their client Izingodla Engineering (Pty) Ltd relating to services rendered on three (3) projects and monies owed by the municipality as follows:</p> <ul style="list-style-type: none"> • R5 793 004,60 plus interest in respect of Emdundubezeni, Engilansi, Mhlongo Farm, Ncengumusa, Trador Farm Ext Project. The relevant invoice was sent to the municipality on 23 September 2016. • R4 316 422,08 plus interest in respect of the Vrede Cliffdale Project. The relevant invoice was sent to the municipality on 23 September 2016. • R1 118 759,34 plus interest in respect of Cibili phase 2 project. The relevant invoice was sent to the Municipality on 14 July 2016. <p>Following a meeting chaired by the administrator on this matter, on 3 February 2021, it was agreed that indeed services were rendered by Izingodla on the Cibilili and Mhlongo Farm projects however it was concluded that a further investigation was required and that Technical</p>	<p>Management accepts the Auditor's finding, that such liability could have been prevented and has tasked the Internal Auditor to have this expenditure investigated. Outcomes of this investigation will be provided and reported in the 2021/2022 Financial year. The financial loss pertains only to the Municipality and no other public sector institution was affected by such resolution or actions. Management has implemented cost containment measures and procurement plans as part of the adopted 2021/2022 budget, which will prevent procurement without proper planning. <u>Refer to page 148 of MR</u></p>	<p>Internal audit has done an investigation to identify who is liable and make further recommendations to the audit committee and council.</p>	20-Jan-22	31-Mar-22	SCM Manager	The process has not been started yet	In progress

	<p>Services would submit statements in order to explain the issues and to commit in terms of whether or not Izingodla had done work in Cibilili, Mhlongo Farm and Vrede Cliffdale.</p> <p>A statement by Technical Services on 4 February 2021 indicated the following:</p> <ul style="list-style-type: none"> • Mhlongo Farm Village – The Project Management Unit (PMU) and Izingodla had numerous site inspections and meetings in conjunction with Eskom CNC Nquthu who were going to manage the network after completion of the project with all defects listed and repaired or re-constructed by Izingodla Engineering. The PMU with the clerk of works from Eskom checked and signed off on the work done. Approval was then granted to energize this area then a final claim be submitted to the municipality with a close out report. • Vrede Cliffdale Project – The electrification of Vrede Cliffdale was initially awarded to Phinda Projects CC to electrify approximately 130 houses. Phinda Projects CC bought incorrect materials and this delayed the project as materials could not be taken back, some had been used which was only evident when inspections and site meetings were conducted by the municipality. Izingodla Engineering (Pty) Ltd then assisted in the project by procuring correct materials as Phinda Projects CC had difficulties on site and community disrupting work, lack of quality and electrical expertise. A cessation was signed by Phinda Projects CC and Izingodla Engineering (Pty) Ltd and emailed to the municipality for reference. The consultant Gibb Engineering did not want to sign off on the payment due as it was not in line with the BOQ and therefore PMU did not sign off on the Izingodla Engineering payment. • Electrification of Cibilili Village – The Director of Technical Services advised the PMU verbally that the appointed service provider was Izingodla Engineering to electrify approximately 204-300 houses. Following the instruction, the project commenced smoothly up until the first payment for the Izingodla was due for the work done. On receipt of the invoice, the PMU requested the appointment letter for Izingodla Engineering which the Director of Technical Services had advised documents will arrive in due time, as a result of these documents not being provided, PMU management did not sign off on the invoice. <p>On the settlement agreement signed by the Municipal Manager on 1 April 2021 and overseen by the administrator, the following findings were made by the administrator:</p> <ul style="list-style-type: none"> • Having received written representations from both the creditor and the staff members of Abaqulusi Local Municipality who were involved in the projects, it transpired that the municipality benefited from both the Mhlongo Farm and Cibilili electrification projects. 						
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	<ul style="list-style-type: none"> The issue of Vrede Cliffdale remains unresolved because there is still a dispute issue of an alleged cession. That the claim of R5 636 573,44 be and is hereby not honoured pending finalization of the investigation. The parties have negotiated and agreed on the settlement amount which is R6 588 720,23 (R4 122 737,66 capital + R2 465 982,57 interest). <p>Consequently, the municipality made the interest payment of R2 465 982,57 on 7 May 2021 as per invoice dated 1 April 2021 from Izingodla Engineering resulting in a financial loss. It is evident from the above that there was no dispute that services were rendered to the municipality and therefore this interest payment could have been avoided had effective contract management, which makes provision for dispute resolution mechanisms, been implemented.</p> <p>For Mhlongo Farm Village, the documentation of the nature and items that were queried on the final claim were not provided for audit therefore it could not be concluded whether any further financial loss was incurred.</p> <p><u>Refer to page 146 to 148 of MR</u></p>							
Asset Management	<p>24. Prior period error note 42 misstated Differences were identified between the prior period error note 42 (i.e. Accumulated Surplus) when compared to adjustments made to PPE per the prior year audited AFS and the current year AFS. Consequently, the opening balances for PPE and accumulated surplus are materially misstated.</p> <p><u>Refer to page 150 TO 151 of MR</u></p>	<p>Management has attached the following in response to the finding:</p> <ol style="list-style-type: none"> 1. Reconciliation of Asset Balances pertaining to the finding. 2. Corrective Journals processed. 3. Final Appendix B for Fixed Assets which reconciles to the FAR. 4. Prior period error note reconciliations. <p>Management accepts that the error note disclosure needs to be updated with the Land Reclassification between PPE categories which was not previously disclosed</p> <p><u>Refer to page 151 of MR.</u></p>	<p>Upon receipt of the adjusted, the issue has been resolved for financial misstatement during the audit. AFS to be reviewed by IA and a service provider to ensure the accuracy of the amounts in the prior period error note.</p>	01-Jul-21	31-Jul-22	CFO/IA Manager	The process has not been started yet.	No Progress
Asset Management	<p>25. Completed assets not decomponentised During the audit of PPE as disclosed in note 8 to the annual financial statements, the following transfers were made from the WIP asset register to the completed assets register but were not decomponentised to enable separate depreciation.</p> <p><u>Refer to page 152 of MR</u></p>	<p>The finding is noted. Management accepts the finding. The unbundling exercise has been done and the various components can be seen on the Annexures per project attached. The asset register has been updated accordingly.</p> <p>Refer to page 151 of MR.</p>	<p>Completed projects transferred from the WIP Register must be unbundled/decomponentised and depreciated separately. Internal Audit and consultants need to review the Fixed Asset Register and confirm that completed projects are decomponentised and depreciated separately.</p>	01-Feb-21	31-Jul-22	CFO/IA Manager	The process has not been started yet.	No Progress

Asset Management	<p>26. Findings on Land asset category</p> <p>In performing the audit of PPE (i.e. Land) as disclosed in note 8 to the AFS, the following issues were identified:</p> <p>(a) Land with nil (0) carrying amounts in the asset register. Consequently, if the land is controlled by the municipality in terms of paragraph 16(a)(b) of IGRAP 18, land is misstated in the AFS.</p> <p>(b) Land that does not have erf numbers in the asset register therefore it was not possible to agree this land to the Deeds office report. Consequently, this results in a material limitation of scope on the audit of land and a projected material misstatement of R33 548 741.</p> <p>(c) Both the PPE and Investment Property registers do not indicate the dimension/extent of land in square meters.</p> <p>Consequently, this results in an internal control deficiency and will be reported as other important matters in annexure B of the management report.</p> <p>(d) Land in landfill sites (i.e. Vryheid Landfill Site and Coronation Landfill Sites) could not be located on the landfill sites asset register. Furthermore, this land could not be located on the other land asset registers. As per the expert's valuation reports from Hills and Associates dated 19 July 2021 for the cost of the rehabilitation of the landfill sites, the extent of the site which has received waste is estimated at 1 418m² for Coronation and 92 335 m² for Vryheid.</p> <p>Consequently, land in landfill sites is understated by an amount still to be determined and will be evaluated for reporting based on materiality. <u>Refer to page 153 to 158 of MR</u></p>	<p>Management notes the finding and provides the following response:</p> <p>a) Land with nil (0) carrying amounts in the asset register Management has reviewed the entire population and identified that there are four properties which are owned and controlled by the municipality. The fixed asset register will be adjusted by R867 000 which is the total value of the four properties. The rest of the properties are owned and controlled by private individuals. Please refer to Annexure A.</p> <p>b) Land does not have erf numbers Management has provided SG codes; these codes contain erf numbers. Please see annexure B</p> <p>c) For PPE and investment property, the auditor's recommendation is noted.</p> <p>d) Landfill site – The description on the FAR will be changed to reflect the Land. <u>Refer to page 159 of MR.</u></p>	<p>a) Review the asset register for land with nil carrying amounts and determine if the land is controlled by the municipality in terms of paragraph 16(a)(b) of IGRAP 18. Furthermore, there is land with trivial values of R100, R200, R1 000 etc. that should be reviewed to confirm accuracy.</p> <p>b) The issue was resolved during the audit. Disclose erf numbers for the land disclosed in the asset register.</p> <p>c) Disclose dimension/extent of land in square meters in the asset register.</p> <p>d) Include Vryheid Landfill Site and Coronation Landfill Sites in the landfill sites asset register.</p>	01-Feb-21	31-Jul-22	CFO/IA Manager	The process has not been started yet.	No Progress
Asset Management	<p>27. Inaccurate calculation of depreciation charge</p> <p>In performing the audit of PPE as disclosed in note 8 to the AFS, the following differences were identified between the depreciation charge on the asset register and depreciation recalculated by the auditors: Consequently, depreciation is understated by a total amount of R3 882 939 (Buildings R547 997, Infrastructure R1 973 217 and community assets R1 334 725) and surplus for the year is overstated by the same amount. <u>Refer to page 161 of MR</u></p>	<p>Management notes the finding. The auditor's calculation makes use of the asset useful life (which is incorrect as it has not been adjusted to take into account the remaining useful life adjustment that was made last year). This will be resolved by making the changes suggested in the resolution to finding no 2 <u>Refer to page 163 of MR</u></p>	<p>IA and consultant must review the depreciation calculations in the FAR, by performing recalculations and produce a report for any differences noted.</p>	01-Feb-21	31-Jul-22	CFO/IA Manager	The process has not been started yet.	No Progress

Asset Management	<p>28. No evidence that assets no longer in good condition were assessed for impairment</p> <p>Three hundred and twenty four (324) assets with a total carrying value of R11 782 301 in the assets register were identified to be assessed as either poor or scrap however no evidence could be identified in the asset register that they were considered for impairment.</p> <p>Furthermore, section 1.13 of the accounting policy incorrectly makes reference to "Impairment of cash-generating assets" as the assets of the municipality are used with the objective of delivering services and not to generate a commercial return, unless there are assets that have been designated as cash-generating at initial recognition.</p> <p>Consequently, assets may be overstated and section 1.13 of the accounting policy is misstated.</p> <p><u>Refer to page 163 of MR</u></p>	<p>Management notes the finding and provides the following response. The assets listed have been assessed for impairment, but as a result of them having a zero carry value after assessment they were excluded from the schedule. These have been added to the Impairment schedule attached. There is no effect on the impairment cost for the year.</p> <p><u>Refer to page 165 of MR</u></p>	<p>Assess assets for impairment.</p> <p>Update the accounting policy.</p>	01-Feb-21	31-Jul-22	CFO	The process has not been started yet.	No Progress
Asset Management	<p>29. Inadequate disclosure in PPE</p> <p>(a) No disclosure of the existence and amounts of restrictions on title and property, plant and equipment pledged as securities for liabilities. If none, such should be indicated.</p> <p>(b) No disclosure of the carrying value of the following project taking a significantly longer period of time to complete than expected, including reasons for any delays.</p> <p>(c) No disclosure of the carrying value of PPE where construction or development has been halted either during the current or previous reporting period(s). The municipality shall also disclose reasons for halting the construction or development of the asset and indicate whether any impairment losses have been recognised in relation to these assets. If none, such should be indicated.</p> <p>Consequently, PPE related disclosure is incomplete and will be evaluated for reporting based on materiality.</p> <p><u>Refer to page 166 of MR</u></p>	<p>Auditors recommendation is noted, the annual financial statement will be adjusted in line with the recommendation</p> <p><u>Refer to page 167 of MR</u></p>	<p>The disclosure note was adjusted and the issue was resolved during the audit.</p> <p>IA and the consultant must review the disclosure for Property, Plant and Equipment and ensure completeness of GRAP 17 disclosure requirements.</p>	01-Jul-21	31-Jul-22	CFO/IA Manager	The process has not been started yet.	No Progress
Asset Management	<p>30. differences between the annual financial statements (AFS) and the fixed asset register (FAR)</p> <p>Review of the property, plant and equipment (PPE) as disclosed in note 8 to the AFS revealed the following:</p> <p>i) Differences between the AFS and FAR:</p> <p>ii) Note 8 to the financial statements does not cast:</p> <p>iii) Material asset classes as per the FAR (i.e. transport assets, machinery) have been grouped together as "other PPE" Consequently, unexplained material differences will result in a limitation of scope and modification of the audit opinion. Furthermore, grouping of material asset classes together results in non-compliance with paragraph 42 of GRAP 17.</p> <p><u>Refer to page 168 of MR</u></p>	<p>1. Management has considered the recommendations of the Auditor and subsequently provide an amended AFS, Appendix B, Adjusting Journals and Reconciliation for consideration.</p> <p>2. Management accepts finding iii, the amended AFS is attached.</p> <p><u>Refer to page 168-170 of MR</u></p>	<p>The AFS were adjusted and the issue was resolved during the audit.</p> <p>A reconciliation between the AFS and FAR must be performed before submitting the AFS for audit.</p>	01-Jul-21	31-Jul-22	CFO/IA Manager	The process has not been started yet.	No Progress

Revenue Management	<p>31. Differences between the annual financial statements and the Debt provision calculation</p> <p>A review of the receivables from exchange transactions as disclosed in note 6 to the AFS revealed the following:</p> <p>i) Difference between the AFS and the calculation for debt impairment:</p> <p>ii) The debt provision calculation is not in accordance with GRAP 104;</p> <ul style="list-style-type: none"> • Consumer debtors have not been grouped together in terms of similar credit risk or risk profile and assessed for recoverability. Factors that can be taken into account in the grouping are “Rural populations with high social problems vs areas in towns, unemployment in the area etc.” The municipality used the consumer debtors ageing per service type to compute the provision for impairment. • The calculation is not based on present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset’s original effective interest rate (that is, the effective interest rate computed at initial recognition). The calculation provided is generic and uses percentages as per the credit control and debt collection policy of 50% (91 to 150 days) and 100% (over 150 days). It was not possible to establish how the percentages were determined and how the risk of the consumer debtors were factored. <p><u>Refer to page 171 of MR</u></p>	<p>Management acknowledges the auditors response on the recognition of the VAT portion to the VAT control account. It must be noted that the municipality has not previously recognised the VAT portion in relation to the debt impairment to the VAT control accounts in prior financial years, and guidance was issued by the National Treasury on 1 October 2020. However, management has prepared the working papers to restate the VAT portion for the opening balance as at 1 July 2019, the movement for 19/20 financial year. It is further noted that the restatement to VAT is in accordance with the methodology that was audited for debt impairment in these respective financial years, which is demonstrated in the working papers provided.</p> <p>For the 20/21 financial year, the VAT has been accounted for to reflect the impact on the VAT control account and the provision of debtors. Management has further reviewed the methodology document for debt impairment for the 20/21 financial year, and has revised section 4.2 to exclude receivable account balances that have not been outstanding for more than 90 days at reporting date as these account balances are considered not to be past due, to 30 days. This therefore means that all debt 30 days and older, will be considered for impairment as per the methodology. The 20-21 calculations have been revised to include debt outstanding for more than 30 days, but excludes debt in the current column, as this debt has not reached the expected payment period of 30 days. This is in line with the FAQ 8.1 – Part C, as issued by the Accounting Standards Board, where it states in Paragraph .10: “Assessing and recognising impairment is an event that takes place subsequent to the initial recognition of revenue charged. An entity assesses the probability of collecting revenue when accounts fall into arrears. Such an assessment should not be made at the time of initial recognition.”</p> <p>With reference to discounting of future receipts, as indicated in the FAQ 8.1, GRAP 104.AG87 provides that “short-term receivables and payables are not discounted where the initial credit period granted or received is consistent with terms used in the public sector, either through established practices or legislation” (own emphasis added). GRAP 104.AG88 goes on to state that: “Once the due date for short-term receivables has elapsed and payment is not received, an entity shall consider whether there is any indication that the receivable may be impaired, either because interest is not levied on outstanding amounts (using a market related</p>	<p>i) Upon receipt of the adjusted AFS, the issue has been resolved for financial misstatement during the audit.</p> <p>ii) Management will amend the policy to ensure compliance with GRAP 104.</p>	01-Jan-22	31-Mar-22	Revenue Manager	Updating of the Creditors Control and Debtors collection policy is in progress.	In progress
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		<p>rate of interest), or because the principal amount may not be collected (see paragraphs .57 to .64 and AG120. to AG129.).”</p> <p>The municipality does raise interest on it’s outstanding debt and the group impairment calculated by the municipality does factor in the estimated impairment based on the actual debt, taking into account historical collection levels. The intention of discounting is to calculate future cash flows and discount this to present value, however, since the municipality is using historic collection percentages, and applying this to the actual debt, and such debt is subjected to interest, there is no requirement to discount this debt further, as this will misstate the debt impairment.</p> <p><u>Refer to page 173-176 of MR</u></p>						
Revenue Management	<p>32. Incorrect classification of consumer debtors as sundry debtors</p> <p>In performing the audit of sundry debtors as disclosed in note 4 to the AFS, it was identified that the following consumer debtors (i.e. electricity, water, sewerage, refuse, rates) were incorrectly classified as sundry debtors:</p> <p>Consequently, sundry debtors are overstated by a projected amount of R10 441 001 and consumer debtors understated by the same amount.</p> <p><u>Refer to page 177 of MR</u></p>	<p>Management provides a background to above practice to give the Auditor an understanding on the process that is undertaken within consumers. Consumers who default on their payment of services then enter into an agreement with the municipality to pay this debt over instalments. The municipality then creates a separate segment entitled “Agreements” within the normal consumer account. The debt is then removed from the categories i.e. electricity, refuse etc and lumped into agreements. On a monthly basis the debt instalment is billed to the consumer. Even though this relates to prior billing not paid, management considers the agreement tariff to be a sundry charge which does not fall within the ambit of normal billing for electricity, refuse, water. Therefore, the split was made on the AFS.</p> <p>Management accepts the logic behind this query that “Agreements” are related to services rendered previously and accept the Auditors finding. Attached is the summary of the consumer debtors aging as of 30 June 2021. The items highlighted in yellow agrees to the listing for Consumer Debtors-Other. The Balance was reclassified on the AFS to Consumer Debtors, as per the recommendations of the Auditor. No Journal adjustment is required as these balances are part Consumer Debtors on the age-analysis. These amounts will be disclosed separately in the Note 4 & 6 to the AFS.</p> <p><u>Refer to page 178-179 of MR</u></p>	<p>i) Upon receipt of the adjusted AFS, the issue has been resolved for financial misstatement during the audit.</p> <p>ii) Management will include the agreement portion in the disclosure for consumer debtors in the 2021/2022 AFS.</p>	01-Jan-22	31-Aug-22	Revenue Manager	Process will start during preparation of the 2021/2022 AFS	No progress

Revenue Management	<p>33.No impairment assessment for land sale debtor</p> <p>No evidence could be provided that the “Land Sales Debtor” of R5 502 319 disclosed in note 4 to the AFS was assessed for impairment despite there being no movement from the prior year amount. Consequently, this results in non-compliance with paragraph 57 of GRAP 104 and misstatement of the land sales debtor. <u>Refer to page 180 of MR</u></p>	<p>Management agrees with the finding. Taking into account that the land sales debt occurred in prior financial years and have been outstanding for a significant period of time, it is considered prudent to impair 100% of the outstanding balance on the land sale debtors. This impairment has been included in the management response for 4.1, indicated above <u>Refer to page 180 of MR</u></p>	<p>Long outstanding debtors must be assessed for impairment.</p>	01-Jan-22	31-Aug-22	Revenue Manager	<p>The assessment will be done at year end</p>	No Progress
Revenue Management	<p>34. Gross amount for municipal traffic fines debtors not disclosed in the AFS and detailed debtors listing not provided</p> <p>In performing the audit of municipal traffic fines debtors as disclosed in note 5 to the annual financial statements, it was identified that the amount of R3 923 456 is on a net basis after taking into account the provision for impairment of R57 411 948 and no disclosure has been made of the gross amount. Consequently, this results in a material limitation of scope amounting to R61 335 404 on the audit of traffic fine debtors. Upon enquiry, we were provided with the below overall reconciliation of the gross amount with no detail of the individual debtors making up the debtors balance: <u>Refer to page 182 of MR</u></p>	<p>1. Management did provide the Auditor with a listing for Fines, receipts, withdrawn, cancelled and reduced via RFI 123 on the 3rd November 2021 and via email on the 17 November 2021 when this was requested. Nevertheless, the listing is provided herewith.</p> <p>2. Management provides herewith the Traffic Fines Debtor listings for R 61 335 404.</p> <p>3. Management accepts the Auditor’s recommendation for the disclosure of traffic fines debtors. The AFS will be amended accordingly. The amended AFS is attached as evidence thereof. <u>Refer to page 183-184 of MR</u></p>	<p>i)Upon receipt of the adjusted AFS, the issue has been resolved for financial misstatement during the audit.</p>	01-Jan-22	30-Jun-22	Revenue Manager	<p>The AFS were adjusted and the issue was resolved.</p>	<p>Resolved The AFS were adjusted and the issue was resolved.</p>
Asset Management	<p>35. Differences between the investment property register and the valuation of investment properties report</p> <p>1. Differences between the investment property register and the valuation of investment properties report</p> <p>In performing the audit of investment properties as disclosed in note 11 to the AFS, the following issues were identified;</p> <p>(a) Differences between the investment property register and the valuation of investment properties report</p> <p>(b) The investment property register does not have erf numbers which makes it impossible to agree the properties to the valuation of investment properties report as this has erf numbers and the Deeds office report.</p> <p>Consequently, this results in a material limitation of scope and therefore a modification of the audit opinion. <u>Refer to page 185 of MR</u></p>	<p>Management accepts the finding and provides the following response:</p> <p>i. The differences between the Valuator’s report listing and the FAR were noted. The annual financial statements and fixed asset register will be corrected with the proposed journal. Refer to Annexure 1 for the amended listing; Proposed journal in the financial statements is: DR Investment Property R5 789 877 CR Fair value adjustment R5 789 877</p> <p>ii. Please refer to the attached amended FAR (Annexure 2), we have included the erf information as requested. We used the SG codes to trace the properties on the FAR to the valuator’s report. Annexed is the corrected FAR with SG codes that matches those in the valuation report. <u>Refer to page 186 of MR</u></p>	<p>Awaiting the required actions to clear the findings from the CFO.</p>				<p>The process has not been started yet.</p>	No Progress

Expenditure Management	<p>36. VAT payments incorrectly classified as general expenses and material items not separately disclosed by nature</p> <p>In performing the audit of general expenses as disclosed in note 35 to the AFS, the following issues were identified;</p> <p>i. VAT payments to the South African Receiver of Revenue (SARS) were incorrectly classified as other expenses and therefore did not reduce the VAT Payable.</p> <p>ii. Material expenditure amounting to R4 741 357 disclosed as "Other".</p> <p>Consequently, other expenditure and VAT payable are overstated by a projected amount of R3 296 816. The impact on surplus for the period is an understatement by the same projected amount. Furthermore, description as "other" for material items does not enhance the understandability of the AFS to the users.</p> <p><u>Refer to page 188 of MR</u></p>	<p>Management accepts the finding. The following adjustments are proposed: Management has analysed "Other" within General Expenditure Note 35 and based on recommendation of Auditor material items was separately disclosed within Note 35. The following are items were disclosed as follows:</p> <p>Management has attached herewith the working for the reallocation and correction of "Other" within Note 35, "General Expenditure" Management has attached the updated AFS with the changes made for perusal of the Auditor</p> <p><u>Refer to page 189-190 of MR</u></p>	<p>Journals were processed during the audit and the misstatement was resolved.</p> <p>During the 2021/2022 financial year, a journal has to be processed when payments are made to correctly allocate the VAT portion.</p>	01-Feb-21	30-Jun-22	Expenditure Manager		In progress
Expenditure Management	<p>37. Expenditure incurred on bodyguards not in accordance with government gazette No. 1426 of 2018</p> <p>It was identified that during the 2020/21 financial period the municipality incurred expenditure of R1 991 792 for personal security in contravention of government gazette 1426 of 2018. Consequently, expenditure incurred in the current year and prior year in contravention of government gazette 1426 of 2018 should be disclosed as irregular expenditure.</p> <p><u>Refer to page 191 of MR</u></p>	<p>Management has perused the population of expenditure for security services relating to the bodyguards and provided the following explanations:</p> <p>1. Bodyguards was provided to Deputy Mayor (Cllr MC Maphisa) and Speaker (Cllr Khumalo) in accordance with Government Gazette 475 dated 24 April 2020.</p> <p>The Deviation of an extra bodyguard/ driver with a backup vehicle was only effective from 1 June 2021. Management acknowledges that additional Security personnel was not in accordance with the Government Gazette 475 dated 24 April 2020. Furthermore, management is not in possession of any report from the South African Police Services which supports the additional Security personnel. Considering the above, Management will be disclosing the portion of expenditure amounting to R 53 885.55 (inclusive of VAT) which is in non-compliance as irregular expenditure.</p> <p>2. Bodyguards provided to the Late Municipal Manager Mr. B Ntanzu, is not supported by a report received from the South African Police Services, therefore management has considered this expenditure to be irregular and it will be disclosed accordingly.</p> <p>The irregular expenditure to be disclosed relating to the Municipal Manager's Bodyguards will be as follows:</p> <p>The Annual Financial Statements note disclosure and UIFW Register will be updated accordingly with a total amount of R 2 474 975.55.</p> <p><u>Refer to page 192 of MR</u></p>	<p>The action to be taken must be discussed with the MM.</p>			Municipal Manager		No progress

Expenditure Management	<p>38. Water Tankers expenditure incorrectly classified as General Expenditure</p> <p>In performing the audit of General expenses “Consumables” as disclosed in note 35 to the AFS, it was identified that water tankers expenditure was incorrectly classified as consumables and inadequate support was provided for the invoice:</p> <p>Consequently, general expenses “consumables” are overstated by a projected amount of R13 651 775,77 and outsourced services “water tankers” understated by the same amount. The impact on surplus is nil.</p> <p>Furthermore, due to inadequate support for the invoice there is a material limitation of scope in auditing the outsourced services “water tankers” on the same projected amount.</p> <p><u>Refer to page 193 of MR</u></p>	<p>Management did evaluate the population as part of our response in Communication for Finding 15, exception 1.</p> <p>The following Journal was proposed to the Auditor for consideration:</p> <p>Management has also attached the GL extract for the expenditure identified as misallocations.</p> <p><u>Refer to page 196-197 of MR</u></p>	<p>A segment has been created for water tankers. Expenditure: Contracted Services: Outsourced Services: Water Takers. The SCM SOP will be amended to include a process of reviewing the Request for Goods by Financial planning, to ensure the correct segment description and confirm the availability of the budget, before submitting the requisition to SCM.</p>	01-Feb-21	30-Jun-22	Expenditure Manager		In progress
Expenditure Management	<p>39. Incorrect classification of hiring of a Grader as fuel and oil</p> <p>In performing the audit of general expenses “Fuel and oil” as disclosed in note 35 to the AFS, it was identified that hiring of a Grader was incorrectly classified as fuel and oil expenditure:</p> <p>Consequently, fuel and oil expenditure is overstated by a projected amount of R653 673 and lease rentals on operating lease understated by the same amount. The impact on surplus for the period is nil.</p> <p><u>Refer to page 197 of MR</u></p>	<p>Management has investigated the population for fuel & oil, and this was an isolated occurrence.</p> <p>The following corrective Journal is proposed:</p> <p>The recommendation of the Auditor will be implemented going forward</p> <p><u>Refer to page 198 of MR</u></p>	<p>Reallocate hiring of a Grader to the correct segment</p> <p>Expenditure: Operating Leases: Transport Assets. The SCM SOP will be amended to include a process of reviewing the Request for Goods by Financial planning, to ensure the correct segment description and confirm the availability of the budget, before submitting the requisition to SCM.</p>	01-Feb-21	30-Jun-22	Expenditure Manager		In progress
Supply Chain Management	<p>40. Store issues incorrectly recorded as general expenses “Travel - Local”</p> <p>In performing the audit of general expenses as disclosed in note 35 to the AFS, it was identified that stores issues were incorrectly recorded as general expenses “Travel – Local”:</p> <p>Consequently, general expenses “travel – local” are overstated by a projected amount of R247 751,38 and will be aggregated with other misstatements and evaluated for reporting based on materiality.</p> <p><u>Refer to page 199 of MR</u></p>	<p>Management has investigated the segment for Travel & Subsistence and agree with the Auditor findings. SCM when selecting the MSOCA segment when stock was issued selected the incorrect segment in error.</p> <p>Management has considered the population within the segment and has quantified the error to be R 557 445.88. A listing of the Transactions is attached herewith.</p> <p>The following Journal is proposed to correct this error:</p> <p><u>Refer to page 200 of MR</u></p>	<p>Amend SCM SOP to include a process of reviewing the segments and verify the availability of the budget by Financial planning before submitting the request for goods to SCM.</p> <p>The SCM Manager must review the requisitions from stores</p>	20-Jan-22	30-Jun-22	SCM Manager	The SCM SOP has been updated	No progress

Expenditure Management	<p>41. Incorrect classification of expenditure items</p> <p>(a) In performing the audit of contracted services as disclosed in note 34 to the AFS, the following misclassifications were identified:</p> <p>i. Water tankers expenditure was incorrectly classified as consultants and professional services “Infrastructure and Planning” under contracted services in note 34 and as consumables under general expenditure in note 35 to the AFS. Consequently, water tankers expenditure is understated by a projected amount of R3 838 927,31 and professional services “Infrastructure and Planning” and general expenditure consumables are overstated. The impact on net surplus for the period is nil.</p> <p>ii. Gardening services were incorrectly classified as maintenance of equipment. Consequently, maintenance of equipment is overstated by a projected amount of R2 829 724,09 and gardening services is understated by the same amount. The impact on the net surplus for the period is nil.</p> <p>(b) In performing the audit of general expenses as disclosed in note 35 to the AFS, the following misclassifications were identified:</p> <p>i. Refunds for overpaid consumer accounts were classified as general expenses “Other”: Consequently, other expenditure and payables are overstated by a projected amount of R254 222,72 and will be aggregated with other misstatements and evaluated for reporting based on materiality. <u>Refer to page 201 of MR</u></p>	<p>Management has analyzed the population for contracted services and found the following misallocations in addition to Items identified in finding (a) (i).</p> <p>Misallocations included in Contracted Services – Planning Engineering – Civil Misallocations included in Inventory Consumed – Material & Supplies Therefore, following misallocation journal is proposed for all misallocations identified. Management has analyzed the population for maintenance of equipment, and Management does accept the finding below. These amounts have been reversed or reallocated. Invoice number 200720NVG was reversed with credit note 370 and Invoice number 0201120NVG misallocation was corrected with Journal Number 247553 dated 10 February 2021.</p> <p>i. Gardening services were incorrectly classified as maintenance of equipment. Management accepts the finding (b)(i), and propose the following corrective Journal. <u>Refer to page 205-206 of MR</u></p>	<p>Journals were processed during the audit to correct the misallocations. The SCM SOP will be amended to include a process of reviewing the Request for Goods by Financial planning , to ensure the correct segment description and confirm the availability of the budget, before submitting the requisition to SCM.</p>	01-Feb-21	30-Jun-22	Expenditure Manager		In progress
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Expenditure Management	<p>42. Invoices recorded in incorrect period and incorrectly accounted for and classified In performing the audit of fruitless and wasteful expenditure as disclosed in note 47 to the AFS, it was identified that the following invoices were not accounted for appropriately: Consequently, contracted services “legal costs”, VAT and finance costs are misstated by an amount still to be determined. <u>Refer to page 207 of MR</u></p>	<p>Management has investigated the matter below, and it was established that municipality only became knowledgeable about this matter on 7 December 2020 when the letter of demand was received. Subsequently a settlement agreement was reached, and matter was settled as per the instructions of the Administrator and Municipal Manager. Management accepts that expenditure may have been incorrectly recorded in legal fees and VAT. Management proposes the following Journal for the correct treatment. The amount of R 1 689 599.46 which the auditor indicates as the recording of expenditure with T1000800 is incorrect. A payment was recorded with EF130387-0006 initially for an amount of R 1 689 599.46, T1000800 was reversing this transaction in cash & cash equivalents (Bank Account on GL). Attached is an extract of GL indicating this effect, together with EF (Payment) and TI (Bank Transfer) documents The payment was only made with EF 130384-0001 for the settlement amount of R 2 701 070.60, and no duplicate payments was made in this regard. Documents are attached as evidence. Management has investigated the matter below, and it was established that municipality only became knowledgeable about this matter on 2 October 2020. Management only received Invoice number INV-0200720 NVG for settlement as per the instructions of the Administrator and Municipal Manager. Therefore, the invoice of R 3,900,000 was recorded and settled accordingly. Furthermore, management can confirm that the expenditure was not double counted. The expenditure was recorded multiple times on General Ledger, and it was corrected with credit notes 398 & 399. Attached is the GL extract for this expenditure entitled “GL expenditure R 3,900,000 Msuftu Transport” Management has investigated the matter below. The invoices were recorded in the correct period refer to “MASEFANE CREDITOR RAISED”. The Auditor can verify this information on the financial system (MUNSOFT) under the creditor module enquiries by using the Creditor Number 38379, as demonstrated below: <u>Refer to page 209-213 of MR</u></p>	Creditors department will compile a list/schedule of invoices relating to previous financial years, received in the current financial year. The schedule will be used to make prior year restatements when preparing the AFS.	01-Feb-21	30-Jun-22	Expenditure Manager		No progress
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Expenditure Management	<p>43. Comparative amounts do not agree to prior year audited financial statements</p> <p>In performing the audit of contracted services as disclosed in note 34 to the AFS, differences between the prior year audited AFS and the current year AFS comparative figures were identified with no prior period error disclosed: Furthermore, the expenditure item "Information Technology services" has been presented under an unclear expenditure category titled "Presented previously".</p> <p>Consequently, the prior period error note is materially misstated.</p> <p><u>Refer to page 214 of MR</u></p>	<p>The expenditure disclosed in the AFS is based on the nature and classification. This classification is in accordance with MSCOA which is aligned to the GRAP standards, and accordingly contracted services and general expenses are classified. The following definitions in terms of MSOCA gives an indication of how contracted services are categorized:</p> <p>Outsourced Services</p> <p>The municipality should have the capacity and expertise to carry out certain services, but for some reasons not utilising their own staff. The reasons might include temporary incapacity or the outsourcing of services to save costs, for example cleaning, security and recruitment. In evaluating the classification of outsourced services it should be established whether the services being procured could have been provided by the municipality itself. It could also be that the municipality ordinarily has the expertise to provide the service but temporarily could not do so or to save costs.</p> <p>Consultants and Professional Services</p> <p>Consulting services refer to specialist services and skills provided that are required for the achievement of a specific objective, with the aim of providing expert and professional advise on a time and material basis. It is unnecessary to maintain these skills in-house, since they are required on a once-off or temporary basis. Therefore a consultant is a professional person appointed by the department to provide technical and specialist advise or to assist with the design and implementation of specific projects/programs. The legal status of this person can be an individual a partnership or a corporation. The fact that a consultant is defined as a professional person implies that the consultant is professionally qualified. The provision of advise or service is in line with a contractual arrangement. Remuneration is usually based on an hourly fee or a fixed fee for a product/deliverable. This category consists of groups for "Business and Advisory Services", "Infrastructure and Planning", "Laboratory" and "Legal Service".</p> <p>Contractors</p> <p>Contractors are required to provide services that are not the core business of the municipality. It is normally not cost effective to maintain these skills within the department. Contractors include costs associated with the use of contracted individuals or businesses on projects or tasks. This does not include amounts payable to contractors in respect of provision of services such as cleaning and security even if a staff element can be identified. Note also that it is</p>	<p>The comparative figures were adjusted and the finding was resolved during the audit. AFS to be reviewed by IA and a service provider to ensure there are no differences between current and prior year.</p>	01-Jul-21	31-Aug-22	Lois Tapper Budget Office		In progress
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		<p>common practice that the said contractor provides all the materials required for the project - he/she tenders for the whole project, materials included.</p> <p>Management provides the following reconciliation to provide clarity on the finding: Management accepts that the error for Note accumulated surplus should have been updated to show these reclassifications. However, these movements have a nil effect on the Accumulated Surplus for 2019/2020. The Annual Financial Statements for the error note will be updated accordingly.</p> <p>Furthermore, management did implement review over the Annual Financial Statements and these changes were in accordance with this process.</p> <p><u>Refer to page 215-217 of MR</u></p>						
Expenditure Management	<p>44. Prior year overtime payments and car allowance incorrectly classified as basic pay</p> <p>During the performance of analytical procedures on the AFS figures from prior year to current year movements, a significant increase was identified on overtime payments and car allowances while basic pay decreased. On investigation, it was established that overtime payments and car allowances were incorrectly classified as basic pay in the prior year however the correction was only made to the current year figures.</p> <p>Consequently, prior year basic pay amounting to R 113 441 291 is overstated and overtime payments and car allowances are understated by an amount to be determined. The net effect on accumulated surplus is nil</p> <p><u>Refer to page 218 of MR</u></p>	<p>Management accepts the finding.</p> <p>The integration between the payroll (PAYDAY) and the financial system (MUNSOFT) was setup incorrectly for these items to post to the relevant GL accounts. This was subsequently corrected for the 2020/2021 financial period with the system vendor for PAYDAY.</p> <p>The following adjustments are proposed to correct the prior year disclosure for employee costs in Note 28:</p> <p>Management has attached a reconciliation determining the amounts to be transfer from Basic Salaries, including, 12-month Payroll report for the 2019.2020 period. Refer to Annexure A & B.</p> <p>The Annual Financial Statements and Error for Accumulated Surplus will be updated accordingly. Management has submitted herewith an extract the effect of the above adjustments on the Note 28 & 42 of the Annual Financial Statements ended 30 June 2021.</p> <p><u>Refer to page 218-219 of MR</u></p>	<p>The comparative figures were adjusted and the finding was resolved during the audit.</p> <p>AFS preparers need to ensure consistency in the disclosure of comparative amounts for employee related costs. Internal Audit and consultants need to review the AFS and confirm overtime payments and car allowances are not included in basic salary for the prior and current year.</p>	01-Feb-21	31-Jul-22	CFO/Expenditure Manager		In progress
Expenditure Management	<p>45. Salary control account not cleared</p> <p>In performing the audit of trade payables as disclosed in note 15 to the annual financial statements (AFS), it was identified that the salary control account amounting to R4 504 692 is made up of uncleared payments to medical audit services providers in the current year and previous years.</p> <p>Consequently, overstatement of employee costs "medical aid contributions" and salary control with an amount to be determined.</p> <p><u>Refer to page 220 of MR</u></p>	<p>Management accepts the finding and journals were proposed</p> <p><u>Refer to page 221 to 224 of MR</u></p>	<p>Pensioners medical aid contributions will be cleared on a monthly basis</p>	01-Jul-21	31-Jul-22	CFO/Expenditure Manager		No progress

Expenditure Management	46. Trade payables does not agree to the trial balance In performing the audit of trade payables as disclosed in note 15 to the AFS, the following difference was identified between the TB and the AFS: Amount as per AFS: R 27 578 228 Amount as per TB : R 34 425 956,67 Difference: R 6 847 728,67 Consequently, this is a material unexplained difference and will result in a modification of the audit opinion. <u>Refer to page 224 of MR</u>	Management provided a breakdown of Note 15 payables in the AFS to Trial Balance on the 30th September 2021 as required by the Auditor. The Trial Balance and AFS do agree. The email submitted is attached as evidence. <u>Refer to page 225-226 of MR</u>	The issue was resolved, the auditors required a break down of Trade Payables.	01-Jul-21	31-Jan-22	CFO/Expenditure Manager		Resolved Leads indicating a break down of Trade Payables were provided.
Expenditure Management	47. Payables material items not separately disclosed by nature In performing the audit of trade payables as disclosed in note 15 to the AFS, the following items which are material and dissimilar in nature were disclosed as part of trade payables: Consequently, trade payables presentation is materially misstated by R11 882 540. <u>Refer to page 226 of MR</u>	Management accepts the recommendations of the Auditor and AFS will be amended accordingly. The reclassification of balances from trade payables to advance payments and Salary Control on the Note to AFS has a nil affect on the overall disclosed balance for Payables from exchange transactions. The updated AFS is attached herewith as evidence. <u>Refer to page 227 of MR</u>	Upon submission of the adjusted AFS, the issue was resolved. Internal Audit and consultants need to review the AFS and confirm compliance with GRAP 1 disclosure requirements.	01-Jul-21	31-Jul-22	CFO/Expenditure Manager		No progress
Expenditure Management	48. Incorrect calculation of commitments In performing the audit of capital commitments as disclosed in note 39 to the AFS, differences were identified between amounts as per the commitments schedule and recalculation by the auditors. Consequently, commitments are misstated by R5 581 084,62 and will be aggregated with other misstatements and evaluated for reporting based on materiality. <u>Refer to page 228 of MR</u>	Management has reviewed the calculations of the Commitments as compared to the Auditors calculations. Whilst we note that the main differences with the Auditors calculations were on the use of contractual figures with VAT less Expenditure without VAT, we picked up in our review that the formula used was [Contract Value – (Opening WIP + Expenditure for the Year + Total Retention)]. This formula is erroneous as the prior year's retention was included in the Opening WIP) We have therefore corrected this formula to [Contract Value – (Opening WIP + Expenditure for the Year + Retention for the Year)] and updated the commitment register. The updated commitments register is attached herewith. The updated AFS is also annexed herewith. <u>Refer to page 231-236 of MR</u>	Upon submission of the adjusted AFS, the issue was resolved. Internal Audit and consultants need to review the commitment register and confirm that the correct formula was used to calculate the commitments.	01-Jul-21	31-Jul-22	PMU		No progress
Expenditure Management	49. Negative commitments on the register In performing the audit of commitments as disclosed in note 39 to the AFS, the following negative commitments were identified on the capital commitments register: Consequently, capital commitments is misstated by R219 480. <u>Refer to page 238 of MR</u>	Management notes the finding and will reconcile the supporting schedules and correct the commitment register. The AFS Note disclosure for commitments will be updated accordingly. <u>Refer to page 238-239 of MR</u>	Internal Audit and consultants need to review the commitment register and confirm that the correct formula was used to calculate the commitments.	01-Jul-21	31-Jul-22	PMU		No progress

Expenditure Management	<p>50. Incorrect disclosure of “Not yet contracted for and authorised by accounting officer” commitments In performing the audit of commitments as disclosed in note 39 to the AFS, disclosure of “Not yet contracted for and authorised by accounting officer” amounting to R127 159 969 was identified. agreements in the case of leases) between the parties. The Standards of GRAP do not require commitments to be disclosed prior to there being a contract (or agreement) in place between the parties involved. A commitment is made to another party. It therefore follows that an internal decision by the municipality does not give rise to a commitment at the reporting date, unless the decision has been communicated to the other party before the reporting date and as a result a contractual agreement has been established that creates rights and obligations that are legally enforceable. I.e. it must go beyond the entity’s powers of recall or withdrawal and must exist independently of the municipality’s future actions after the reporting date. Standards of GRAP therefore do not require the disclosure of internally approved commitments, where such internal approvals did not result in a contract (or agreement) with the other party at the reporting date, or only resulted in the parties entering into a contract (or agreement) subsequent to the reporting date. Consequently, commitments disclosure is misstated in the AFS. The above requirements to disclose commitments clearly refer to contractual commitments and not to commitments broadly or generally. The requirements in the Standards of GRAP to disclose commitments are therefore only mandatory in respect of commitments that stem from contracts <u>Refer to page 239 of MR</u></p>	<p>Management has investigated this item with PMU and it was established that no contractual obligation exists, and therefore no disclosure should be made. The Auditors recommendations are accepted and the AFS was amended accordingly. The amended AFS is attached as evidence thereof. <u>Refer to page 240 of MR</u></p>	<p>Upon submission of the adjusted AFS, the issue was resolved. Internal Audit and consultants need to review the commitment register for accuracy and completeness.</p>	01-Jul-21	31-Jul-22	PMU		No progress
Expenditure Management	<p>51. Retention allocated to an incorrect project on the retentions schedule In performing the audit of retentions as disclosed in note 15 to the AFS, it was identified that retention related to the project “Refurbishment of Klipfontein Waste Water Treatment Works” was incorrectly allocated to the below project on the retentions schedule: Consequently, this resulted in this retention not being deducted for both projects on the commitments schedule and therefore commitments are overstated by a projected amount of R950 798. <u>Refer to page 241 of MR</u></p>	<p>Management accepts the finding and confirms that this was an isolated error. The following are the proposed journals: <u>Refer to page 242-243 of MR</u></p>	<p>Upon submission of the adjusted AFS, the issue was resolved. Internal Audit and consultants need to review the retention register for accuracy and completeness.</p>	01-Jul-21	31-Jul-22	Expenditure Manager		No progress
AFS Reporting	<p>52. Differences in the statement of changes in net assets comparative amounts in the current year AFS when compared to the prior year AFS In performing the audit of the statement of changes in net assets, the following differences were identified in comparative amounts in the current year AFS when compared to the prior year AFS: Consequently, presentation of the comparative amounts</p>	<p>Management has reviewed the Statement of changes in Net Assets and accept that disclosure was incorrectly captured onto Caseware, even though the restated balance is correct. The Annual Financial Statements have been corrected; management has attached herewith the extract of the updated AFS for Statement in changes of Net Assets.</p>	<p>The AFS were adjusted and the issue was resolved during the audit. IA and the consultant must review the AFS to ensure that comparative amounts agree to the prior year AFS.</p>	01-Jul-21	31-Jul-22	CFO/IA Manager	The process to resolve the finding will start after preparation of the 2021/2022 AFS.	No Progress

	is misstated with no impact on the restated balance as at 1 July 2020. <u>Refer to page 244 of MR</u>	The Auditor must note that statement of changes in net asset will be further amended once further adjustments relating to prior period are accepted, from management responses to communications of findings. <u>Refer to page 245 of MR</u>						
AFS Reporting	53. Differences between amounts disclosed in the risk management note and amounts in the Statement of Financial Position In performing the audit of the risk management disclosure in note 44 to the AFS, the following differences were identified between the amounts disclosed to the amounts in the SoFPer: Furthermore, the disclosure incorrectly makes reference to derivative financial instruments under credit risk as the municipality does not have financial instruments of this type. Consequently, the risk management disclosure is misstated and will be evaluated for reporting based on materiality. <u>Refer to page 246 of MR</u>	Management accepts the finding; the Note will be updated. The amended AFS will be provided. The recommendation of Auditor will be implemented going forward. <u>Refer to page 247 of MR</u>	The AFS were adjusted and the issue was resolved during the audit. IA and the consultant must review the AFS to ensure that the amounts in the notes are the same as the amount on the face of the AFS.	01-Jul-21	31-Jul-22	CFO/IA Manager	The process to resolve the finding will start after preparation of the 2021/2022 AFS.	No Progress
AFS Reporting	54. Rand values not disclosed for electricity and water losses In performing the audit of electricity and water losses as disclosed in note 33 to the annual financial statements (AFS), it was identified that the losses have been disclosed in units which is non-financial information with no disclosure of rand values. Furthermore, all the losses have been classified as technical losses while there are non-technical losses such as losses due to theft (illegal connections). Consequently, electricity and water losses is misstated and will be evaluated for reporting based on materiality. <u>Refer to page 248 of MR</u>	Management accepts the finding. The AFS was updated with the rand values for electricity and water losses. Refer to ALM AFS extract. Management has also annexed herewith the calculations for 2019/2020 and 2020/2021. <u>Refer to page 249 of MR</u>	The AFS were adjusted and the issue was resolved during the audit. IA and the consultant must review the disclosure of electricity and water losses in the AFS.	01-Jul-21	31-Jul-22	CFO/IA Manager	The process to resolve the finding will start after preparation of the 2021/2022 AFS.	No Progress
AFS Reporting	55. Inaccurate reporting of segment information (a) that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity); (b) whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and (c) for which separate financial information is available. Paragraph 12 of GRAP 9 – Revenue from exchange transactions states that, exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange. In performing the audit of segment information as disclosed in note 50 to the AFS, the following issues were identified: (a) It is indicated on the “Identification of segments” section in the AFS that the municipality is organised and	Management provides responses below: 1. Finding (a), management accepts that there was an error in the narration, and there are 5 reportable segments which includes Roads. The narration under “General information” was corrected. 2. Finding (b), the revenue reported is correct, since we are reporting on segments, all revenue both exchange & non-exchange which is utilised to provide the activity is reported. Paragraph 21 of GRAP 18 outlines this requirement. As stated below segment reporting is to provide specific information on the operational objectives of that activity “The objective of segment reporting is to provide information about the specific operational objectives and major activities of an entity as well as the resources devoted to and costs of these objectives and activities”	The AFS were adjusted and the issue was resolved during the audit. IA and the consultant must review the disclosure of Segment information in the AFS for compliance with GRAP 18.	01-Jul-21	31-Jul-22	CFO/IA Manager	The process to resolve the finding will start after preparation of the 2021/2022 AFS.	No Progress

	<p>reports to management on the basis of four (4) major functional areas: Electricity, Water, Sanitation and Refuse. Management uses these same segments for determining strategic objectives. Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources.</p> <p>Contrary to the above, Roads has been included as a separate reportable segment.</p> <p>(b) Electricity, Water, Sanitation and Refuse has been incorrectly categorised as revenue from non-exchange transactions.</p> <p>(c) Amounts disclosed in the note do not agree with amounts disclosed elsewhere in the AFS.</p> <p>(d) Difference in total segment surplus and amount recalculated:</p> <p>(e) Amounts disclosed for segment assets and liabilities relating to the different reportable segments do not agree to the amounts per the listings/schedule provided for audit. Consequently, segment information reporting is misstated.</p> <p><u>Refer to page 250 of MR</u></p>	<p>A segment is an activity of an entity:</p> <ul style="list-style-type: none"> • that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity); • whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and • for which separate financial information is available. <p>3. Finding (c), Segment reporting is based on the Activity that the municipality provides, in Note 50 both revenue from exchange and non-exchange are taken into account as allocated resources, whilst the Auditor is only considering revenue from exchange transactions. Paragraph 21 of GRAP 18 outlines these requirements. This also applies to the Auditor's comparison for the Total Segment revenue in the table above.</p> <p>4. Management provides the following responses:</p> <p>5. Management accepts that during capturing of the disclosure in Note 50, and incorreccted sign was used, therefore the Total segment revenue was added to expenditure instead of deducting the expenditure. This will be correct when the final segment reporting is done after all audit adjustments.</p> <p>6. Management provides responses</p> <p>8. Management accepts that changes will be made to segment reporting Note in the AFS. Management advises the Auditor to the fact that any changes to the segment reporting Note 50 at this stage would be frivolous, until all audit adjustments have been captured into the financial system, thereafter, an updated TB will be extracted for population of the segment reporting Note. Therefore, management pleads to the Auditor for this consideration. Management commits since this is a new reporting standard, a detailed working paper will be made available to the Auditor, and a working session to give understanding will be done.</p> <p><u>Refer to page 252-255 of MR</u></p>						
AFS Reporting	<p>56. Differences in the recalculation of the cash flow statement</p> <p>In performing the audit of the cash flow statement, the following differences on the recalculation of the "Cashflows from operating Activities" and "Reconciliation of Net Cashflows from Operating Activities to surplus" were identified:</p> <p>Consequently, the differences noted above represents a</p>	<p>NONE</p> <p><u>Refer to page 258 of MR</u></p>	<p>The AFS were adjusted and the issue was resolved during the audit. IA and the consultant must review the cash flow statement for accuracy.</p>	01-Jul-21	31-Jul-22	CFO/IA Manager	<p>The process to resolve the finding will start after preparation of the 2021/2022 AFS.</p>	No Progress

	material misstatement of the cash flow statement. <u>Refer to page 256 of MR</u>							
AFS Reporting	57. Differences identified in the statement of comparison of budget and actual In performing the audit of the statement of comparison of budget and actual, the following issues were identified: (a) Differences between the final budget amounts in the AFS and the actual adjustment budget (b) Differences in actual amounts disclosed in the statement of budgeted and actual and the face of the Statement of Financial Performance (SoFPer). Consequently, the statement of comparison of budget and actual is materially misstated. <u>Refer to page 259 of MR</u>	Management provides the following comments: Finding Management accepts that changes have been made through audit corrections and I have attached herewith the updated budget versus actual statement. The auditor must take cognisance that further adjustments will be made once further audit adjustments are accepted and agreed. <u>Refer to page 260-263 of MR</u>	The AFS were adjusted and the issue was resolved during the audit. IA and the consultant must review the statement of comparison of budget and actual for accuracy.	01-Jul-21	31-Jul-22	CFO/IA Manager	The process to resolve the finding will start after preparation of the 2021/2022 AFS.	No Progress
Performance Management System	58. Inconsistencies between planned and reported key performance indicators During the audit of the annual performance report (APR), it was identified that initially planned key performance indicators (INITIAL SDBIP) (KPIs) were excluded on the adjusted SDBIP approved by the Acting Mayor on 15 March 2021 however the APR does not include reporting on the initial and the amended plan (i.e. organisational scorecard) to account for performance and related utilised funding against both plans for the following KPIs: Consequently, this results in inconsistencies between reported KPIs and planned KPIs and will be evaluated for reporting based on materiality. Furthermore, typing errors result in KPIs that are not well defined. <u>Refer to page 263 of MR</u>	Communication finding noted, the preparation of the Annual Performance Report was prepared guided by section 46 of the Local Government Municipal Systems Act 32 of 2000. The municipality always relies on the previous audits for best practice and incorporate recommendations. In the absence any further legislative guideline to also report on all the initially prepared KPIs the PMS Framework will be revised together with Annual Performance Reporting template and will be taken to council for endorsement. The review of current planning documents to ensure that typing errors are eliminated will also be strengthened by PMS Manager and Internal Auditor. <u>Refer to page 266 of MR</u>						None
Performance Management System	59. Inadequate corrective measures A review of the measures taken to improve performance as disclosed in the annual performance report (APR) revealed the following issues: Consequently, this results in inadequate presentation and disclosure of the APR and therefore a modification of the audit opinion on performance information. <u>Refer to page 268 of MR</u>	Management agrees with the finding will amend the APR to ensure adequate corrective measures. Amendments proposed on corrective measures have been indicated in green colour font. The review processes will be further strengthened during 2021/22. The role players will also be revived to improve performance information. There will also be workshops coordinated to improve oversight by all structures in performance management i.e., audit structure, council structures and management structures. <u>Refer to page 272 of MR</u>	AG to provide legislation guiding that initially planned KPIs that were removed during SDBIP Adjustment must be reported in the APR Definitions KPIs will be taken care of in the 2021/22 Performance Reports and review will be undertaken by PMS and Internal Audit. Further reviews comments will also take into consideration	31-Jan-22	30-Jun-22	AGSA	In progress, 2021/22 SDBIP adjustment will be finalised and submitted to Council for approval by end of February 2022	No consequence management whereby corrective measures are not implemented by management. Vacancy rate an issue as there not enough human resources to complete tasks timeously

Governance	<p>60. Slow progress on agreed actions as per audit action plan</p> <p>A review of the audit action plan addressing the prior year audit findings revealed that the following matters were not addressed by the target date:</p> <p>i) Annexure A: Matters affecting the auditor's report The Municipality did not maintain an adequate fixed asset register as required by SA Standards of GRAP 17, Property, plant and equipment as details of the geographical location or mapping of the infrastructure assets related to pre-paid meters and the related networks was not included in the fixed asset register. As a result, I was unable to physically verify these assets. I was unable to determine the impact of this misstatement on the property, plant and equipment stated at R1,40 billion (2018-19: R1,41 billion) disclosed in note 4 to the financial statements as it was impracticable to do so. Consequently, misstatements from the previous year, if not addressed, may result in material misstatements in the current year.</p> <p>ii) Annexure B: Other important matters During the audit of compliance with laws and regulations, it was noted that the municipal council did not establish a disciplinary board to investigate allegations of financial misconduct in the municipality and monitor the institution of disciplinary proceedings against the offender. Consequently, the municipality did not comply with the requirements of Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings resulting in material non-compliance</p> <p><u>Refer to page 281 of MR</u></p>	<p>(i)Annexure A: Matters affecting auditor's report The audit finding is noted, the process of a fixed asset register and annual financial statements is on final stage right now at the same time addressing this audit query, therefore the management will have addressed this audit finding when a final draft annual financial statements are submitted for audit purpose by legislated date i.e.31 August 2021.</p> <p>(ii) Annexure B: Other important matters The management notes the audit finding. The Terms of reference and related useful documents were obtained from Alfred Duma Municipality through recommendations made by Provincial Treasury. The management notes the fact that the target date for establishing the board however the management will finalize the process of appointing the members of the board. <u>Refer to page 282-283 of MR</u></p>	<p>i) Monitor service provider performance to ensure that services are delivered on time, therefore findings on the action plan will be resolved by the target dates.</p> <p>li)Establish the Board and develop terms of reference</p>	01-Feb-22	30-Jun-22	Director Corporate Services		In progress
Governance	<p>61. Disciplinary board not established</p> <p>During the audit of compliance with laws and regulations, it was noted that the municipal council did not establish a disciplinary board to investigate allegations of financial misconduct in the municipality and monitor the institution of disciplinary proceedings against the offender.</p> <p>Consequently, this results in non-compliance with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings and will be reported in annexure B of the management report. <u>Refer to page 283 of MR</u></p>	<p>The management notes and accepts the audit finding. The management will ensure the disciplinary board is established during the current year. <u>Refer to page 284 of MR</u></p>	<p>Establish the Disciplinary Board and develop terms of reference.</p>	01-Feb-22	30-Jun-22	Director Corporate Services		In progress
Governance	<p>62. Non-Compliance with relevant MFMA reporting requirements</p> <p>During the audit it was identified that the municipality did not table their 2020/21 Mid-year Budget and performance assessment Report to council by 31 January 2021. Furthermore it was noted that the Municipality did not table their 2021/22 Time schedule outlining key deadlines by 31 August 2020. The Municipality also did not submit their 2021/22 Tabled Budget timeously to National and Provincial Treasury.</p> <p>Consequently, this results in non-compliance with the MFMA reporting requirements and will be reported in</p>	<p>The communication is noted and the finding is accepted. The Municipality has compliance monitoring controls in place and the municipality did respond to KZN Treasury regarding the non-compliance <u>Refer to page 286 of MR</u></p>	<p>Awaiting the required actions to clear the finding from the CFO.</p>					No progress

	annexure B of the management report. <u>Refer to page 285 of MR</u>							
Governance	63. Internal audits not completed as planned The following internal audits planned for the 2020-21 financial period were not completed as per the internal audit annual coverage plan at 30 June 2021: Consequently, this results in inadequate assessment of the effectiveness of the system of risk management and internal controls operated within the municipality. <u>Refer to page 289 of MR</u>	Agreed with the audit finding. The audits which were not completed as per the yearly coverage plan was asset management audit and performance of information audit for 3rd quarter due to the fact that internal audit plan was developed and approved based on the anticipation that additional staff member will be appointed during 2020/2021 financial year in order to maximize capacity within the internal audit unit and delays were encountered on finalization of the job evaluation process, the internal auditor position was then advertised and the closing date was on the 25 August 2021. Shortlisting and interviews will be conducted in due course. <u>Refer to page 290 of MR</u>	Increase capacity and resources within internal audit by appointing additional qualified staff members.	01-Jul-21	31-Mar-22	Director Corporate Services		In progress
Governance	64. Deficiencies in the internal audit function Evaluation of the internal audit function revealed the following issues; (a) No evidence was provided that external quality review/assessment was conducted at least once in the past 5 years. (b) No trainings were attended by internal audit in the current year and there is no training plan specific to the unit. (c) Internal audit is not adequately resourced for effective functioning. The team is made up of the Internal Audit Manager who is assisted by two (2) or three (3) interns not assigned to the unit with administrative work and do not have audit qualifications. The Internal Audit Manager does everything from preparation of working papers to reporting. (d) The 2020/21 internal audit plan did not include and no audits were performed on the compliance with the Division of Revenue Act and risk management. Consequently, this results in inadequate assessment of the effectiveness of the system of risk management and internal controls operated within the municipality. <u>Refer to page 291 of MR</u>	Agreed with the audit finding: (a) Due to budget constraints, reliance was based on the assessment done by KZN COGTA and Provincial Treasury but however the subsequent assessment will be formalised in order to issue out the outcome of the assessment. (b) Due to Covid-19 and budget constraints, trainings such as IIA conference and other related training offered by the Institute of Internal Auditors of South Africa was not attended but in future the training conducted through virtual platforms will be prioritised during the budget adjustment. (c) The Internal Auditor position was advertised and the closing date was on the 25 August 2021. Shortlisting and interviewing process will be undertaken in due course in order to enhance the capacity within the internal audit unit (d) No audit was planned specific for DORA and risk management during 2020/2021 financial year but however acts, laws and regulations forms part of the criteria when there is non-compliance identified during the audit <u>Refer to page 292 of MR</u>	a) Formalise the review by Cogta and Provincial Treasury. b) Manager Internal Audit to make arrangements to attend internal audit training , facilitated by SIGFARO in partnership with Cogta and SALGA. c)Appoint a qualified internal auditor.	01-Jul-21	31-Mar-22	Manager Internal Audit		No progress

Governance	<p>65. Deficiencies in the audit committee Review of the audit committee reports to council for the quarters ended 30 September 2020 and 30 June 2021 revealed the following:</p> <p>(a) The audit committee did not advise the council on matters relating to risk management and compliance with the Division of Revenue Act.</p> <p>(b) No agenda item was added for an in-camera discussion at each of the quarterly audit committee meetings for internal audit to meet separately with the audit committee and discuss matters of concern.</p> <p>Consequently, this may result in an ineffective audit committee. <u>Refer to page 293 of MR</u></p>	<p>The Agenda for Audit Committee meetings is discussed separately with the Audit Manager, this process provides Audit Manager an opportunity to discuss matters of concern with Audit Committee in absence of management (in-camera discussion), it also enforces open line communication between Audit Committee and Internal Audit Function. The need for capacitation of Internal Audit Function was stated in the Audit Committee Annual Report.</p> <p>The Audit Committee raised its concerns about poor meetings attendance by management and requested Council to enforce management to attend Audit Committee meetings. Furthermore, the Chairperson of the Audit Committee requested to be invited in the Council meetings in order to personal discuss matters raised in the Quarterly Audit Committee Council Report. Municipality Risk Register is presented by the Audit Manager in the Audit Committee meetings, a separate section on risk management matters will be included in the Quarterly Audit Committee Council Report. Risk Management will also be included as the standing item in the Audit Committee Agenda. <u>Refer to page 294 of MR</u></p>	<p>a)Municipality Risk Register is presented by the Audit Manager in the Audit Committee meetings, a separate section on risk management matters will be included in the Quarterly Audit Committee Council Report. Risk Management will also be included as the standing item in the Audit Committee Agenda.</p> <p>b)Agenda item that will serve as audit trail should be added for an in-camera discussion at each of the quarterly audit committee meetings for internal audit to meet separately with the audit committee and discuss matters of concern.</p>	01-Jul-21	30-Jun-22	Manager Internal Audit		In progress
Expenditure Management	<p>66. Incorrect accounting treatment of the schedule 5B Integrated National Electrification Programme (INEP) grant</p> <p>It was identified that the municipality entered into an agreement with Eskom on 5 May 2017 and 20 March 2017 for the electrification of houses in the Eskom area of supply (i.e. Gluckstadt, ward 04 and Shoba, ward 07). These projects are funded by the schedule 5B INEP grant. The municipality does not have an electricity licence in these areas and for constructing assets in an Eskom area. Consequently, this has resulted in the following misstatements:</p> <p>a) Contracted services expenditure and INEP grant revenue in the current year are overstated by R2 696 308. The prior year expenditure and revenue are also overstated by an amount to be determined.</p> <p>b) WIP is materially overstated by R5 922 830, accumulated surplus is overstated by R5 582 995 and current year revenue is overstated by R339 835.</p> <p>The binding agreement under consideration is the Memorandum of Understanding with Eskom which is signed by both parties. The transactions with third parties is the appointment of the contractors to construct the assets. The assets transferred to Eskom on completion of the construction is therefore for the benefit of Eskom. The municipality has incorrectly recognised expenditure of R2 696 308 in the current year under Contracted services "Electrical" note 34 to the AFS and the related</p>	<p>Management accepts the finding. The following adjustments are proposed for the correction of revenue and expenditure incorrectly recorded. Considering that the spending of this grant has already been incurred, the net impact on the unspent grant liability is nil, and therefore no correcting journals are required in this regard.</p> <p>These transactions should have been recorded in accordance with GRAP 109 Principal and Agent, where the municipality is acting as an agent in Eskom licensed areas, as follows: Adjustment: 2020/2021 for expenditure and revenue overstated</p> <p>The following adjustments are proposed for the correction of WIP incorrectly recorded in the fixed asset register. These transactions should have been recorded in accordance with GRAP 109 Principal and Agent Standard, where the municipality is acting as an agent in the Eskom licenced</p> <p>The updated WIP register and amended AFS will be provided once the adjustments are accepted by the Auditor. The amended AFS will further include the disclosure of the principal agent transactions as per the Standards. <u>Refer to page 298 of MR</u></p>	<p>Upon submission of the adjusted AFS, the issue was resolved. Internal Audit and consultants need to review the Grant Register and recording of expenditure relating to INEP grant. Internal Audit and consultants need to review the disclosure of INEP in the AFS and ensure that, these transactions should have been recorded in accordance with GRAP 109 Principal and Agent, where the municipality is acting as an agent in Eskom licensed areas.</p>	01-Jul-21	31-Jul-22	CFO		No progress

	<p>revenue in note 27, INEP grant. The municipality does not have control over these assets and there are no economic benefits to be derived by the municipality therefore no revenue should be recognised in the financial statements. Furthermore, the following assets being constructed in an Eskom area are included in the WIP asset register: <u>Refer to page 296 of MR</u></p>							
Supply Chain Management	<p>67. Existing related party relationships not disclosed Disclosures note 41 to the annual financial statements states that, "The municipality had no related party transactions for the year end 30 June 2021", with no disclosure of the following relationships despite their existence; i. Remuneration of management as required by paragraph 35 of GRAP 20 ii. By virtue of the KwaZulu-Natal Provincial Executive Council intervening in terms of section 139(1)(b) of the constitution and taking control of the municipality's financing and operating policy decisions, the municipality is a related party of all the organs of state within the KZN provincial sphere of government, and the municipality is required to include the GRAP 20 related party disclosures in the AFS from the date that it was placed under administration and until the end thereof. Consequently, the related party disclosure note is misstated and will be evaluated for reporting based on materiality. <u>Refer to page 305 of MR</u></p>	<p>Management accepts the finding. The Annual financial Statements for note 41 was updated accordingly with the relevant findings and requirements of GRAP 20 for related parties. An extract of the update AFS for Note 41 is attached as evidence thereof. <u>Refer to page 303 of MR</u></p>	<p>Issue was resolved during the audit. Internal Audit and consultants must review the AFS to ensure completeness of related party disclosures.</p>	20-Jan-22	31-Jul-22	SCM Manager	<p>Process will start during preparation of the 2021/2022 AFS</p>	No progress
Supply Chain Management	<p>68. Procurement of goods and services split into parts or items of lesser value In performing the audit of procurement and contract management, it was identified that the procurement of the following goods and services were split into parts or items of lesser value thus avoiding compliance with the competitive bidding process. Consequently, this results in non-compliance with section 12(3) of the MSCM regulations and therefore irregular expenditure. <u>Refer to page 305 of MR</u></p>	<p>Management does not agree with the finding raised. This is a one purchase order with different size of water meters (15mm and 20mm) not splitting. To evidence to that there is only one purchase order number issued on the 16th of October 2020. The order can have number of items that does not mean you are splitting the order. It should also be noted that the services provider is in the panel of service providers appointed by the municipality. The attached is the copy of the purchase order. <u>Refer to page 306 of MR</u></p>	<p>The municipality will select suppliers for water meters from the panels. Internal Audit will conduct an audit of SCM Processes to identify splitting of orders, once identified it will be referred to the disciplinary board.</p>	01-Jul-21	30-Jun-22	SCM Manager	<p>The panel of suppliers for water meters has been appointed. Internal audit report</p>	No progress
Supply Chain Management	<p>69. Suppliers in service of the state During the audit of procurement and contract management, the following was identified: 1. The supplier is in service of the state and there was no declaration made by the supplier. 2. The supplier is in service of the state and there was a false declaration made by the supplier. Consequently, the non-compliance with section 112 (j) of the MFMA and Municipal Supply Chain Management Regulations 44 will be reported in the management report. The expenditure incurred should be disclosed as</p>	<p>Item no2: management disagree with the finding, Isabelo Project has only one Director Mr DSM Nene ID No 8501155823080 and CSD Compliant does not indicate any service of the state There was an error on data base between Magnacorp 11cc and Magnacorp 115cc is the one company with the same information on them. It has only one director Mr thwala Id No 8303315328088 and he is not on the service of the state. Attached is the CSD Records and data base proof.</p>	<p>SCM Manager to monitor implimentation of the compliace checklist before making the order. Verify through CSD. Expenditure manager must also monitor the implementation of the compliance checklist before making the payment. Conduct voucher audit of SCM transactions to confirm implematation of the SCM</p>	01-Jul-21	30-Jun-22	SCM Manager	<p>A voucher audit and the review of all SCM transactions is in progress.</p>	In progress

	irregular expenditure in the financial statements. <u>Refer to page 307 of MR</u>	Name: PH Nxumalo <u>Refer to page 309 of MR</u>	Compliance Checklist. Internal Audit to assist MPAC in conducting investigations of identified irregular expenditure.					
Supply Chain Management	70. Payments made under the contract exceeds the contract price During the audit of procurement and contract management, it was noted that the following bidder's total payments made under the contract up to year-end (30 June 2021) exceeds the original contract price and there were no further contract extension approvals granted by the accounting officer. The expenditure incurred more than the original contract value which was not approved in terms of the prevailing contract conditions constitutes irregular expenditure. Consequently, the expenditure incurred in excess of the contract value was not in compliance with section 62(1)(b) of the MFMA, the expenditure should be disclosed as irregular expenditure in the annual financial statements. <u>Refer to page 309 of MR</u>	Management does not agree with this finding: as the description of services does not correspond to the tender no and current year expenditure does not agree with our records. In addition, Items 1, 8-11 the service providers were appointed on rates and as and when the service is required there were no fixed amount only total units (attached appointments letter) <u>Refer to page 311 of MR</u>	The contract register must be reviewed by the IA and consultant to ensure the correct recording of contract amounts for panels. Review the contract register to identify over expenditure(CFO/SCM MANAGER).	01-Feb-21	30-Jun-22	CFO/SCM Manager	The process has not been started yet	No progress
Expenditure Management	71. Eskom old debt incorrectly recorded as bulk purchases In performing the audit of bulk purchases expenditure as disclosed in note 33 to the AFS, it was identified that Eskom payments made in terms of the arrangement for old debt appearing on invoices were incorrectly recorded as expenditure: Consequently, bulk purchases expenditure and trade payables are overstated by a projected amount of R13 370 826,31 and input VAT with an amount still to be determined. <u>Refer to page 315 of MR</u>	Management accepts the finding. As part of the debt negotiations the municipality had with ESKOM in July 2019, ESKOM resolved that they will remove the arrear debt (which the journalised out from the statement), and charged the municipality the old debt monthly on invoices as to avoid interest charges. The payment arrangement towards the capital due will be reflected on the monthly invoices together with current consumption payable. Therefore, Bulk purchases reflected in the GL includes the payment arrangements, plus the applicable monthly charges for electricity. <u>Refer to page 324 of MR</u>	Upon submission of the adjusted AFS, the issue was resolved. The debt was fully paid by December 2020 and therefore no further action will be required	01-Jul-21	31-Jul-22	CFO		Resolved The debt was fully paid by December 2020 and therefore no further action will be required.
ICT	72. User access and privileges not periodically reviewed on all financial systems No evidence could be provided that users' access and privileges on all financial systems were periodically reviewed to confirm that such access and privileges are still commensurate with their job responsibilities. If the functions allocated to application users are not timely reviewed, it could result in users having functions that are not commensurate with their job descriptions. <u>Refer to page 319 of MR</u>	All users that are authorized access to the financial system tick the appropriate boxes (signed by the line supervisor), therefore all users have access to the functions allocated to them. <u>Refer to page 319 of MR</u>	The requirement is that business unit Manager and the ICT manager need to review annually. The ICT Manager must be appointed to conduct the periodic reviews in conjunction with the relevant business unit managers.	01-Jul-21	30-Jun-22	Director: Corporate Services	No progress	

ICT	<p>73. ICT steering committee not established</p> <p>During the audit of the information systems and processes, it was noted that the municipality did not have an IT steering committee in place throughout the year as required by the Information Communication and Technology Charter to ensure that IT projects are effectively and efficiently executed and these projects address the needs of the municipality and affected stakeholders. The committee was only established on 28 June 2021.</p> <p><u>Refer to page 320 of MR</u></p>	<p>The ICT Steering Committee was re-established on the 4th June 2021 and the Terms of Reference were reviewed on the 20th August 2021.</p> <p><u>Refer to page 321 of MR</u></p>	<p>The ICT Steering Committee was re-established on the 4th June 2021 and the Terms of Reference were reviewed on the 20th August 2021.</p>	01-Jul-21	30-Jun-22	Director: Corporate Services	Resolved	
ICT	<p>74. User access forms are not completed and kept within the ICT department as per the ICT policy</p> <p>During the testing of the IT systems, it was noted that the ICT manager did not keep accurate Terminations Listing Reports for employees' terminated from the system and formal access forms for password resets and changing of access rights.</p> <p><u>Refer to page 321 of MR</u></p>	<p>Every employee that has access to electronic devices of the Municipality completes a User form which is signed by the Line Manager or Head of Department and sent to ICT. Each form is signed and filed at ICT. Currently there is no Manager so the work is spilt between the 3 staff members.</p> <p><u>Refer to page 322 of MR</u></p>	<p>Enagage with AGSA Manager as the municipality does not agree with the finding.</p> <p>User access forms are completed for every new employee. All forms and documentation is kept int the ICT Dept. The auditors never requested to see the actual papers. They requested digital (scanned) copies because they were scared of contracting covid.</p> <p>The person that wrote "During the testing of the IT systems, it was noted that the ICT manager did not keep accurate..." seems not be able to listen. During the "testing", it was mentioned multiple times, that Abaqulusi does not have an ICT Manager and that nobody was not acting in that position.</p> <p>At the moment, only one person is able to reset password (senior Technician). The prefered method of resetting passwords is either a request in person or telephonically. Paperwork takes too long.</p> <p>Scenario - During a weekend, one of the directors needs their password to be reset or account unlocked because the entered the password wron.</p> <p>Answer - Oh sorry, I need you to fill in the forms to have your password reset and I need the paperwork in-hand before continuing with the reset.</p> <p>Verification via telephone is more productive than paperwork</p> <p>Changing of access rights are only done via forms or emails that can be tracked. Telephonic request are ignored.</p>	01-Jul-21	30-Jun-22	Director: Corporate Services	No progress	

ICT	<p>75. Backups not verified and checked for successful completion</p> <p>During the testing of the ICT systems, it was noted that backups were not verified and checked, and a backup register was not maintained as evidence of backups performed by the ICT department to ensure that data and software was regularly and securely backed up to facilitate rapid recovery from any ICT system failure.</p> <p><u>Refer to page 322 of MR</u></p>	<p>All systems are backed up.</p> <p><u>Refer to page 323 of MR</u></p>	<p>Engage with AGSA Manager as the municipality does not agree with the finding.</p> <p>Backups are done daily from 17:00 and by 18:00 a report is emailed to the senior technician of successful backups and failed backups. All the evidence was provided during testing.</p> <p>How do you restore 7TB of data and verify that no files are corrupted?</p> <p>We do not have that type of equipment to do that. The backup register is the emails that the system sends daily. Why write down something that is automatically documented. No backups are done manually anymore. This municipality does not have the funds to pay or setup a (rapid recovery facility).</p>	01-Jul-21	30-Jun-22	Director: Corporate Services	No progress	
ICT	<p>76. Latest version of antivirus software not installed on workstations</p> <p>Even though antivirus software had been installed, it was noted that the latest versions were not available on workstations inspected.</p> <p>If the latest version of antivirus software is not installed, system performance and availability may be impacted and data may be lost or corrupted.</p> <p><u>Refer to page 324 of MR</u></p>	<p>The process of procuring the antivirus software was delayed due to pandemic and lack of funds in the Municipality. The process to procure is underway.</p> <p><u>Refer to page 324 of MR</u></p>	<p>The adjustment budget must include funds for the antivirus and the procurement process must be stated for purchasing the software.</p>	01-Feb-21	30-Apr-22	Director: Corporate Services	No progress	
ICT	<p>77. No evidence that patch management software was installed</p> <p>No evidence could be provided that patches had been applied to the municipality's network.</p> <p>Security patches address important security issues in between service packs. If it is not installed, systems are exposed to vulnerabilities that could be exploited to gain unauthorised access to the systems.</p> <p><u>Refer to page 325 of MR</u></p>	<p>ICT team monitor systems and reports are submitted monthly and quarterly for the daily security activities.</p> <p><u>Refer to page 325 of MR</u></p>	<p>Engage with AGSA Manager as the municipality does not agree with the finding.</p>	01-Jul-21	30-Jun-22	Director: Corporate Services	No progress	
ICT	<p>78. No evidence that independent reviews were conducted of activities of the person responsible for granting users access to the network, application systems</p> <p>No evidence could be provided that the activities of the systems administrator who grants user access to the systems are reviewed.</p> <p>The lack of reviews of system controllers' activities could lead to unauthorised access being gained to the system as inappropriate access granted may not be detected.</p> <p><u>Refer to page 326 of MR</u></p>	<p>ICT Manager is not the Administrator of all the systems utilized by the Municipality, i.e. Payday, MunAdmin, MunSoft, etc. Therefore it will be difficult for ICT Manager to monitor the activities of that systems Administrator.</p> <p><u>Refer to page 326 of MR</u></p>	<p>The ICT Manager must be appointed to do the reviews.</p>	01-Jul-21	30-Jun-22	Director: Corporate Services	No progress	

Expenditure Management	<p>79. Contingent liability not disclosed</p> <p>In performing the audit of contingencies as disclosed in note 40 to the annual financial statements, it was identified that on 7 December 2020 the municipality received a letter of demand from Luthuli Attorneys Incorporated on behalf of their client Izingodla Engineering (Pty) Ltd relating to services rendered on the Vrede Cliffdale Project amounting to R4 316 422,08 plus interest. On paragraph 3.1.2 and 3.1.3 of the settlement agreement signed by the Municipal Manager on 1 April 2021 which included claims for other projects done by Izingodla Engineering (Pty) Ltd, the administrator made the following findings:</p> <p>3.1.2 the issue of Vrede Cliffdale remains unresolved because there is still a dispute regarding the issue of an alleged cession.</p> <p>3.1.3. that the claim of R5 636 573,44 (4 316 422,08 capital + R1 320 151,36 interest) is hereby not honoured pending the finalization of the investigation.</p> <p>The above has never been accounted for in books/AFS of the municipality, consequently contingent liabilities are understated by R5 636 573,44 and the misstatement will be aggregated with other misstatements and evaluated for reporting based on materiality.</p> <p><u>Refer to page 327 to 328 of MR</u></p>	<p>Management accepts the finding.</p> <p>The Contingent liability listing for 2021 was updated and is attached herewith. The AFS note disclosed will be updated once the Auditor accepts management explanation.</p> <p><u>Refer to page 328 of MR</u></p>	<p>Upon submission of the adjusted AFS, the issue was resolved.</p> <p>Internal Audit and consultants need to review the contingencies register for accuracy and completeness.</p> <p>The technical Director, PMU and CFO will perform investigations into disputed projects to determine if services were rendered.</p>	01-Jul-21	31-Jul-22	CFO/PMU/Technical Director		No progress
Supply Chain Management	<p>80. Fruitless and wasteful expenditure raised on interest levied on outstanding invoices where the MFMA exemption is applicable</p> <p>In performing the audit of FWE as disclosed in note 47 to the AFS, it was identified that FWE was raised on interest levied on outstanding invoices where the MFMA exemption is applicable. The goal that was sought to be achieved by the exemption, was to relax provisions in the MFMA that would have undermined efforts to social distance.</p> <p>Consequently, FWE is misstated by f R695 025.</p> <p><u>Refer to page 329 of MR</u></p>	<p>Management disagrees with the Auditors interpretation of MFMA Circular 99 and more specifically Annexure A of this circular. The intention of the circular was to assist with certain prescribes of the MFMA, but didn't preclude a municipality from making payments timeously to suppliers to prevent fruitless and wasteful expenditure in the form of interest.</p> <p>Management draws the attention of the Auditor to the following paragraphs extracted from the said Annexure A:</p> <p>It is important that the Exemption Notice be understood within the context of the COVID 19 pandemic and the related declarations made by the President of the Republic of South Africa. The Exemption provided enabled a relaxation of all those provisions that would have compromised amongst others, the social distancing and the prohibition of gatherings of more than 100 people measures that was introduced as part of the national state of disaster declaration. The latter refers to council meetings where reports had to be approved before being made public, public consultation meetings, sitting of bid committees etc. In other words, every action or decision that requires some degree of human contact will be covered by this conditional exemption. All other actions or decisions e.g. paying suppliers within 30 days of receipt of invoice, etc. that involve minimal to no human contact should continue as normal.</p>	<p>Management disagrees with the finding, therefore no action is required.</p> <p>The finding will be discussed during a meeting between AGSA and the municipality, facilitated by CoGTA.</p>	01-Feb-21	31-Mar-22	SCM Manager	A meeting must be set up with AGSA to discuss the finding.	No progress

		<p>Reference page 2 of Annexure 8.1 Payment of Creditors</p> <p>Municipalities must continue to pay for services rendered within the framework of the measures introduced by the President of the Republic of South Africa. The exemption notice does not divest municipalities of their contractual obligations and such will still have to be met. Therefore, municipalities must ensure that all services rendered are paid for as and when they become due. Municipalities must still comply with section 65(2)(e) of the MFMA which requires them to pay creditors within 30 days of receiving the relevant invoice or statement.</p> <p>Reference page 7 of Annexure</p> <p>Therefore, no misstatement exists.</p> <p><u>Refer to page 329 to 331 of MR</u></p>						
Supply Chain Management	<p>81. Irregular expenditure not valid</p> <p>In performing the audit of irregular expenditure as disclosed in note 48, supporting evidence could not be provided to confirm the non-compliance that resulted in irregular expenditure.</p> <p><u>Refer to page 332 of MR</u></p>	<p>No response from management</p> <p><u>Refer to page 332 of MR</u></p>	<p>Obtain supporting documents for the irregular expenditure incurred. Investigate the irregular expenditure register and confirm if they are avalid.</p>	01-Feb-21	31-Mar-22	SCM Manager	The review of the quarter one and two irregular expenditure is in progress	No progress
Supply Chain Management	<p>82. Irregular and fruitless and wasteful expenditure findings</p> <p>In performing the audit of disclosure notes, the following issues were identified:</p> <p>(a) The findings of the investigation report provides an explanation of why the non-compliance occurred but does not indicate if any person is responsible for the non-compliance.</p> <p>(b) The nature of FWE and irregular expenditure incurred has not been disclosed in the AFS. Consequently, this results in the following:</p> <p>(a) Material non-compliance to section 32(2)(b) of the MFMA.</p> <p>(b) Misstatement of the AFS due to non-disclosure of the nature of FWE and irregular expenditure incurred and will</p>	<p>Management has updated the Note 48 with the nature of the irregular expenditure</p> <p><u>Refer to page 335 of MR</u></p>	<p>a) The findings of the investigation report must be edited to indicate if any person is responsible for the non-compliance.</p> <p>b)Disclosure notes for Irregular and fruitless and wasteful expenditure, will be reviewed to ensure that they include the nature of irregular Irregular and fruitless and wasteful expenditure.</p>	01-Jan-22	31-Aug-22	SCM Manager/IA Manger	The process has not been started yet	No progress

	be evaluated for reporting based on materiality. <u>Refer to page 334 of MR</u>							
Revenue Management	<p>83. Exceptions identified on indigents register Computer assisted audit techniques (CAATs) performed on the indigents register revealed the following exceptions:</p> <p>(a) One hundred and fifty nine (159) indigents are also listed as deceased persons on the National Population Register (NPR). On death of the account holder, the indigent support should be terminated by the municipality. If the indigent had dependents, the dependents would need to re-apply for the support as the subsidies are not transferrable. The challenge is when the municipality continues to provide services to the household of the deceased account holder as the indigent status should be terminated. In addition, the municipality cannot determine who the heir of the deceased is where the dependents did not re-apply and whether they qualify for the free basic services, therefore, the auditor has a limitation of scope on determining whether revenue and receivables are understated.</p> <p>(b) Sixty seven (67) records of indigents where the ID number could not be found on the NPR database. These account holders may have provided fraudulent documents to the municipality in order to qualify as indigent when they should not. The municipality should investigate these to determine whether they qualify as indigent or if they should be charged for the services.</p> <p>(c) Fifty (50) records of indigents in the employment of one or another government department or organisation. These account holders may not qualify as indigent as their income may be above the threshold set by the municipality in the Indigent Policy. The municipality should provide auditors evidence (such as the account holders proof of income) in order to determine whether they indeed should qualify as indigent. These account holders should be charged for the services, as not charging them results in an understatement of revenue and receivables.</p> <p>(d) Seven (7) records of indigents that has an interest in suppliers of government and/or municipalities. These account holders may not qualify as indigent as their income may be above the threshold set by the municipality in the Indigent Policy. The municipality should provide auditors evidence (such as the account holders proof of income) in order to determine whether they indeed should qualify as indigent. The account holders who should be charged for services and are not being charged results in an understatement of revenue and receivables.</p> <p>(e) Eighteen (18) records of indigents with an ID Number duplicated on the indigent register. The municipality should investigate these to determine whether they qualify as indigent or if they should be charged for the services. Before the municipality concludes the investigation, the auditors on the other</p>	<p>4(a) Should a consumer pass away in a financial year we do not do monthly checks or have the ability or manpower to do so. At the end of a financial year all indigent applications are cancelled and a new application must be entered into and by doing so we establish that this consumer has passed away. This is a norm at all municipalities.</p> <p>4(b) These consumers could not be found on the NPR data base as they are all deceased.</p> <p>4(c) It is very possible that an employee of the state can receive indigent support. EG – EPWD; ward committee and contract workers all earn below the indigent threshold.</p> <p>4(d) When indigent support is approved and confirmed by the relative ward councillor who performed a site visit on the consumer.</p> <p>4(e) We do not agree with the finding as the ID numbers presented must have got mixed up. Please see POE.</p> <p>4(f) We agree with the finding as this rarely happens when the spouse marries after the application is made and will only be detected on a new application the next financial year.</p> <p>4(g) We do not always have access to the details of the owners spouses information as the property may only be registered in one persons name.</p> <p><u>Refer to page 346 of MR</u></p>	<p>1. Review indigent policy and monitor compliance with the policy. 2. Need to perform data cleansing of the indigent register.</p> <ul style="list-style-type: none"> - Review indigent register to ensure completeness and accuracy. - Review the indigent register and confirm that all issues identified by AGSA through CAATs have been corrected. - Review indigent register to identify double entry on the billing information systems. - Perform Indigent register audit to ensure all indigents on the list meet requirements as per the indigent policy. - Ensure all supporting information for indigents is complete and filled accordingly. 	01-Jan-22	30-Jun-22	Revenue Manager	he supporting information is being reviewed to confirm if the indigents are valid. The indigent register is being reviewed for completeness and accuracy.	In Progress

	<p>hand will have a limitation of scope as we cannot determine whether the account holders qualified as indigent and whether revenue and receivable are understated.</p> <p>(f) Seven (7) records of spouses of Indigents in the employment of one or another government department or organisation.</p> <p>These account holders may not qualify as indigent as their income may be above the threshold set by the municipality in the Indigent Policy. The municipality should provide auditors evidence (such as the account holders proof of income) in order to determine whether they indeed should qualify as indigent.</p> <p>(g) Two (2) records of spouses of indigents that has an interest in suppliers of government and/or municipalities. These account holders may not qualify as indigent as their income might be above the threshold set by the municipality in the Indigent Policy. The municipality should provide auditors evidence (such as the account holders proof of income) in order to determine whether they indeed should qualify as indigent. The account holders who are in business are not likely to qualify as indigent as their income is probably higher than the indigent income threshold, these account holders should be charged for the services, as not charging them results in an understatement of revenue and receivables.</p> <p><u>Refer to page 336 to 346 of MR</u></p>							
Revenue Management	<p>84. Incorrect classification of basic service charges as interest received from service charges</p> <p>In performing the audit of interest received service charges as disclosed on the face of the statement of financial performance (SoFP), it was noted that the following basic charges from sales of electricity were incorrectly classified as interest received service charges. Consequently, sale of electricity is understated and interest received service charges is overstated by a projected amount of R11 208 591. The impact on net surplus for the period is nil.</p> <p><u>Refer to page 347 to 348 of MR</u></p>	<p>Management did provide the auditor with the detailed listing of Basic Service Charges for the R11 208 591 via email on the 16th November 2021. The basic service charges revenue is generated through the monthly billing processes which is automated by the system based on adopted tariffs. Municipality accepts that incorrect revenue segment was used to record the revenue through the billing process. The listing is attached herewith.</p> <p>Management proposed a Journal to correctly record the revenue which should be part of Electricity Service charges on the Annual Financial Statements</p> <p><u>Refer to page 349 of MR</u></p>	<p>i) Upon receipt of the adjusted AFS, the issue has been resolved for financial misstatement during the audit.</p> <p>ii) IA and a consultant will audit the classification and allocation of revenue in the correct segments.</p>	01-Jan-22	30-Jun-22	Revenue Manager/IA Manager	The process has not been started	No progress

Asset Management	<p>85. Router Master Meter Reading System used without a licence</p> <p>In performing the audit of services charges as disclosed in note 19 to the annual financial statements (AFS), it was identified that the municipality has for a number of years been using a system owned by Consolidated African Technologies (Pty) Ltd (CAT) "i.e. RouterMaster Meter Reading System" for water and electricity meter readings without a licence.</p> <p>When it was determined that no payments are made by the municipality to CAT, enquiry with management revealed that this was due to an old tender for reading of water and electricity meters which contained a requirement that the winning service provider should "supply electronic reading equipment that are compatible with the Munsoft Billing System eg. hand-held terminals and MScoa requirements". This service provider then provided RouterMaster Meter Reading System of which they also did not own. At the end of the contract period, the municipality continued using this meter reading system and no software updates are made as it has been static for a number of years.</p> <p>Consequently, this may result in CAT instituting legal claims against the municipality for unauthorised use of their software.</p> <p><u>Refer to page 350 of MR</u></p>	<p>The version used of Route master was purchased outright from CATS in July 2010. Please see the attached purchase order. No license fee required.</p> <p><u>Refer to page 351 of MR</u></p>	<p>Include the Routemaster system in the intangible asset register.</p>	01-Jul-21	31-Jul-22	CFO	The process has not been started yet.	No Progress
Revenue Management	<p>86. Incorrect classification and presentation of revenue items</p> <p>In performing the audit of revenue from exchange transactions, the following was identified:</p> <p>(a) Money recovered on an Eskom invoice that was paid in the prior year into a bank account other than the bank account of Eskom was incorrectly classified as "Rendering of services" amounting to R3 951 759 on the Statement of financial performance (SoFP).</p> <p>(b) Fair value adjustments from Investment properties amounting to R10 138 123 was incorrectly presented as revenue from exchange transactions on the face of the SoFP.</p> <p>Consequently, revenue from exchange transactions is overstated by R14 089 882, sundry debtors overstated by R3 951 759 and revenue from non-exchange transactions understated by R10 138 123. The impact on surplus for the year is overstatement of R3 951 759.</p> <p><u>Refer to page 351 of MR</u></p>	<p>Management provides the following explanations for finding (a) above:</p> <p>The amount of R 3,915 759 related to the fraudulent payment made by an employee into their personal bank account under the premise or misrepresentation that the payment was for ESKOM. The monies were recovered from the frozen bank accounts of the employee which was held in trust by the attorney's awaiting authorization from the courts to make the payment to Municipality.</p> <p>A sundry debtor was raised in the name of accused employee Mrs. G Khumalo in anticipation of this recovery. Therefore, the double entry to revenue and sundry debtors to account for this receivable.</p> <p>Management accepts that incorrect revenue segment was used in raising this receivable and proposes the following Journal. The revenue will be classified under other revenue of the AFS. Therefore, management disagrees that the surplus is overstated as indicated by the Auditor, as this is the accounting treatment for the recovery of fraudulent payment on the accrual basis.</p> <p>Management accepts finding (b) and the fair valuation adjustment will be reclassified to revenue from non-exchange transactions. The amended AFS is attached herewith.</p> <p><u>Refer to page 352 to 353 of MR</u></p>	<p>i) Upon receipt of the adjusted AFS, the issue has been resolved for financial misstatement during the audit.</p>	01-Jan-22	30-Jun-22	Revenue Manager	The AFS were adjusted and the issue was resolved.	Resolved The AFS were adjusted and the issue was resolved.

6.2 Financial Viability and Management SWOT Analysis

Strengths	Weakness
<ul style="list-style-type: none"> • HOD and section managers are all in place and able to provide leadership and guidance • Financial reporting is always done timeously and in accordance with legislation • Centralised database • All SCM Committees established • Early implementation of MSCOA • Implementation of CSD • Revenue enhancement committee • Procurement plan in place 	<ul style="list-style-type: none"> • Delayed payments to service providers • Delay in SCM Processes • SCM Process not followed • High rate of debtors • Strategic vacant positions not filled • Uncleaned database for billing • High indigent rate due to lack of oversight • Lack of monitoring and supervision of cashiers • Non vetting of employees • Employees collusion with the consumers on bridging electricity and cable theft • Lack of Consequences management • Irregular expenditure • Verification of service providers in the service of state • Lack of regular SCM training

	<ul style="list-style-type: none"> • Lack of Implementation of Procurement Plan
Opportunities	Threats
<ul style="list-style-type: none"> • Clean audit opinion is attainable • Audit of electricity and water meters for revenue enhancement • Installation of a system to control overtime • Debt recovery and revenue enhancement plans • Support from KZN Cogta, Provincial and National Treasury • Amend credit control policy to accommodate illegal land use and development to impose fines • Disposal of municipal owned land to enhance revenue 	<ul style="list-style-type: none"> • Legal action instituted against the municipality resulting in section 139 • No early warning system against loss of revenue • Delayed SCM process results in delayed service provision • Utilisation of service provider that not registered with VAT over the threshold • Qualified/adverse/disclaimer audit opinion • Cash flow constraint resulting in non-payment of creditors • Loss of revenue due to theft of municipal services

6.3 Financial Viability and Management Key Challenges

Key Performance Area: Financial Viability and Management			
Key Challenges	Problem Statement (Definition)	Proposed Interventions	Status Quo
1. Delayed payments made to service providers	Due to financial constraints, the municipality experiences difficulties in making payments to its creditors within a 30 day period.	-All payments to be made within 30 days -Strict monitoring of payments to Service Providers	This is an on-going concern.
2. Loss of revenue due to theft of services	Constant theft and loss of municipal services experienced monthly, severely impacting on service delivery and the financials of the municipality.	-Setup hotline to report theft of services -Conduct awareness campaigns with communities about theft of services	This is an on-going concern.
3. High Levels of Indigents	Too many indigents creates pressure on the financial system and supply of services.	-Monitor and update Indigent register regularly	This is an on-going concern.
4. High claims of overtime	Overtime claimed exceeds the budgeted amount and often the hours claimed are too high.	-Appoint shift workers and ensure authorisation is received for overtime	This is an on-going concern.

7. Good Governance and Community Participation

7.1 Good Governance Analysis

7.1.1 National and Provincial Programmes rolled-out at Municipal Level

Programme	Municipal Involvement
Expanded Publics Works Programme	<p>In 2004, the EPWP was launched and is currently still being implemented. The EPWP is a nationwide programme covering all spheres of government and state-owned enterprises. The Programme provides an important avenue for labour absorption and income transfers to poor households in the short to medium-term. It is also a deliberate attempt by the public sector bodies to use expenditure on goods and services to create work opportunities for the unemployed. EPWP Projects employ workers on a temporary or on-going basis either by government, by contractors, or by other non-governmental organisations under the Ministerial Conditions of Employment for the EPWP or learnership employment conditions. Over the years the Abaqulusi LM had participated in this programme and continue to do so presently.</p> <p>The Current Status Quo of the EPWP is as follows:</p> <ul style="list-style-type: none"> • Currently we have 193 EPWP's • All working 5 days a week.

- They are working in all 3 clusters within Abaqulusi.
- The work that they do is mixed between, street cleaning in town, assist with general services in three sections, Roads, Electricity and Water section. They also assist in the general up-keeping of Community Halls, Offices and Administrative work.
- R98 per day
- 01 July 2021 – 31 December 2021 (*The EPWP grant fund(R 2515 000.00 was for six months extension)*)
- 02 January 2022 – 30 June 2022 (*Internal funding of R2 000 000.00 was granted to employ 160 EPWP's however we appointed 193 EPWP's)*)

The EPWP Plan for next Year is as follows:

- 150 EPWP's planned
- All working 5 days a week.
- They are working in all 3 clusters within Vryheid.
- The work that they do is mixed between, street cleaning in town, assist with general services in three sections, Roads, Electricity and Water section. The also assist in the general up-keeping of Community Halls, Offices and Administrative work.
- R102 per day
- 01 July 2022-30 June 2023

Community Works Programme

The Community Works Programme was setup by CoGTA to help reduce the levels of unemployment in the country and municipalities were urged to use this as one of the driving mechanisms for job creation. The Abaqulusi LM has certainly been active in the CWP since its inception and will continue to utilise this innovative tool to empower the youth and unemployed.

The Current Status Quo of the CWP is as follows:

- 1 124 participants
- All working 2 days/ week
- Working in all (23) wards
- Gardening work, cultivating, community work and other useful work required in the respective Wards
- R105 per day

The CWP Plan for next Year is as follows:

- 1200 participants
- All working 2 days/ week
- Working in all (23) wards
- Gardening work, cultivating, community work and other useful work required in the respective Wards
- R105 per day

Operation Sukuma Sakhe	OSS is a unique KwaZulu-Natal initiative that seeks to bring together all government departments and municipalities not on paper only but through real action and immediate impact. The Municipality is fully represented in OSS by amongst others in Local Aids Council, Men"s Forums, Religious Formations, <i>Izintombi</i> (Virgin Maidens), Disability Forums and many more as will be discussed in the foregoing.
Back to Basics	<p>On 17 February 2015, our Honourable MEC for CoGTA, Nomusa-Dube Ncube officially launched the National Back to Basics programme in KZN. The Back to Basics programme was identified by National Government as a key intervention in order to achieve the following:</p> <ul style="list-style-type: none"> • Putting people first • Delivering basic services • Good governance • Sound financial management • Building capacity <p>The Abaqulusi Local Municipality is currently receiving support from KZN CoGTA for ensuring that all of its actions are aimed at achieving the goals of Back to Basics. The municipality also completes the Back to Basics report on a monthly basis as required by National Government, and quarterly basis as required by Provincial Government.</p>

7.1.2 Inter-Governmental Relations

IGR in the context of South Africa mainly aims to achieve the following:

- Communication
- Information Sharing
- Consultation
- Engagement
- Co-operation

The key IGR Structures that is established in the country that provides a platform to achieve the abovementioned is outlined as follows:

Table 23: Municipal Structures and Functionality

Sphere of Government	IGR Structure
National	<ul style="list-style-type: none"> • Presidents co-ordinating Council • MinMECs/Budget Forum/Local Government Budget Council
Provincial	<ul style="list-style-type: none"> • Premiers coordinating Forums • MuniMECs
Local	<ul style="list-style-type: none"> • District Inter-governmental Forums: • Mayoral Forum • Managers Forum • Sub Technical Forums (CFOs Forum, Planning Forum, Infrastructure Forum, Corporate Services Forum)

It must be noted that the Abaqulusi LM is fully committed and active in the Provincial and Local IGR Structures.

7.1.3 Municipal Structures and Functionality


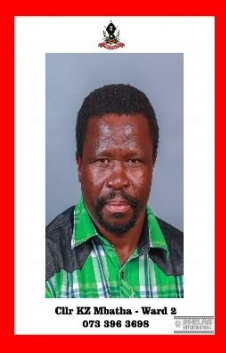
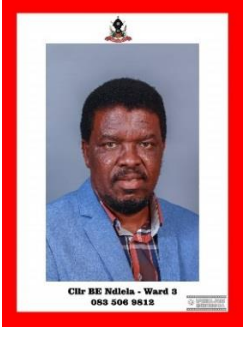
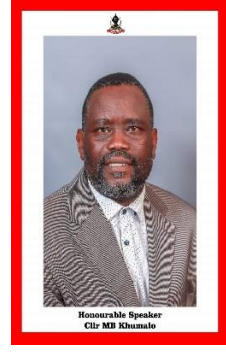

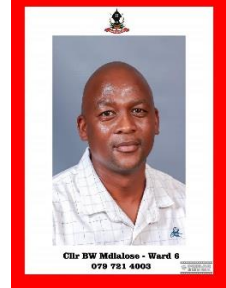
The table below highlights the various structures that exist within the Abaqulusi Municipality. These structures are vital in the operations of any municipality in order to encourage public participation, track service delivery and promote transparency and an accountable local government.





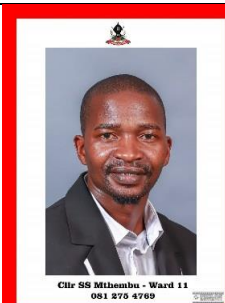

Committee Name	Number of Meetings as of 31 May 2022	Dates of Committee Meetings	Functional
Council			Yes. Amakhosi within the municipality are included in Council Meetings as well.
EXCO			Yes
Finance Portfolio			Yes
Development Planning Portfolio			Yes
Corporate Portfolio			Yes







Community Portfolio		Yes
Technical Portfolio		Yes
Local Labour Forum		
IDP/Budget Steering Committee		Yes
Audit Committee		Yes
MPAC		Yes







7.1.3.1 Composition of Council













The Abaqulusi Municipal Council comprises of 45 Councillors with 23 represented as Ward Councillors and the other 22 as Party Representative Councillors. Currently, the Councils Political structure is made up of the following: IFP: 21 Members, ANC: 14 Members, NFP: 4 Members, EFF: 3 Members, DA: 2 Members and VF: 1 Member. The Council is chaired by the Honourable Speaker, Councillor MB Khumalo. The composition of Council and their political affiliation is as follows:

Councillor Identity	Councillor Profile	Councillor Identity	Councillor Profile
	Name: SB Mkhwanazi Designation: Ward Councillor Political Representation: IFP Ward: 1		Name: KZ Mbatha Designation: Ward Councillor Political Representation: IFP Ward: 2
	Name: BE Ndlela Designation: Ward Councillor Political Representation: IFP Ward: 3		Name: MB Khumalo Designation: Hounourable Speaker/ Ward Councillor Political Representation: IFP Ward: 4
	Name: TE Vilakazi Designation: Ward Councillor Political Representation: IFP Ward: 5		Name: BW Mdlalose Designation: Ward Councillor Political Representation: IFP Ward: 6


	Name: MD Khumalo Designation: Ward Councillor Political Representation: IFP Ward: 7		Name: BP Buthelezi Designation: Ward Councillor Political Representation: IFP Ward: 8
	Name: M Viktor Designation: Ward Councillor / MPAC Chairperson Political Representation: DA Ward: 9		Name: NM Sibiya Designation: Ward Councillor Political Representation: ANC Ward: 10
	Name: SS Mthembu Designation: Ward Councillor Political Representation: IFP Ward: 11		Name: NN Mdlalose Designation: Ward Councillor / EXCO Political Representation: ANC Ward: 12

 <p>Cllr AP Mbatsha Whip Of Council</p>	<p>Name: AP Mbatsha Designation: Ward Councillor / Whip of Council Political Representation: IFP Ward: 13</p>	 <p>Cllr LWC Mtshali EXCO Member</p>	<p>Name: LWC Mtshali Designation: Ward Councillor / EXCO Political Representation: IFP Ward: 14</p>
 <p>Cllr ML Mtshali EXCO Member</p>	<p>Name: ML Mtshali Designation: Ward Councillor / EXCO Political Representation: IFP Ward: 15</p>	 <p>Cllr HV Khumalo - Ward 16 078 285 0835</p>	<p>Name: HV Khumalo Designation: Ward Councillor Political Representation: ANC Ward: 16</p>
 <p>Cllr XJ Sangweni - Ward 17 074 428 9600</p>	<p>Name: XJ Sangweni Designation: Ward Councillor Political Representation: IFP Ward: 17</p>	 <p>Cllr ZM Ngebo - Ward 18 078 647 8173</p>	<p>Name: ZM Ngebo Designation: Ward Councillor Political Representation: IFP Ward: 18</p>

 <p>Hon. Deputy Mayor Cllr MA Mazibuko</p>	<p>Name: MA Mazibuko Designation: Honourable Deputy Mayor/Ward Councillor / EXCO Political Representation: IFP Ward: 19</p>	 <p>Cllr CB Hlatshwayo - Ward 20 081 456 0052</p>	<p>Name: CB Hlatshwayo Designation: Ward Councillor Political Representation: ANC Ward: 20</p>
 <p>Cllr KM Ntuli - Ward 21 078 288 0743</p>	<p>Name: KM Ntuli Designation: Ward Councillor Political Representation: IFP Ward: 21</p>	 <p>Cllr MM Lambiso - Ward 22 078 166 5429</p>	<p>Name: MM Lambiso Designation: Ward Councillor Political Representation: IFP Ward: 22</p>
 <p>Cllr XJ Zungu - Ward 23 078 705 4680</p>	<p>Name: XJ Zungu Designation: Ward Councillor Political Representation: IFP Ward: 23</p>	 <p>Fik Cllr FK Nene 071 491 1905</p>	<p>Name: FK Nene Designation: PR Councillor / EXCO Political Representation: NFP</p>







 <p>PR Cllr LM Xulu 083 430 6234</p>	<p>Name: LM Xulu Designation: PR Councillor Political Representation: NFP</p>	 <p>PR Cllr AT Mdletshe 072 240 0178</p>	<p>Name: AT Mdletshe Designation: PR Councillor Political Representation: NFP</p>	 <p>PR Cllr PP Selepe 078 187 1064</p>	<p>Name: PP Selepe Designation: PR Councillor Political Representation: ANC</p>	 <p>PR Cllr L Dube 078 368 4777</p>	<p>Name: L Dube Designation: PR Councillor/EXCO Political Representation: ANC</p>
 <p>PR Cllr iNkosi MD Buthelezi 079 412 1225</p>	<p>Name: iNkosi MD Buthelezi Designation: PR Councillor Political Representation: NFP</p>	 <p>PR Cllr E Cronje 068 087 8254</p>	<p>Name: E Cronje Designation: PR Councillor Political Representation: VF Plus</p>	 <p>PR Cllr SN Buthelezi 078 248 2098</p>	<p>Name: SN Buthelezi Designation: PR Councillor Political Representation: ANC</p>	 <p>PR Cllr SN Ndlela 078 287 1850</p>	<p>Name: SN Ndlela Designation: PR Councillor Political Representation: ANC</p>
 <p>PR Cllr HB Khumalo 083 321 2218</p>	<p>Name: HB Khumalo Designation: PR Councillor/ EXCO Political Representation: ANC</p>	 <p>PR Cllr LN Khan 078 664 7598</p>	<p>Name: LN Khan Designation: PR Councillor Political Representation: ANC</p>	 <p>PR Cllr ST Mbokazi 073 652 7104</p>	<p>Name: ST Mbokazi Designation: PR Councillor Political Representation: ANC</p>	 <p>PR Cllr BI Ngema 073 061 0766</p>	<p>Name: BI Ngema Designation: PR Councillor Political Representation: ANC</p>





 <p>PR Cllr VV Dlamini 072 923 3134</p>	<p>Name: VV Dlamini Designation: PR Councillor Political Representation: ANC</p>	 <p>PR Cllr PF Buthelezi 066 101 1769</p>	<p>Name: PF Buthelezi Designation: PR Councillor Political Representation: EFF</p>
 <p>PR Cllr RZ Nzuza 071 464 0960</p>	<p>Name: RZ Nzuza Designation: PR Councillor Political Representation: EFF</p>	 <p>PR Cllr Maphisa 078 945 2683</p>	<p>Name: MC Maphisa Designation: Honourable Mayor / EXCO / PR Councillor Political Representation: IFP</p>
 <p>PR Cllr NP Ndlela 073 699 3415</p>	<p>Name: NP Ndlela Designation: PR Councillor Political Representation: IFP</p>	 <p>PR Cllr MP Williams 063 766 1930</p>	<p>Name: MP Williams Designation: PR Councillor Political Representation: IFP</p>

 <p>PR Cllr S Shelembe 078 611 0443</p>	<p>Name: S Shelembe Designation: PR Councillor Political Representation: DA</p>	 <p>PR Cllr BP Nhlengethwa 079 701 7892</p>	<p>Name: BP Nhlengethwa Designation: PR Councillor/ EXCO Political Representation: EFF</p>
	<p>Name: MB Mabaso Designation: PR Councillor Political Representation: ANC</p>		

7.1.3.2 Composition of Executive Committee

The Abaqulusi municipal Executive Committee currently comprises of 9 members of Council and is chaired by the Honourable Deputy Mayor, Councillor MC Maphisa. The EXCO's political structure is made up of the following: IFP: 4 Members, ANC: 3 Members, EFF: 1 Member and NFP: 1 Member. Further to the 9 members as stated above, the Honourable Speaker also serves in EXCO in the capacity of an ex-officio. The composition of EXCO Councillors and their political affiliation is as follows:

Councillor Identity	Councillor Profile	Councillor Identity	Councillor Profile
 PR Cllr Maphisa 078 642 8003	Name: MC Maphisa Designation: Honourable Mayor / EXCO / PR Councillor Political Representation: IFP	 Hon. Deputy Mayor Cllr MA Mazibuko	Name: MA Mazibuko Designation: Honourable Deputy Mayor/Ward Councillor / EXCO Political Representation: IFP Ward: 19
 Cllr LWC Mtshali EXCO Member	Name: LWC Mtshali Designation: Ward Councillor / EXCO Political Representation: IFP Ward: 14	 Cllr ML Mtshali EXCO Member	Name: ML Mtshali Designation: Ward Councillor / EXCO Political Representation: IFP Ward: 15
 Cllr NN Mdlalose EXCO Member	Name: NN Mdlalose Designation: Ward Councillor / EXCO Political Representation: ANC Ward: 12	 PR Cllr HB Khumalo 093 321 2218	Name: HB Khumalo Designation: PR Councillor/ EXCO Political Representation: ANC

 PR Cllr L Dube 078 368 4777	Name: L Dube Designation: PR Councillor/ EXCO Political Representation: ANC	 PR Cllr FK Nene 071 491 1908	Name: FK Nene Designation: PR Councillor / EXCO Political Representation: NFP
 PR Cllr BP Nhlengethwa 079 701 7892	Name: BP Nhlengethwa Designation: PR Councillor/ EXCO Political Representation: EFF	 Honourable Speaker Cllr MB Khumalo	Name: MB Khumalo Designation: Hounourable Speaker/ Ward Councillor Political Representation: IFP Ward: 4

7.1.3.3 Composition of MPAC

MPAC comprises of 09 members from Council and is chaired by Councillor M. Viktor. It is a direct committee of Council and functions as an advisory body to Council. The core objective of MPAC is to ensure that the municipality is run in an effective and efficient manner, hereby promoting accountability and transparency. The members of MPAC are as follows:

- Councillor M Viktor Chairperson
- Councillor NP Ndlela
- Councillor BP Buthelezi
- Councillor MD Buthelezi

- Councillor E Cronje
- Councillor PP Selepe
- Councillor CB Hlatshwayo
- Councillor BE Ndlela
- Councillor HV Khumalo

7.1.3.4 Composition of Portfolio Committees

Portfolio Committees are aligned with Municipal Departments. In Abaqulusi Municipality, there are 5 Portfolio Committees which were established, i.e.

- *Technical Services Portfolio Committee*
- *Finance Portfolio Committee*
- *Corporate Services Portfolio Committee*
- *Community Services Portfolio Committee*
- *Development Planning Portfolio Committee*

The above Portfolio Committees were established in terms of Section 79 (2) of the Local Government: Municipal Structures Act No. 117 of 1998 and Regulations.

"The Municipal Council -

- must determine the functions of a committee;
- may delegate duties and powers;
- must appoint a chairperson;
- may authorise a committee to co-opt advisory members who are not members of the council within the limits determined by the council;
- may remove a member from a committee at any time; and
- may determine a committee's procedure."

Upon appointment of members into this committee, Council appoints the Chairperson of each committee, who in essence is responsible for the functionality and operations of that specific committee. Further to this, these committees report to Council. The composition of the various Portfolio committees in Abaqulusi is as follows:

Corporate Services	Technical Services
1. Councillor BP Nhlengethwa- Chair	1. Councillor ML Mtshali- Chair
2. Councillor MP Williams	2. Councillor KZ Mbatha
3. Councillor BW Mdlalose	3. Councillor XJ Zungu
4. Councillor SS Mthembu	4. Councillor MD Khumalo
5. Councillor MM Lambiso	5. Councillor AP Mbatha
6. Councillor KM Ntuli	6. Councillor TE Vilakazi
7. Councillor JX Sangweni	7. Councillor KM Ntuli
8. Councillor RF Nzuzza	8. Councillor PF Buthelezi
9. Councillor M Mdlalose	9. Councillor LM Xulu
10. Councillor L Dube	10. Councillor VV Dlamini
11. Councillor SN Ndlela	11. Councillor NM Sibiyi
12. Councillor BI Ngema	12. Councillor LN Khan
13. Councillor NN Mdlalose	13. Councillor BI Ngema
14. Councillor VV Dlamini	14. Councillor NN Mdlalose
Development Planning	Community Services
1. Councillor LWC Mtshali - Chair	1. Councillor MA Mazibuko - Chair
2. Councillor MD Khumalo	2. Councillor JX Sangweni
3. Councillor SB Mkhwanazi	3. Councillor TE Vilakazi
4. Councillor AP Mbatha	4. Councillor SS Mthembu
5. Councillor KZ Mbatha	5. Councillor XJ Zungu
6. Councillor ZM Ngcobo	6. Councillor BW Mdlalose
7. Councillor MP William	7. Councillor MM Lambiso
8. Councillor RF Nzuzza	8. Councillor RF Nzuzza

9. Councillor LM Xulu 10. Councillor ST Mbokazi 11. Councillor NM Sibiya 12. Councillor L Dube 13. Councillor MB Mabaso 14. Councillor BH Khumalo	9. Councillor FK Nene 10. Councillor LN Khan 11. Councillor SN Buthelezi 12. Councillor BI Ngema 13. Councillor MB Mabaso
Finance	
1. Councillor MC Maphisa - Chair 2. Councillor ZM Ngcobo 3. Councillor SB Mkhwanazi 4. Councillor MD Khumalo 5. Councillor BW Mdlalose 6. Councillor MP Williams 7. Councillor AP Mbatha 8. Councillor PF Buthelez 9. Councillor S Shelembe 10. Councillor FK Nene 11. Councillor BH Khumalo 12. Councillor SN Buthelezi 13. Councillor NN Mdlaose 14. Councillor NM Sibiya 15. Councillor ST Mbokazi	

7.1.4 Audit Committee

The members of the Municipality Audit Committee were appointed during the 2020/2021 financial year and their mandate is to play an oversight role which advises the municipal Council through its reports that are submitted on a quarterly basis. The audit committee comprises

of three (3) members. All Audit Committee members are suitably qualified and comply with the statutory requirement as per MFMA section 166, Circular 65 of MFMA and recommendations from King Report. It must be noted that the Audit Committee also serves as the Performance Audit Committee due to their experience and qualification. The details of the audit committee members is as follows:

Name	Position	Qualifications
Mr NE Khumalo	Member	<ul style="list-style-type: none"> Honours Bachelor of Accounting Science- UNISA (2002) Bcom -University of Pretoria (1999) Senior Cert (1996) Certified Internal Auditor- IIA (2014) Certification in Control Self assessment- IIA (2014) registered assessor certificate- FASSET (2015) Associate General Accountants AGA (SA)
Mr UBS Botshiwe	Member	<ul style="list-style-type: none"> Grade 12

		<ul style="list-style-type: none"> • Bachelor of Accounting= University of Natal (2007) • Associate General Accountants AGA (SA)
Ms SP Ndaba	Member	<ul style="list-style-type: none"> • LLB Degree (2012) • Practice management training course (2018)= Law society of SA • Admitted attorney (2016)= High Court of SA

7.1.5 Municipal Risk Management

The Abaqulusi LM has currently developed and adopted the following Risk Management Plans and Policies related to Risk which are subject to annual reviews:

- Risk Management Policy
- Anti-Fraud and Corruption Policy
- Whistle-blower policy
- Risk Management Strategy
- Fraud Prevention Plan and Strategy
- Employees and Councils Code of Conduct

The Municipality had revived the functionality of Risk Management Committee in the financial year 2021/2022 and their first meeting was

held on the 16 February 2022 and also intend to hold further meetings on a quarterly basis.

The Risk Register below provides an overview of the possible threats that the municipality is currently faced with as the:

ABAQULUSI MUNICIPALITY: RISK REGISTER 2021/2022 FINANCIAL YEAR

Link to objective	Department	Risk description	Root Causes	Consequences	Current controls	Perceived control effectiveness	Risk owner	Actions to improve management of the risk	Action owner	Time scales
To ensure that all municipal assets are identifiable	Economic Development: LED and Tourism	Inability to enhance the economy	<ul style="list-style-type: none"> * Poor investment promotion and retention in Vryheid. * Insufficient financial management and entrepreneurial skills for emerging business. * Insufficient human capacity. * Lack of funding * Lack of LED spinoff * Lack of incubation program+D43 *Lack of tourism development *Tourism development and lack of marketing strategy *Lack of signage *Lack of calendar events 	<ul style="list-style-type: none"> * Increased poverty and increase in unemployment. * Migration of skilled people (Brain drain). * Stagnating economic growth. * Economic leakages. * Inability to attract critical and the best skills. * Closure of business * Lack of new business ventures *Inner town decay *Influx on unsustainable business *Lack of attraction promotion areas 	<ul style="list-style-type: none"> * Economic Chambers * LED framework *Affiliation with the tourism associations 	Weak	Director Development Planning	<ul style="list-style-type: none"> * Provide training and mentoring programs to SMME's * Conduct feasibility study and develop business plan to initiate LED projects * Liaise with ICT manager to update the website and attract investors *Review, adopt and implement LED by-laws *Adopt sector plans *Tourism and business data base *Erect new signage and gateways *Appoint additional staff 	LED Manager	<ul style="list-style-type: none"> * Ongoing * 31/03/2022 *Ongoing * 30/06/2022 * 31/12/2021 *30/06/2022 *30/06/2022 31/12/2021
	Development Planning: Real Estate	Operational inefficiency	<ul style="list-style-type: none"> *Lack of asset register (real estate) *Lack of land disposal policy *No centralised functionality of lease *Lack of office space *Lack of resources and equipment *Invasion of municipal properties that are not in use *Lack of constant inspection of municipal building that are not in use 	<ul style="list-style-type: none"> *Loss of revenue *Law suites against the municipality *Unauthorised use of municipal land *Vandalism of the properties *Illegal occupation of properties 	<ul style="list-style-type: none"> *Organizational structure reviewed *Renewed lease agreement *Real estate officer appointed 		Director Development Planning	<ul style="list-style-type: none"> *Digital filing records *Develop lease register *Linking of real estate with finance dept. *Develop land disposal policy *Provide extensive training on real estate *Centralised records keeping for real estate *Conduct investigation and identify all properties owned by municipal *Conduct inspection on leased properties *Provide adequate resources 	Manager Housing and Real estate	<ul style="list-style-type: none"> *31/12/2021 *30/11/2021 *Ongoing *31/12/2021 *30/06/2022 *31/12/2021 *31/12/2021 *31/12/2021

To ensure that there is credible information recorded in the municipality asset register.	Development Planning: Human Settlements	Operational inefficiency	<ul style="list-style-type: none"> * Security of land tenure (ownership, developmental right and acquisition). * Outdated Housing Sector Plan. * Failure to adhere to housing delivery process (acquisition of land and establishment and stakeholder internal processes). * Lack of councillors understanding of the housing delivery process. * Lack of access to windeed * Lack of technical capacity * Lack of Bi-law * Outdated policies *Lack of suitable land for housing development *Insufficient funds to purchase land *Land invasion *Political interference 	<ul style="list-style-type: none"> * Community unrest * Illegal invasion of land * Illegal developments (Informal settlements) * Poor service delivery * Increase demand on infrastructure services * Tarnish image of the municipality * Increased pressure on existing Municipal resources and capacity * Political pressure from Councillors and Public *Increased housing backlogs *Outdated housing sector plans *Low staff morale *Re-emergency of slums 	<ul style="list-style-type: none"> * Building inspections * GIS * Housing forums * Housing Sector Plan * IGR Forum * Project Based Beneficiary List *Housing technical meetings 		Director Development Planning	<ul style="list-style-type: none"> * Continuous monitoring of the implementing agency * Identify suitable land for housing development and allocate budget for land acquisition * Conducting housing consumer education * Ensure alignment of technical services plans and housing sector plans * Review the housing sector plan *Implement slums upgrade * 	Manager: Housing Settlements and Real Estate	<ul style="list-style-type: none"> * Ongoing * Ongoing * Ongoing * 30/06/2022
	Development Planning: Town planning GIS (Updates, public queries & Printing out maps and information requested by public)	Limited GIS capacity	<ul style="list-style-type: none"> * Non compatibility of data into the GIS *Outdated software *Lack of training on new software *Lack of continuous engagement with the district and sector departments *Lack of staff and capacity *Limited access to GIS by planners *Outsourcing of services *Lack of resources such as cartridges *Poor internet connection *Non updating of GIS software and hardware on an annual basis *Unreliable networks *Lack of data integrity *Outdated data *Independent server 	<ul style="list-style-type: none"> *Poor planning *Poor service delivery *Poor quality of data produced *Difficulties on land administration *Use of consultants to obtain geographic information adds to financial cost * Outdated information. * Loss of revenue. * Unsatisfactory service *Mismanagement of information *Mismanagement of allocation of resources *Loss of information *Breaking of data integrity. 	<ul style="list-style-type: none"> *Adequate GIS system *Terms of references for special projects *Development forums * GIS Shared Services * Tariffs Policy *Provincial district support 	Good	Director Development Planning	<ul style="list-style-type: none"> * Request continuous support from COGTA GIS unit *Provide GIS training for both GIS officials and planning dept. *Appoint additional staff *Continuous submission of shaped file *Strengthen work relationship between GIS technician and municipal valuer *Improve working relationship with finance * Involvement of GIS section during the development of Municipal Valuation roll process *Procurement of GIS resources 	Manager: Town Planning	<ul style="list-style-type: none"> * Ongoing *31/03/2021 * 31/03/2021 * ongoing *Ongoing *31/03/2021 *Ongoing

	Development Planning: IDP (Public participation, stakeholder engagement, integration and adoption)	None credible and comprehensive IDP	<ul style="list-style-type: none"> * Delays on implementing IDP process plan *Poor community turnout *Delays on timeous placing notice and advert *Delays on submission of information *Non submission of information *Inadequate participation on IDP meetings *Lack of direct source of information *Non funded projects *Omission of critical projects *Misallocation of funds *Minimal engagement and participatory on strat plan *Non sitting of Council to adopt the IDP/Budget 	<ul style="list-style-type: none"> * Poor service delivery * Omission of critical projects * Spending on non-aligned priorities leading to community unrest *Mismanagement of resources *Non credible IDP *Forfeiting of MIG funds *Possible implementation of section 139 *Negative audit outcome 	<ul style="list-style-type: none"> * IDP Rep forums *Strat plan session *Constant interdepartmental meetings *Community notices * IDP and budget representative forum * IDP and budget road shows * IDP steering committee * IDP/Budget process plan * Ward committees * Ward based plans * Council meetings *District and Provincial IDP forums 	Good	Director Development planning	<ul style="list-style-type: none"> *Continuous engagement with relevant departments *Continuous reporting of alignment between IDP and Budget *Present the process plan to the Council by 31August annual * Appoint additional staff * Initiate one on one meetings with relevant departments * Encourage Participation of sector departments at the District Level * Facilitate IDP steering committee meetings *IDP and Budget roadshows 	Manager IDP	<ul style="list-style-type: none"> * Ongoing *Ongoing 31/08/2021 * Ongoing 31/03/2022 * Ongoing * Ongoing
	Development Planning: Building Control (Circulation of building plans, Building inspection and investigation of illegal developments)	Non adherence to building regulations	<ul style="list-style-type: none"> *Lack of awareness *Delays from commenting authorities *No proper filling system *Incorrect specification resulting in amendment of plan *Lack of communication on requesting building inspections *Deviation on approved building plans requirements *Shortage of staff *Lack of resources and equipment *Lack of wall to wall scheme *Lack of soil test (Geotech) *Builders not registered with NHBRC *Intimidation by community members *Lack of enforcement on contraventions *Non implementation of court orders 	<ul style="list-style-type: none"> *Law suits against the municipality *Illegal development *Community unrest *Loss of revenue *Loss of critical information *Municipal infrastructure servitude *Injuries and fatal 	<ul style="list-style-type: none"> *National Building Regulations *Admission of guilty *building Tariff *Vryheid town planning scheme *Enter departmental building plan circulation chart *Building plans register *Building inspection *Track and trace register *Illegal development investigations 	Good	Director Development Planning	<ul style="list-style-type: none"> *Appoint additional staff *Procurement of resources and equipment's *Continuous review of building plans *Provide peace officer training *Conduct consumer education *Improve work relationship with commenting authorities *Procure file backup system *Procure digital filing system *Building flyers 	Building Control Officer	<ul style="list-style-type: none"> *31/03/2022 *31/03/2022 *Ongoing *31/03/2022 *Ongoing *31/03/2022 *31/03/2022

To ensure that all assets of the municipality exist.	Development Planning: Town Planning Land Use Management (Processing, Monitoring, Implementation, Evaluate and enforcement)	Ineffective land use management and development.	<ul style="list-style-type: none"> * Lack of a comprehensive wall-to-wall town planning scheme. * Non-compliance with by-laws * Non-compliance by community members * Declining stakeholder engagement * Minimal support from council * Intimidation by community members * Non submission of development application by community members * Insufficient historic records on properties. * Delays from commenting authorities to comment on applications. * Lack of legal action on contraventions. * Lack of specialised training to enforce compliance * Lack of understanding of Building and Town Planning Legislation by community members * Restricted access to GIS information * Insufficient filling space * Lack of equipment * Lack of support from internal department 	<ul style="list-style-type: none"> * Tarnishing image of the municipality * Disputes between staff as a results of shortage of office space * Pressure on municipal services infrastructure * Non submission of town plan applications and buildings plans * Community unrest * Negative impact on environmental * Time delay in development applications * Non-compliance with SPLUMA * Fines from Department of Environmental Affairs * Negative aesthetics due to sprawl * Land invasion and illegal development * Loss of revenue * Non sustainability of land use * Mushrooming of illegal development on agricultural land 	<ul style="list-style-type: none"> * Planning tariffs * Structured application process * Increased rates for illegal development * Awareness Campaign * Building and Planning Tariffs * Development Planning Shared Services * National Building Regulations * Pre Application Submission Process * Spatial Development Framework * Spatial Planning and Land Use Management Act * Vryheid Town Planning Scheme * SPLUMA by-law * Admission of guilty for both planning and building * Abaqulusi urban land use 		Director Development Planning	<ul style="list-style-type: none"> * Strengthen political support on education and awareness * Preparation of wall to wall scheme * Annual review of SDF * Procurement of resources such as vehicle, equipment * Provide GIS training * Improve access to GIS * Appointment of municipal planning register * To capacitate officials in peace officer training * Improve engagement with internal and external stakeholders * Awareness campaign on utility bills * Appointment of service provider to prepare wall to wall land scheme * Enforce admission of guilty fines for planning 	Manager Town Planning	<ul style="list-style-type: none"> * Ongoing * 30/06/2022 * 31/03/2022 * 31/03/2022 * 31/12/2022 * 31/03/2022 * 31/12/2022 * 31/03/2022 * Ongoing
To ensure that only functional assets are recorded in the register.	Finance: Financial Management (Grants) FMG MIG INEP EPWP Library Grant Museum Grant	Inability to spend Grant money * Inadequate planning of budget	<ul style="list-style-type: none"> * Limited number of interns * Incorrect stipend rate applied * Non adherence to Grants conditions * Late registration of projects * Delays on procurement of projects * Limited number of EPWP employees * Lack of procurement plans by departments * Shortage of staff * Change of project scope without proper approval * Utilisation of grants for operational purpose * Frozen of accounts * Lack of understanding of the budget processes * Ineffective demand management process (market research etc.) 	<ul style="list-style-type: none"> * Withdrawal of grant funding * Compromised service delivery * Failure to create jobs * Misappropriation of funds * Incorrect receipting * Tarnished image of the municipality 	<ul style="list-style-type: none"> * DORA * IDP * Monitoring of service providers and flag poor performance * Schedule of Committee meeting- SCM * SDBIP * SLA * SCM Policy * Yearly, Quarterly and monthly progress report * Separate of accounts of Grants funds * Procurement plan * Budgeting steering committee * MANCO ,Portfolios and audit committee * Monitoring of section 71 & 72 * Procedures for vote transfers * Munsoft 		CFO	<ul style="list-style-type: none"> * Develop procurement plans on capital projects * Appoint additional staff for museum * Continuous adherence of grant conditions * Develop commitment register * Apply rollover for unspent grant * Develop a Multi-year projects plan * Comply with budget process requirements * Implementation of automated budget system 	Manager Financial Management PMU	<ul style="list-style-type: none"> * 31/03/2022 * 31/12/2021 * Ongoing * 31/07/2022

To ensure that there is sufficient stock available for operations.	Finance: Billing and Collection	* Weakened Revenue *Inability to recover debt due to the Municipality	* Lack of data cleansing *Limited staff *Poor collection of revenue *Vending machine failure *High rate of indigent * Illegal and tampered electricity meters * Lack of Encroachment fees * Incorrect land use management leading to illegal connections of services * Lack of rental fees *Lack of communication between finance and technical *New rates customers not identified timeously *Other spheres of government not honouring Service Level Agreement (i.e. SANRAL, Public Works Department etc.) *Resistance by some of rates payers due to alleged poor service delivery *Misperceptions relating to urban funding the rural	* Cash flow problems * Going concern compromised * Compromised service delivery * Community unrest * Loss of revenue * Financial loss *Inability to meet financial obligation *Litigations	* Credit and debtors control management policy * Debt collection procedures * Disconnection list * Electricity and water By-Laws * Indigent policy * Indigent register * MFMA and Treasury regulations * Tariff policy * Valuation roll * Revenue enhancement committee * Audit steering committee * Portfolio Committee *Debt recovery sub-committee *Established call centre *System Driven Debt Recovery Processes *Training on Software procedures *Use of section 44 of MFMA *Use of section 65 of MFMA			*Implementing electricity meter management system *Implement cross cutting of water inspections *Conduct field services verification on the munsoft system *Develop and implement the indigent system to validate indigents *Revive the functionality of revenue enhancement committee	Manager Income	*31/03/2022 *31/03/2022 *Ongoing *30/06/2022 *31/03/2022
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<p>Finance: Expenditure Management (Payroll & Creditors)</p>	<p>Incorrect payment may be made to employees</p> <p>Payment for services not rendered</p> <p>*Late payments and/or over/under payments of salaries</p>	<ul style="list-style-type: none"> * Lack of segregation of duties *Ghost employees *Fictitious allowances *Undue benefits payable to suspended employees *Incorrect / fraudulent hours claimed for overtime *Late payment to third parties *Unauthorised garnish deductions *S&T advance payment *Fictitious payment on retired and dismissed employees *Incorrect leave gratuity payment *Incorrect leave provision on the AFS *Delays on submission information to payroll *Overspending on line items *Fraudulent invoices may be claimed *Splitting of invoices *Tampered invoices may be paid *High Creditors age analysis may lead to high liquidity risks *Incorrect classification of VAT input *Non updating of cash book on payments done *Overstated of creditors age analysis *Misplacement of payment vouchers *Optimum potential of the system not realised *Inaccurate information forwarded to Human Resources *Invoices not complying with VAT *Lack of creditors reconciliations *Delays in submitting invoices by internal Departments *Failure to pay creditors 	<ul style="list-style-type: none"> * Audit queries * Compromised service delivery * Under expenditure (Capital) * Fruitless and wasteful expenditure * Cash flow problems * Going concern problems * Legal law suite * Financial loss * Litigation * Auditor General queries * Tarnished image of the municipality 	<ul style="list-style-type: none"> * Leave recons *Employee bonds statements *Employee vehicle statements *S&T Policy *Payday system *Munsoft system *Standard expense module *Payment schedule for third parties *Budget plan * Finance procedure * Information Technology Financial Systems * Monthly/Weekly reconciliations * Monthly report * Procurement plan * Track register for invoices 	<p>Satisfactory</p>	<p>CFO</p>	<ul style="list-style-type: none"> *Appoint additional staff *Strengthen communication between finance, HR and legal services *Prioritisation of third part payment before month end *Enforce the implementation of the S&T policy *Implement parameters on budgeted line items *Encourage service providers to authenticate their invoices prior submission *Develop commitment register *Continuous verifications of payment vouchers *Clearing of suspense accounts *Enforce compliance with payment procedures *revive the payment plan to implement FIFO method on paying creditors 	<p>Manager Expenditure</p>	<p>31/03/2022</p> <p>Ongoing</p> <p>Monthly</p> <p>Monthly</p> <p>Ongoing</p>
<p>Finance: Asset Management</p>	<p>Inability to manage, safeguard and account for assets</p> <p>*Ineffective asset management processes</p>	<ul style="list-style-type: none"> * Inadequate monitoring of assets * Poor maintenance of assets * Non-existence of disposal committee * Non-compliance with the Asset Management Policy by officials * Insufficient experienced municipal staff * Lack of conditional assessment of assets * Lack of a maintenance plan * Failure to report assets theft and loss * Lack of timely reporting of claims to insurance *Outdated asset register *Negligence *Lack of proper safeguard of assets(physical security) *Lack of consequence management 	<ul style="list-style-type: none"> * Theft * Audit queries * Financial loss * Fruitless and wasteful expenditure * Non-compliance with GRAP * Incorrect and incomplete asset register *Poor service delivery *Possible Auditor 	<ul style="list-style-type: none"> * Inventory list * Asset Management Policy * Asset Register * Asset Transfer Form * Asset Verification * GRAP 17 * MFMA * Munsoft System * Stock Count * National support intervention on assets * MFIP assets management support plan *Asset management committee *Bi-Annual update of register *Code of conduct 	<p>Good</p>	<p>CFO</p>	<ul style="list-style-type: none"> * Establish the asset committee * Enforce punitive measures for assets loss * Consolidate the departmental maintenance plans * Implementation of the live asset register * Conduct workshop on asset management procedures * Conduct quarterly assets verification *Conversion of Fixed Assets Register to MSCOA compliant * Asset management become a standard item on MANCOM * Establish the loss 	<p>Manager Financial Management</p>	<p>* 31/03/2022</p> <p>* Ongoing</p> <p>* 30/06/2022</p> <p>* 30/04/2022</p> <p>* Ongoing</p> <p>*30/06/2022</p> <p>*Ongoing</p> <p>*31/03/2022</p> <p>*Ongoing</p>

								control committee * Quarterly reporting to Council *Implementation of consequent management *Conduct comprehensive security assessment		
	Finance: Supply Chain Management (Stores, procurement and contract management)	Ineffective Supply Chain Management process *Ineffective implementation of Supply Chain Management processes	<ul style="list-style-type: none"> * Lack of maintaining minimum and maximum stocking level *Non-payment of creditors *Lack of reconciling manual requisition and stores module *Under/overstated of stores items *Non capturing of received stores item *Incorrect specification from user Dept. *Non approval of requisition *Lack of centralisation of SCM process *Collusion between SCM officials and service providers *Delay on implementation new SCM circulars *Tender advert not meeting the required time *Lack of training SCM officials and SCM committees *Lack of assessing service provider performance *Month to month / expired contract *Misplace of contract file Shortage of staff *Lack of cooperation from departments * Lack of ethical standards * Insufficient record keeping *Lack of segregation of duties *Poor planning (i.e. demand management bid committees not sitting timeously, etc.) *Awarding of contracts to individuals in the service of the state *Non-utilisation of procurement plans by user departments *Lack of vetting service providers *Lack of procurement plan 	<ul style="list-style-type: none"> * High breakdown of services due to shortage of stock *Incorrect quantities *Poor performance of service providers *Requisition of stock for personal gain *Irregular expenditure *Fraud and corruption * Audit queries * Compromised service delivery *Fruitless and wasteful *Blacklisted service provider *Litigations *Financial loss 	<ul style="list-style-type: none"> * Bin cards * Procurement plan *Service provider assessment tool *Contract register *Central Suppliers Database * Anti-Fraud and Corruption policy * SCM policy * SCM regulations * Whistle blower policy * SCM module on Munsoft *UIFW register *MFMA circulars *Bid committees *Treasury support *SCM committee schedule of meetings *Documentation of timeframes *Monthly reports to Council *Supply Chain Management database *Supply Chain management Policy and Procedures Workshops 	Good	CFO	<ul style="list-style-type: none"> * Perform weekly inspections on stocking levels *Implement payment schedule plan *Continuous training of SCM officials and SCM committees *Monthly monitoring of service providers performance *Appoint additional staff *Increase filling storage * Establish parameters for level of authority and approvals of requisition * Develop the minimum and maximum stock levels * Provide ethical training *Revive the implementation of SCM module on unsift *Adhere to SCM committees schedule of meetings *Continuous review of SLA's *Workshop and implement a code of conduct 	Manager SCM	<ul style="list-style-type: none"> * Weekly * Ongoing * Monthly * Ongoing * Ongoing * Ongoing * Ongoing

	Finance: Compliance and Reporting(Planning, Implementation and reporting)	Non-compliance with Acts and Regulations. Non timeous submission of compliance returns *Ineffective management of the cash and investments *Ineffective implementation of Municipal Standard Chart of Account (MSCOA) *Inadequate planning and monitoring of budget	* Non adherence to reporting time frames *Lack of needs analysis *Timeous non alignment of budgetary circulars *Unfunded budget *No monthly recons performed *Non authorisation and updates of stores items may lead to inaccurate reporting *Lack of validation of reported information *Incorrect information on the returns *Lack of training regarding compliance matters * Lack integration of reports between Munsoft, payday and caseware *Shortage of staff *Balancing of control accounts *Investment strategy not linked to cash flow management *Inadequate review of reconciliation *Inadequate implementation of Investment Policy *MSCOA steering committee not sitting *Lack of awareness by staff members *Staff capacity *Inaccurate budgeting *Poor planning(procurement plan) *Ineffective demand management processes(market research) *Lack of understanding of the budget process by officials *Possible human errors(posting into incorrect votes etc.)	* Law suits against the municipality *Poor service delivery *Audit queries * Withholding of funds * Invoking of section 139 by the COGTA *Loss of funds(potential interest) *Fraud and corruption *Non-compliance with MSCOA *Withdrawal of the equitable share *Misappropriation of funds *Incorrect receipting *Tarnished image of municipality	*MSCOA regulations *Monthly recons *Master file authorisation parameters *MFMA Calendar *MFMA and treasury Circulars *Budget related policies and guidelines *SDBIP *IDP/Budget *Investment procedures *Investment register *MSCOA Guidelines *MSCOA Project Charter *Treasury support and assessment *Budget Steering Committee *MANCO, Portfolios and Audit Committee *Monitoring of section 71 and 72 *Procedures for vote transfers *Munsoft *Segregation of duties *Supervision and Reporting *Weekly/Monthly reconciliations		CFO	* Continuous providing training on compliance related matters *Enforce adherence to timeframes * Implement finance standard operating procedures *Appoint additional staff *Implementation of investment plans *Quality reviews of cash flows *Alignment of investment strategy and Cass flows *Review and update MSCOA project plan *Review MSCOA Project steering committee *Rollout MSCOA training *Implementation of consequent management	Manager Financial Management	*Ongoing *Ongoing *31/12/2021 *31/12/2021
	Community Services: Disaster Management (Incident management, Fire inspection, assessment of damage and awareness campaigns)	Inability to respond timeously in the event of disaster	* Lack of specialised personnel *Shortage of equipment * Climate change * Lack of suitable reporting incident *Poor community turnout *Lack of proper relief to victims of incident *Fictitious incident relief *Inadequate inspections *Lack of valuable working shift system	* Law suite against the municipality *Structural fires *Loss of life * Loss/destruction of properties * Financial loss (Civil claims) * Non-compliance with the Disaster Management Act * Compromised service delivery * Loss of revenue * Non-compliance with Fire Brigade Act *Environmental degradation	* Fire engines and equipment *Fire by laws *Disaster management policy *Disaster Advisory Forum * Disaster Management Plan * Seasonal Operational Plan * Fire protection association * Fire engines * Limited staff * Awareness Campaign	Good	Director Community Services	* Provide specialised training to staff *Conduct regular inspections *Request additional budget to provide relief to victims of incident *Conduct proper relief assessment *Appoint additional staff for fire and disaster unit * Conduct a disaster awareness workshops * Erect the disaster control room * Procure additional resources *Implementation of new working shift system	Manager Public Safety	* 30/06/2022 *Ongoing * 31/03/2022 *Ongoing * 31/03/2022 *Ongoing *31/10/2021 *30/062021

	Community Services: Law enforcement (Serving summons, attending accidents, road blocks, issuing of fines and road safety education)	Limited Law Enforcement	<ul style="list-style-type: none"> * Inadequate support from Dept. of Transport *Lack of community turnout *Acceptance of bribes *Lack of proper road signage *High disregarding of traffic officers instructions *Lack of resources and equipment *Inadequate support from Dept. of Justice and NPA *Lack of reconciliation of traffic fines *Low staff morale *Lack of communication centre * Under collection of traffic fines * Lack of follow ups on warrants issued * Lack of resources (siren, blue lights) *Lack of valuable working shift system 	<ul style="list-style-type: none"> * High rate of accidents and offenders *Tarnish the image of the municipality *Audit queries *Lawlessness *Loss of revenue * Poor service delivery * public complaints *Fatal accidents *Litigations 	<ul style="list-style-type: none"> *Trafman system *MOU between the municipality and Court *Traffic speeding machine *Alcohol breathalyser * Criminal procedure act * E-natis * Municipal by-laws * National Road Traffic Act * Operation Qoqa *Warrants of arrests and summons *Implementation of ARTO act 	Good	Director Community Services	<ul style="list-style-type: none"> * Strengthen relationship with stakeholders such as Dept. of Transport, NPA and Courts *Continuous conducting road safety education *Engagement with RTMC anti-corruption unit *Purchase and erect additional road signage *Perform regular reconciliations * Conduct awareness and incentive programs for public *Conduct regular roadblocks *Implementation of new working shift system *Procure traffic speed cameras 	Manager Public Safety	<ul style="list-style-type: none"> *Ongoing *Ongoing *Ongoing *Monthly *Ongoing *Monthly 30/06/2022
	Community Services: Waste management (collection and disposal)	Ineffective waste management	<ul style="list-style-type: none"> *Lack of recycling stations (centres) *Limited waste receptors *Illegal dumping *Incomplete landfill site *Shortage of staff and capacity *Non-compliance with the conditions of the landfill license * Inadequate maintenance of landfill site * Lack of resources (weigh bridge and trucks) *Community complaints 	<ul style="list-style-type: none"> * Community unrest * Health hazards * Poor service delivery *Tarnished image of the Municipality *Ligations *Withdrawal of landfill license *Loss of revenue 	<ul style="list-style-type: none"> * Clean-up campaigns *Environmental forums *Daily schedule of collection *Environmental management inspectors *Assistance from DEA & DETEA *EPWP Workforce *Education and Awareness campaign * Environmental by-laws * Greenest Municipality Competition * Integrated Waste Management Plan * SLA's * Separation at source *Landfill site license *Landfill site operation program control *Landfill site construction program *Support from SAPS and fire units 		Director Community Services	<ul style="list-style-type: none"> * Review, adopt and implement by-laws *Construct recycling centres *Purchase waste receptors *Erect NO Dumping sign warning *Appoint environmental officer and clerk * Acquisition of resources (Bulldozer, excavator) * Construction of waste transfer station (Entseka, Shoba) * Formalising of informal recyclers * Conduct awareness campaign on waste management issues *Municipal to distribute the plastic bags *Expedite the process to finalise the weigh bridge *Review intergrated waste management plan *Appoint additional staff *Procure concrete and skip bins 	Manager Environmental Services	<ul style="list-style-type: none"> * 30/04/2022 * 31/03/2022 * 31/03/2022 * 31/12/2021 * 31/03/2022 * 31/03/2022 Ongoing *30/06/2022 *31/10/2021 30/06/2022

	Community Services: Cemeteries Management (Operations and Maintenance)	Ineffective maintenance of cemeteries	<ul style="list-style-type: none"> *Fictitious beneficiary on indigent *Loss of data (Grave information) *Lack of equipment *Unserviced grave yards *Limited space at the grave yard *Soil type *Lack of security at the graveyard *Lack of resting facilities at the cemeteries * Lack of staff to maintain cemeteries * Lack of cemetery management plan * Lack of cemetery electronic register *Low staff morale 	<ul style="list-style-type: none"> *Litigations * Loss of revenue * Poor service delivery * Compromised safety of the community due to inadequate control * Community unrest * Vandalism of cemeteries 	<ul style="list-style-type: none"> * Burial registers *Cemetery by-laws * Cemetery policy * Manual burial register *Indigent/pauper burial policy *Budget *TLB and Tipper Truck 	Good	Director Community Services	<ul style="list-style-type: none"> *Crematoria building *Designated area for burials *Utilisation of burial register on the munsoft module *Improve security measures at all cemeteries *Develop and implement monitoring tool to assess indigent burials *Erect resting facilities at the cemeteries * Appoint additional staff for maintenance of cemetery *Erect fencing on the cemeteries *Procure plant (TLB and Tipper Truck) *Request additional budget for maintenance 	Manager Environmental Services	<ul style="list-style-type: none"> * 30/06/2022 *30/06/2022 * 30/04/2022 31/12/021 30/06/2022 31/03/2022 *30/06/2022
	Community Services: Services Centres	Non-functional services centres	<ul style="list-style-type: none"> *Lack of maintenance *Shortage of staff *Hazards environment due to unserviced fire extinguishers *Vandalism *Unguarded site *Climate change *Expired lease agreement *Lack of provision of basis services 	<ul style="list-style-type: none"> *Loss of rental money *Abandoned building *Damaged of properties *Theft of equipment *Community unrest 	<ul style="list-style-type: none"> *SLA's in place -Lease agreement *Security guard *Weekly visit inspection *Maintenance of building *Full time help desk clerk and cleaner 	Weak	Director Community Services	<ul style="list-style-type: none"> *Enforce the adherence SLA's with lessee *Develop and implement maintenance plan *Request additional budget maintenance *Engage LED units to mobilise SMMEs to operate a tuckshop 	Manager	<ul style="list-style-type: none"> *Ongoing *31/12/2021 *30/06/2022 *31/12/2021
	Community Services: Public facilities (Halls, Libraries, museums and sports facilities)	Ineffective monitoring and maintenance of public facilities	<ul style="list-style-type: none"> * Poor maintenance *Non attractive structures *Non-compliance with building regulations *Outdated materials (books) at libraries *Lack of resources such as internet *Lack of return system on library books *Shortage of staff at museums *Lack of security on historical assets *Health hazards *Poor security monitoring * Unethical act (theft) * Lack of resources (tracking tools) * Lack of vehicles for public facilities * Dilapidated public facilities *Lack of SLA's 	<ul style="list-style-type: none"> * Loss of revenue * Loss of cultural diversity * Lost of interest over the utilisation of halls * Loss of reputation *Litigations against the municipality 	<ul style="list-style-type: none"> * Halls Policy *Halls maintenance plans and procedures *Halls hiring and reservations procedure *Libraries and museums operational system *Library and museum grants * Halls weekly maintenance plan * Overdue books notice * Provincial guidelines for libraries and museums * Send out sms notifications for outstanding books * Tariff policy * SLA's with security company * Monitoring plan for security 	Good	Director Community Services	<ul style="list-style-type: none"> * Appoint additional staff *Enter into lease agreement with the users of sports facilities *Revive awareness campaigns *Branding and renovations of halls *Installation of Wi-Fi access at the libraries *Installation of CCTV Cameras *Intensify community awareness and educational campaigns 	Manager Social Services	<ul style="list-style-type: none"> * 31/03/2022 *Ongoing *Ongoing *31/12/2021 * 31/12/2021 31/12/2021

	Community Services: Licensing (Learners and drivers testing, Motor vehicle renewal, renewal of driver's license and PDP license)	Inability to provide licensing services	<ul style="list-style-type: none"> * Shortage of staff * Lack of customer service * Inatis interruption * Lack of resources * Bribes (corruption, embezzlement) * Labour unrest * Lack of monitoring of examiners * No Vehicle Testing Services (VTS) in place * Poor connectivity from the municipal * Lack of stationery 	<ul style="list-style-type: none"> * Loss of revenue * Poor service delivery * Corruption * Withdrawal of licensing services * Community protest 	<ul style="list-style-type: none"> * SLA between Abaqulusi and Dept. of Transport * RTMC inspection * National Road Traffic Act * Licensing forum * Stakeholder committee * Enatis * License Pro * Regular support and visits by department transport * Tablet scoring system 	Good	Director Community Services	<ul style="list-style-type: none"> * Regular log on calls to Dept. of Transport * Regular implementation of audit queries recommendations by Dept. of Transport * Develop and implement customer satisfaction survey * Erect surveillance cameras in testing stations * Propose the anti-fraud and corruption hotline * Appoint additional staff members * Re-instate the Vehicle Testing Services * Strengthen partnership with other law enforcement agencies 	Manager Public Safety	<ul style="list-style-type: none"> * Ongoing * Ongoing * Ongoing * 30/06/2022 * Ongoing
	Community Services: Security	Inability to safeguard Municipal Assets	<ul style="list-style-type: none"> * Poor supervision and monitoring * Unguarded sites * Lack of scanner weapons * Inadequate SLA's * Insufficient budget * Incapacitated service providers 	<ul style="list-style-type: none"> * Theft of Municipal Assets * Fatal incidents * Loss of life 	<ul style="list-style-type: none"> * SLA's * Safety and security draft plan * Implement of safety and security plan 	Unsatisfactory	Director Community Services	<ul style="list-style-type: none"> * Review and implement the safety and security plan * Conduct security risk assessment * Review of SLA's * Procure the scanner weapons * Appoint staff to monitor the security services * Erect cut cameras on sites * Implement alarm guard system * Electrical fence 	Manager Public Safety	<ul style="list-style-type: none"> * 31/12/2021 * Annually * Ongoing * 30/06/2022 * 30/06/2022
	Corporate Services: Occupational Health and Safety (PPE, Signage, fire extinguisher, separation of tools and supervision)	Ineffective Occupational Health and Safety	<ul style="list-style-type: none"> * Budgetary constraint to purchase signage and PPE * Inferior quality of PPE * Inadequate supplier of stock * Incompetent supervision * Malfunctioning of electronic doors * Spreading of communicable diseases * Lack of training on the usage of fire extinguisher * Lack of converted tools storage * Non serviced fire extinguishers * Lack of human capacity * Health hazards risks * Leaking of roofs and non-open windows * Lack of safety equipment (life jackets) 	<ul style="list-style-type: none"> * Injuries and fatalities * Financial loss * Non-compliance with pension laws * Contagious diseases * Law suite instituted against the municipality 	<ul style="list-style-type: none"> * Occupational Health and Safety Act * Health and Safety Committee * Risk assessment report 	Unsatisfactory	Director Corporate Services	<ul style="list-style-type: none"> * Request additional funding to procure PPE and signage * Provide training to supervisors * Ensuring proper quality of PPE * Erect alternative manual exit doors HR building * Erect the air ventilation and removal of existing windows and replacing with sliding doors * Enforce disciplinary measures on overlapping of duties * Timely inspection of fire extinguishers * Educate employees on 	Manager Human Resource Development	<ul style="list-style-type: none"> * 30/06/2022 * 30/06/2022 * Ongoing * 30/06/2022 * 30/06/2022 * Ongoing * Ongoing * Ongoing * 30/06/2022

								usage of fire extinguishers *Purchasing of converted vehicles		
	Corporate Services: Council Support	Failure to provide secretarial support to Council and its committees	<ul style="list-style-type: none"> * Shortage of skilled staff * Insufficient resources (recordings, printers) * No emergency exit point at Council Chamber * Late submission of Agenda items * Lack of training * Non sitting of meetings * Insufficient data 	<ul style="list-style-type: none"> * Inadequate support to Council * Imposing of section 139 of the Constitution by MEC of COGTA * Service delivery protest * Stampede resulting in death and injuries * Fatal due to non-emergency exit 	<ul style="list-style-type: none"> * Electronic agendas * Minutes of the meetings * Recording equipment * Resolution register * Annual plan of Council meetings and its committees * Section 44 report * IT support * Attendance register book 	Satisfactory	Director Corporate Services	<ul style="list-style-type: none"> * Appoint additional staff * Acquire more resources * Follow up with Municipal Manager regarding the revamping of Council Chamber * Provide training to staff 	Manager Council Support	<ul style="list-style-type: none"> * 31/12/2021 * 31/12/2021 * Ongoing * 31/12/2021
	Corporate Services: Records Management	Ineffective and non-compliance with records management within Departments	<ul style="list-style-type: none"> * Non designation of records Manager * Illegal disposal of documents * Noncompliance with the Archives Act, regulations and its directives * Lack of proper implementation of records control schedule * Lack of implementation and maintenance of approved file plan * Incorrect creation of records * Lack of safe keeping of records * Illegal destruction of records * Lack of records management training * Unserved fire extinguisher * Repairs to buildings * Maintenance of air conditioner to remove moisture * Non-renewal of records system * Lack of maintenance of building such as air conditioners 	<ul style="list-style-type: none"> * Loss of historical information * Noncompliance with legislations and time frames * Audit queries * Incapability of performing duties resulting to poor service delivery * Lifting of prison sentence and heavy imposed fines 	<ul style="list-style-type: none"> * Electronic document management System * Approved File Plan * National Archives Act * Records Management Policy * Registry Procedure Manual * Approved Records Control schedule * Procurement plan for registry equipment * KZN Archives and records services Act 08 of 2011 * Regulations of the KZN archives act 	Satisfactory	Director Corporate Services	<ul style="list-style-type: none"> * Designate records manager in terms of the regulations * Erect a proper structure that houses records in line with legislation in relation to fire proofing, light protection and temperature control * Creating awareness regarding responsibility of employees towards management of records * Provide training to registry staff * Provide Registry management training for all employees * Wooden shelving strong room to be replaced with metal shelving * Install new air conditioner at the HR registry * Install air conditioner at the finance strong room /archives * Install security gate in front of the corporate archives 	Manager Council Support	<ul style="list-style-type: none"> * 31/12/2021 * 30/06/2022 * 31/12/2021 * Ongoing * 30/06/2022 * 31/03/2022

								*Install detectors in the finance strong room		
	Corporate Services: Human Resource Management	Ineffective Human Resources Services	<ul style="list-style-type: none"> * Nepotism and maladministration *Delays on submission of relevant documents for benefits *Filling of positions that are not evaluated *Implementation of incorrect task level *High vacancy rate *Filling of unfunded posts *Utilisation of vacated posts to other programs *Tailor made adverts to suit certain applicants *Low staff morale * Insufficient supervision by departmental supervisors on leave management * Under/over utilisation of staff in the municipality * Lack of office space 	<ul style="list-style-type: none"> * Labour disputes resulting to litigations *Forfeit of benefits *Imposing of penalties by dept. of Labour *Financial loss *Incorrect disclosure of leave provision on the AFS *Unauthorised expenditure due to filling of unfunded posts *Compromised service delivery * Excessive overtime * Labour unrest * Instability in the institution * High increase in sick leave * Low productivity 	<ul style="list-style-type: none"> * Bargaining Council * Collective Agreement * Employment Equity Plan * Human Resource Policy Manual * Leave Management Policy * Leave Management System *Legislation * Local Labour Forum * Reviewed Organogram * retention strategy *strong room for filling system *HR strategy 	Satisfactory	Director Corporate Services	<ul style="list-style-type: none"> * Comply with the recruitment policy and procedure *Continuous updating of employees files *Implement job evaluation results correctly *Appoint additional staff *Continuous vetting of employees *Implement equity plan * Finalise the review of Job descriptions *Provide training on continuous labour relations matters *Provide support for employees working from home such as resources *Implement electronical filing system 	Manager Human Resource Management	<ul style="list-style-type: none"> *Ongoing *Ongoing *Ongoing *31/03/2022 *Ongoing *Ongoing *31/12/2021
	Corporate Services: Skills Development and Training (Training, Induction, Workshops, Skills plan and wellness)	Ineffective skills training program	<ul style="list-style-type: none"> * Unavailability of funds to conduct training *Improper implementation of workplace skills plan *Diverting of skills development funds *Employees poor turnout on induction programs *Non participatory of employees on skills audit questionnaire *Lack of trust on personal confidential matters * Low staff morale 	<ul style="list-style-type: none"> * Low staff morale * Incompetence employees * Compromised service delivery *Forfeiting of training funds *Employees abuse of substances 	<ul style="list-style-type: none"> * Induction policy *Wellness program * Skills audit * Local labour forum * Workplace skills plan * In service training * Training Committee 	Satisfactory	Director Corporate Services	<ul style="list-style-type: none"> * Request budget *Continuous conducting wellness programs *Decentralisation of training funds *Educate employees and supervisors on the importance of induction *Improve and strengthen communication between HR and HRD *Encourage employees to participate on skills audit *Develop and implement induction program * Initiate employee 	Manager Human Resource Development	<ul style="list-style-type: none"> * 30/06/2021 * Ongoing * Ongoing * Ongoing

								wellness program * Initiate team building exercise to boost staff morale		
	Corporate Services: ICT (Human Resources)	Inability to fulfil specific functions	* Failure to attract skilled and experienced IT * High vacant rate * Severe lack of suitable IT personnel	*Hampered service delivery *	* Approved ICT structure * Retention Policy * Training and development plan	Satisfactory	Director Corporate Services	*Provide continuous training to ICT officials *Implement ICT internship program	Manager ICT Manager HRM	31/03/2021
	Corporate Services: ICT Governance	Inability or failure to provide direction on information technology governance process	* Ineffective ICT steering committee * Inability to prioritise ICT initiatives * Inability to align ICT initiatives with the business strategy	Hampered service delivery	* Approved ICT Governance Framework * Approved ICT structure * ICT Government Framework Implemented * ICT strategy document * ICT policy *ICT steering committee *Terms of defence	Satisfactory	Director Corporate Services	* Appoint ICT steering Committee * Align and promote ICT as a strategic enabler *Review the ICT policy and framework *Align the ICT meetings with the calendar	Manager ICT	* 31/03/2021 * Ongoing
	Corporate Services: ICT Business Continuity Plan	Failure to manage an effective and efficient coordination of continuity in the event of disruption	* Loss of information and unavailability of records * Delays on Supply Chain Management on supply of ICT related equipment *Loss of connectivity/ Communication	* Inability to continue with Municipal Services * Interruption in key transaction processing * Negative impact on service delivery	* Business Continuity Plan (IT Policy) * Fire suppression system * Industrial UPS * Regular penetration testing to enhance security * Regular back-ups and restore * Cloud server (data storage) * Procurement plan *Data capacity increased	Satisfactory	Director Corporate Services	*No control future identified	Manager ICT	* Ongoing
	Corporate Services: ICT Capacity Management	Poor capacity planning for ICT system growth	Inability to view or regard ICT as a strategic enabler	* Adverse impact on the performance of prioritised systems * System failure to handle high transaction volumes	* Network monitoring tool * updated skills training (administrative and network) * Additional storage server and backups * Help ticketing system *Anti-virus and cyber security monitoring tools *Cyber security notifications	Satisfactory	Director Corporate Services	* Provision of IT policy workshop to staff *Provision of cyber security workshop *Make budget provision to procure ICT advance system *Provide continuous training for ICT staff	Manager ICT	* Ongoing * Ongoing
	Corporate Services: ICT Information Security	Exposure of critical data and system to acts of irregularity such as hacking and system attacks, internet and e-mail misuse, manipulation of	Noncompliance with the information security policies and procedures by staff	* Unauthorised access to sensitive departmental information * Compromised information security financial loss due to fraud	* Active directory * Anti-virus software * Data encryption system * Firewall * Information security policy * Cyber security workshops *Cibber security notifications	Satisfactory	Director Corporate Services	* To have effective anti-virus in place * Executive management to enforce compliance with IT security policies * Conduct workshop on ICT security policies *Review ICT policy on USB port	Manager ICT	*31/03/2022 *Ongoing *Ongoing *31/03/2022

		critical data, etc.								
	Corporate Services: ICT Incident Management	An extended down time due to inadequate incident management	<ul style="list-style-type: none"> *ICT staff unable to efficiently perform their duties due to staff not adhering to helpdesk policies/procedures *Non-payment to service provider who provides internet services *Lack of effective UPS 	<ul style="list-style-type: none"> * Decrease in production * Inability to identify problem areas for future planning * Hampered service delivery * Poor relationship between the users and ICT 	<ul style="list-style-type: none"> * Helpdesk policy * Helpdesk system * Incident management form * Incident management procedure * ICT helpdesk personnel 	Satisfactory	Director Corporate Services	<ul style="list-style-type: none"> * Enforcement of implementation and adherence of helpdesk policies/procedures to staff * Automated monitoring tool to detect any incidents prior being lodged by users * Conduct workshop on helpdesk policies /procedures *Effective UPS system in place *Prioritise ICT service provider payments 	Manager ICT	<ul style="list-style-type: none"> * Ongoing * Ongoing * Ongoing
	Corporate Services: ICT User Management (Critical Systems)	Unauthorised access to system. Users circumventing logical access measure	<ul style="list-style-type: none"> *Users sharing passwords *Lack of segregation of duties *Outdated delegation of powers 	<ul style="list-style-type: none"> * Security over systems could be compromised * Inability to effectively manage security over the systems 	<ul style="list-style-type: none"> * Access request forms * Communication via e-mails to users * ICT security policy * Randomly walk around to check user password sharing * Users access control procedure * Change request forms 	Good	Director Corporate Services	<ul style="list-style-type: none"> *Conduct workshops on ICT security policies *Review delegation of powers 	Manager ICT	Ongoing
	Corporate Services: ICT Disaster Recovery	Failure to manage an effective and efficient coordination of data recovery and continuity in the event of a disruption	Insufficient backup capacity for multiple sites	<ul style="list-style-type: none"> * Inability to manage a timely recovery process * Possible loss of data * Negative impact on service delivery * Financial implications * Negative publicity for the municipality 	<ul style="list-style-type: none"> * Backup policy/procedures * Backup restores for all applications * Daily backups * Disaster recovery plan * Disaster recovery plan tested * Disaster recovery sites 	Good	Director Corporate Services	<ul style="list-style-type: none"> *Effective backup and recovery plan *ICT contingency plan *Purchasing of the UPS 	Manager ICT	Ongoing 31/03/2022
	Corporate Services: ICT Asset Management	Disposal or donation of ICT assets which contain critical and confidential data	Lack of physical monitoring of assets within the Municipality	<ul style="list-style-type: none"> * Loss of assets * Financial implications * Inability to account for the assets within the departments * Exposure on sensitive data 	<ul style="list-style-type: none"> * Asset Management policy * Asset register * CCTV * Drive killer software 	Good	Director Corporate Services	<ul style="list-style-type: none"> * Improve communication with department to inform ICT on ICT related assets *Develop ICT asset register 	Manager ICT	Ongoing
	Corporate Services: ICT Change Management	Carrying out of non- authorised changes on the ICT systems	<ul style="list-style-type: none"> * Lack of communication and adherence of change management procedures * Inability to inform ICT unit on changes on the applications system 	<ul style="list-style-type: none"> * Possible service disruption * Lack of accountability * Financial loss 	<ul style="list-style-type: none"> * Change management form * Change management procedure * ICT change management policy * Test server for Munsoft system * Three new serves for test environment 	Good	Director Corporate Services	<ul style="list-style-type: none"> * ICT steering committee to enforce adherence of ICT policy * Utilisation of old servers as a test servers 	Manager ICT	<ul style="list-style-type: none"> * Ongoing * Ongoing

	Corporate Services: ICT Physical Access and Environmental Controls	Exposure of critical data and damaging or loss of ICT assets	<ul style="list-style-type: none"> * Failure to service fire suppression system on quarterly basis * Incorrect fitment of windows 	<ul style="list-style-type: none"> * Unauthorised access to critical data * Loss or damage of ICT infrastructure * Loss of critical data 	<ul style="list-style-type: none"> * Physical security and environmental policy * Restricted access into server room * Server room standards * Restricted Tag system to access the server room 	Good	Director Corporate Services	<ul style="list-style-type: none"> * Servicing the fire suppression on a quarterly basis * Purchase effective UPS * To maintain air circulation 	Manager ICT	<ul style="list-style-type: none"> * Ongoing * 31/03/2022 * Ongoing
	Technical Services: Electricity Provision	Inability to provide safe, effective and reliable electricity	<ul style="list-style-type: none"> * Ageing infrastructure * Illegal connections * Tampering * Theft of equipment * Lack of plant and equipment * Lack of funding * Lack of customer education * Lack of staff training * Shortage of staff * Non-payment of service providers* * Lack of an Insurance cover of critical assets * Non availability of electricity assets and inventories * Lack of infrastructure upgrade * Lack of sector plans * Poor maintenance of infrastructure 	<ul style="list-style-type: none"> * Loss of revenue * High rate of crime * Danger to the public * Poor service delivery * Community unrest * Law suit against the municipality * Closure of business 	<ul style="list-style-type: none"> * Association of Municipality (Electricity undertaking) * Electricity by-laws * Forum on cable theft * Indigent policy * IDP * Revenue protection * Electricity master plan * Intervention by MISA 	Weak	Director Technical Services	<ul style="list-style-type: none"> * Develop and implement a refurbishment plan * Appointment of additional staff * Enforce implementation of by-laws * Communicate with Eskom regarding the electrification of their areas * Make budget provision and seek external funds for infrastructure * Conduct audits on electricity and water meters and rectify anomalies * Acquire plants and equipments * Purchase of an additional transformers in all surrounding areas (Hlobane, eMondlo and Corronations) * Prioritising of payment of service providers * Implement forward planning strategy 	Manager Electricity	<ul style="list-style-type: none"> * 30/06/2022 * 31/12/2021 * Ongoing * Ongoing * Ongoing * 31/03/2022 * 31/03/2022 * 30/06/2022
	Technical Services: PMU	Non monitoring and un finished projects	<ul style="list-style-type: none"> * Outsourcing of PMU * Non-payment of service providers * Lack of forward planning * Changes of project scope * Forfeiting of grants * Unavailability of business continuity 	<ul style="list-style-type: none"> * Overspending * Fruitless and wasteful expenditure * Abandoned projects * Projects incomplete * Community unrest * Law suit against the municipality 	<ul style="list-style-type: none"> * Outsourced PMU * MIG and INEP * IDP and Budget * Project Steering Committee meetings * Implementing agent 	Weak	Director Technical Services	<ul style="list-style-type: none"> * Implement forward planning strategy 	Manager PMU	<ul style="list-style-type: none"> * 30/06/2022

	Technical Services: Water and Sanitation	Inability to provide potable water and sanitation	<ul style="list-style-type: none"> * Ageing infrastructure * Illegal connections * Unmetered water supply * Theft of water meters * Lack of plant and equipment * Lack of funding * Lack of customer education in water conservation * Drought *Lack of infrastructure upgrade *Non payment of service providers* *Lack of sector plans *Changes in legislations *Non finalisation of WSP agreement *Trade effluent *Acid mine drainage *shortage of backup critical equipment such as pumps *Vandalism of jojo tanks and substation *Lack of intergrated water development future plans *Shortage of adequate power supply on water system 	<ul style="list-style-type: none"> * Loss of revenue * Poor service delivery * High cost of overtime * Community unrest *Law suites against the municipality *Fruitless and wasteful expenditure due to unfunded mandate *Poor quality of water *High rate of water loses 	<ul style="list-style-type: none"> * Awareness campaigns on water conservation and customer education * Water restrictions * Water by-laws * Plastic water meters *Inter relationship with the ZDM *Engagement with water and sanitation *MIG and MISA *Water quality sampling is in place *Panel of plant and equipment *Panel of water maintenance 	Weak	Director Technical Services	<ul style="list-style-type: none"> * Develop and implement a refurbishment and maintenance plan * Appointment of additional staff * Provide training to officials * Acquire spare pump on water and sewer * Acquire plans and equipments *Implement forward planning strategy * Participate on Blue and green drop assessment *Prioritising of payment of service providers *Review and align processess with the new changes in legislation *Engagemnt with ZDM regarding the finalisation of WSP status *Review, adopt and implement by-laws *Repair and purchase equipments *Strengthen the collaboration between the ZDM and AbaQulusi for future development *Revive the substations and procure UPS *Collaboration with law enforcement agencies *Awareness through biling system on water consumption *Install plastic meters in Mondlo and Eastern towns *10% of MIG funding to finance water capital infrastructure neighbourhood 	Manager Water and Sanitation	<ul style="list-style-type: none"> * 31/03/2022 * 31/03/2022 * 31/03/2021 * 30/11/2022 * 30/04/2021 *30/06/2022 *Ongoing *Ongoing *Ongoing *31/03/2022 *Ongoing *Ongoing *Ongoing *30/06/22
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	Technical Services: Road and Storm Water Maintenance	Inability to construct and maintain roads and water drainage	<ul style="list-style-type: none"> * Unavailability of plants *Unavailability of materials *Scarcity of water *Cutting of unbudgeted roads *Cutting new unregistered roads resulting in erosion *Lack of community awareness on drainage system *Drains not handling runoff *Lack of skilled team leaders *Financial constraints * Poor maintenance processes leading to inclement weather conditions * Lack of resources * Lack of truck stops * Ageing infrastructure *Lack of infrastructure upgrade *Non-payment of service providers *Lack of sector plans *Insufficient budget *Shortage of staff *Delay on maintenance and repairs 	<ul style="list-style-type: none"> * Injuries and fatalities *Damage to properties *Road accidents * Flooding * Litigations * De-investment *Traffic congestion 	<ul style="list-style-type: none"> * MIG * Road classification map * Maintenance programs * Road inspection * Budget *Intervention by DOT *Limited staff *Limited plants *Satellite depots 	Weak	Director Technical Services	<ul style="list-style-type: none"> * Appoint additional skilled staff * Provide training to officials * Acquire plant and equipment * Enforce implementation of by-laws *Develop of road and storm water master plan *Prioritising of payment of service providers *Implement forward planning strategy *Conduct awareness campaign *Provide sufficient budget *Community engagement with affected parties *All development needs to be planned 	Manager Roads and Storm Water	<ul style="list-style-type: none"> * 31/03/2022 * Ongoing * 30/06/2022 * Ongoing *30/06/2022 *Ongoing *Ongoing *Ongoing
	Municipal Manager: Legal Services	Ineffective legal services	<ul style="list-style-type: none"> *Lack of cooperation *Shortage of capacity *Shortage of funds *Lack of tanning of management *Non implementation of policies and by-laws *Inadequate control on contract management *failure to meet deadlines 	<ul style="list-style-type: none"> *Legal suits against the municipality *Poor service delivery due to labour unrest *Irregular expenditure *Vandalism of municipal property as a result of community unrest and labour disputes 	<ul style="list-style-type: none"> *Budget for legal fees *Appointment of Legal Services Manager * 	Weak	Municipal Manager	<ul style="list-style-type: none"> *Appoint additional capacity *Resuscitate the panel of legal service providers *Conduct workshop on policies and by-laws for employees and community *Draft and review the SLA's for legal compliance *Strengthen regular engagement with relevant parties *Procure legal management software * 	Manager Legal Services	<ul style="list-style-type: none"> *31/12/2021 *Ongoing *31/03/2022
	Municipal Manager: Marketing	Ineffective marketing	<ul style="list-style-type: none"> * Lack of funding * High cost of marketing * Lack of marketing strategy 	<ul style="list-style-type: none"> * Tarnished image of the Municipality * Failure to attract investors and tourists 	No Control	Unsatisfactory	Municipal Manager	<ul style="list-style-type: none"> * Develop, adopt and implement marketing and communication strategy * Make budget provision for marketing and the municipal newsletter *Appoint media and marketing agency 	Manager in the MM office	<ul style="list-style-type: none"> * 31/12/2021 * 31/03/2022 *31/12/2021

	Municipal Manager: Communications	Untimely dissemination of information and inappropriate disclosure of sensitive information	<ul style="list-style-type: none"> * Lack of clear reporting lines * Insufficient human capacity * Insufficient budget 	<ul style="list-style-type: none"> * Uninformed community members/customers * Tarnished image of the municipality 	<ul style="list-style-type: none"> * District Communication forum * Draft media policy 	Weak	Municipal Manager	<ul style="list-style-type: none"> * Adopt and implement media policy * Finalise communication strategy * Appoint additional staff 	Manager in the MM office	<ul style="list-style-type: none"> * 31/12/2021 * 31/12/2021 * 31/12/2021
	Municipal Manager: Internal Audit and Risk Management	Ineffective Internal Audit and Risk Management Unit	<ul style="list-style-type: none"> * Lack of implementation of risk mitigation plans * Non functionality of Risk Management Committee * Shortage of staff 	<ul style="list-style-type: none"> * Disclaimer audit opinion * Financial loss * Fraud and corruption * Non improvement of business operations 	<ul style="list-style-type: none"> * Audit Committee * Audit plan * Audit Charter * Audit methodology * Audit Committee Charter * Risk Management Policy * Anti-fraud and Corruption Policy * Whistle blower policy * Risk Management Strategy * Fraud risk register * Fraud prevention plan 	Good	Municipal Manager	<ul style="list-style-type: none"> * Ensure the effectiveness of Risk Management Committee * Incorporate risk register to each department to report on a quarterly basis * Appoint additional staff for both audit and risk unit 	Manager Internal Audit	<ul style="list-style-type: none"> * 31/12/2021 * 31/12/2021 * 31/12/2021
	Municipal Manager: Performance Management System	Ineffective Performance Management System can result to poor service delivery	<ul style="list-style-type: none"> * Non adherence to the timelines of reporting * Lack of performance culture within the municipality * Lack of benchmarking platforms for PMS initiatives * Late submission of reports * Lack of individual performance evaluation * Shortage of staff * Outdated PMS policy * Non functionality of Performance Evaluation Committee * Lack of cascading of PMS to employees below section 56 & 57 	<ul style="list-style-type: none"> * Poor recognition of good performance * Rewarding of poor performance * Poor monitoring of performance * Negative audit opinion * Compromised service delivery * Low staff morale 	<ul style="list-style-type: none"> * Performance evaluation committee * Standard operating procedure * Scorecards * Performance agreements * PMS policy 	Good	Municipal Manager	<ul style="list-style-type: none"> * Cascade PMS to managers and assistant managers * Impose punitive measures to non-adherence to reporting timelines * Review, adopt and implement PMS policy and framework * Appoint additional staff 	Manager IDP/PMS	<ul style="list-style-type: none"> * 30/06/2022 * Ongoing * 31/03/2022 * 31/12/2021

7.1.6 Status of Municipal Policies

Name of Existing Policy	To be Reviewed
Risk Management Policy	Annually
Anti-Fraud and Corruption Policy	Annually
Whistle-blower policy	Annually
Tariffs policy	Annually
Rates policy	Annually
Credit control and debt collection policy	Annually
Cash management and investment policy	Annually
Borrowing policy	Annually
Funding and reserves policy	Annually
Supply chain management policy	Annually
Indigent Policy	Annually
Management and Disposal of Assets	Annually
Fixed Assets Policy	Annually
Performance Management	Annually
Budget Policy	Annually
Records Policy	Annually
ICT Policy	Annually
HR Policy	Annually

7.1.7 Municipal By-Laws

The following is a list of all By-Laws that exist in the Abaqulusi Municipality:

1. Property Rates
2. Pollution Control
3. Pounds
4. Public Roads
5. Tariff Policy for Indigent Persons
6. Public Amenities
7. Street Trading
8. Storm water Management
9. Property Encroachment
10. Keeping of Animals
11. Water
12. Environmental
13. Municipal Public Transport
14. Cemetery and Crematoria
15. Electricity Supply
16. Financial
17. Firefighting
18. Outdoor advertising
19. SPLUMA
20. Urban Town Planning Scheme

7.1.8 Ward Based Planning

Ward Based Planning in municipalities aim to promote public participation and service delivery at a grass-root level and is a process that involves every ward within a municipality. In Abaqulusi municipality

The Ward Based Planning process is driven by the Public Participation Office and is assisted by KZN CoGTA: Public Participation Unit.

7.1.9 Land Use Management

The AbaQulusi Local Municipality has met with the compliance requirements in terms of the Spatial Planning and Land Use Management Act 2013 (Act No. 16 of 2013). The AbaQulusi Municipal Planning Tribunal is in place and operational. The Tribunal meets on a need basis depending on the number of applications lodged with the Municipality. In terms of SPLUMA Regulation 14 all measures have been put in place to ensure that the land development and land use applications are properly submitted and processed. The position of the Municipal Planning Authorised Officer is also filled, and the Executive Committee was appointed as the Appeal's Authority. The Municipality in December 2016 adopted and gazetted the bylaw known as AbaQulusi Spatial Planning and Land Use Management By-law 2016 which provides for the procedures and processes for the preparation, submission and consideration of all land development applications and related processes.

The AbaQulusi Municipal Spatial Planning and Land Use Management By-law and the Municipal Town Planning Scheme also provides for the management and enforcement of all land use activities and development, in order to achieve coordinated and harmonious development by promoting health, safety, order, amenity, convenience and improved general welfare

7.1.10 Current Projects and Status Quo

7.1.10.1 AbaQulusi Single Land Use Scheme

As part of the back to basic programme the AbaQulusi Municipality has identified the preparation of Land Use Management Scheme as a priority area. With the Spatial Planning Land Use Management Act, 16 of 2013 (referred to as "SPLUMA") being effective from the 01st July 2015, all municipalities were required to prepare Single Land Use Schemes by June 2020. Black Cubans Investments (PTY) Ltd, was appointed in March 2017 by Abaqulusi Municipality to Develop the Single Land Use Scheme and Land Use/Rights Audit. An amount of R2, 944,141.2 was budgeted by the municipality for the finalization and completion of the whole Abaqulusi Single Land Use Scheme and Land Audit project.

Due to challenges with engagement with the Traditional Authorities the project had to be split into the urban component and rural component. Numerous attempts were made with COGTA to provide assistance to facilitate the process with the Traditional Authorities but to date the AbaQulusi Municipality has had no success.

The AbaQulusi Urban Land Use Scheme was finalised in August 2020 and adopted by Council in March 2021. The scheme was accordingly implemented from the 1st May 2021 and is currently in force.

The SPLUMA deadline to approve and adopt a Single Land Use Scheme was June 2020 but due to many municipalities not being able to meet the deadline, COGTA applied to the Minister of DRDLR for an extension of the deadline. The application for the extension of the deadline was approved to June 2022. However, the contract between AbaQulusi Municipality and the then service provider (Black Cubans) came to an

end in March 2021. The municipality in accordance with the National Treasury regulations was required to advertise the tender again, and E-Plan Town and Regional Planners CC was appointed in December 2021 to complete the rural component part of the --scheme and incorporate it with urban component into a Single Land Use Scheme. The Single AbaQulusi Land Use is to be implemented from 01st July 2022 with the new Town Planning tariffs.

7.1.10.2 Shoba Township Establishment – Portion 5 of the Farm Welgevonden No. 287

Isibuko Development Planners was appointed in 2017 to undertake the detailed Planning and Formalisation of Portion 5 of the Farm Welgevonden No.287 commonly known as Shoba Settlement in the AbaQulusi Municipality. The cost implications for project was R 3 898 870, 00 and funding was received from the Department of Human Settlements for the project.

The Shoba settlement developed illegally on privately owned land of which the Municipality has acquired with the intention to formalise and establish a sustainable human settlement neighbourhood. Shoba is regarded as an “informal settlement” because of the lack of planning and insecurity of land tenure. Otherwise, the houses that have been built in the area suggest dominance of middle income households who fall outside of the low cost housing subsidy bracket. As such, the character of the area is that of a middle income residential suburb.

The project is currently in Phase 5, Town Planning Approval. The service provider has submitted the SPLUMA pre-application which entails the

Subdivision of the Remainder of Portion 5 of Farm Welgevonden No. 287, the establishment of a Township, and the registration of subdivided properties in terms of section 64, 65 & 66 of AbaQulusi Municipality the Spatial Land Use Management Bylaw. The project is unable to move forward as it was developed illegally and to date environmental authorisation has not been granted due to the complexity of the project.

7.1.10.3 AbaQulusi Spatial Development Framework

The 2022/2023 AbaQulusi Spatial Development Framework was reviewed internally. The SDF was reviewed in terms of the Department of Rural Development and Land Reform Guidelines 2017 and the MEC Comments submitted for the 2021/2022 SDF. The review included an overview on the AbaQulusi Municipality and the Vryheid Town. It touched on the recent developments of the preparation of the wall-to-wall scheme, the Umhlatuze-Ulundi-Vryheid Secondary Corridor and the Vryheid-Emadlangeni-Newscastle-Ermelo Strategic Corridor. The SDF was also reviewed in terms of SPLUMA Compliance.

7.1.10.4 Nkongolwane Township Establishment

HSK Simpson and Partners was appointed in 1998 by the then the Department of Local Government and Housing, Directorate Land Planning and Survey (known as the Department), to survey and prepare the layout plan for Phase of the Nkongolwane Township – Erven 374-500 Nkongolwane. Due to unknown reasons the Department did not issue the Conditions of Establishment to HSK Simpson and Partners despite repeated requests and were not able to submit the Survey Records to

the Surveyor General for the examination and approval of the General Plan. Hence, Nkongolwane has remained as an un-proclaimed Township and residents could not be issued titled deeds.

After investigations by the Town Planning Department, the Department of Co-operative Governance and Traditional Affairs has advised that the general plan for phase 1 was approved in 2005 and that the approval of the general plan for phase 2 with the proof of the township register being open and the compliance certificate is required in order for the Section 28 (1) in terms of the Town Planning Ordinance No. 27 of 1949 to be issued. The Section 28 (1) will allow for the sites to be transferred and registered in the home owner's name.

The General Plan has been approved by the Surveyor General. In order to proceed with the Registration of the Township, a Conveyancer needs to be appointed to facilitate the process.

7.1.10.5 Princess Mkabayi City (Regional Mall)

The site identified for the development of the Princess Mkabayi Shopping Mall is Erf 6018 Vryheid which is along along the R 34 as you enter Vryheid. The site is directly adjacent to the Pioneer High School. The Developers responsible for the Princess Mkabayi City is a consortium between Green Giraffe and JB Holdings. The SOD turning to introduce the project and developers took place on 13th October 2021. The Princess Mkabayi City is scheduled to open for Easter 2024.

7.2 Public Participation Analysis

In terms of Chapter 4 of the Municipal Systems Act 2000 (Act No. 32 of 2000), a municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance. The Abaqulusi Municipality prides itself on public participation within the municipality. It is imperative that the public is involved in all municipal processes and decision making, achieving transparency and an all-inclusive society, hereby promoting an accountable local government. The municipality's IDP Process Plan sets out the public participation structures and schedules that are usually implemented by the municipality for a specific year. It must be noted that although structures and schedules are in place, it does not always go to plan due the constant demands within local government.

The following platforms are utilized by the Abaqulusi Municipality when communicating with its citizens:

- *Council Meetings (Public and Amakhosi is invited)*
- *Media Releases*
- *Municipal Website*
- *Awareness Campaigns*
- *Ward Committee Meetings*
- *IDP/Budget Roadshows/Izimbizo's*

7.3 Good Governance and Public Participation: SWOT Analysis

Strengths	Weakness
<ul style="list-style-type: none"> Well established Ward Committees in place Effective Public Participation Process Plan Effective Audit Committee in place Functional Council and committees 	<ul style="list-style-type: none"> Lack of Community satisfaction Survey Communication strategy is still in a draft phase Delayed implementation of Audit Committee Recommendations Non review and absence of certain policies and by-laws Non-cascading of PMS to staff below S56 Managers
Opportunities	Threats
<ul style="list-style-type: none"> Cascading of PMS to all staff offering rewards Boost staff morale Offer value for money and quality service 	<ul style="list-style-type: none"> Potential service delivery protests as municipality cannot measure the community's satisfaction of services Poor audit opinion if delayed implementation of Audit Committee Recommendations by departments

	<ul style="list-style-type: none"> Potential legal Implications against the municipality. Demoralised staff Occurrence of risks resulting in catastrophic outcomes
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7.3 Good Governance and Public Participation Key Challenges

Key Performance Area: Good Governance and Community Participation			
Key Challenges	Problem Statement (Definition)	Proposed Interventions	Status Quo
1. Lack of Community Satisfaction Survey	Municipality does not conduct a survey to gauge customer satisfaction	-Community satisfaction surveys to be conducted at least twice a year	This is an on-going concern.
2. No Risk Committee in Place	Absence of Section HODs created a problem in establishing a Risk Committee	-Establish Risk committee and monitor functionality	Risk Committee is now in place
3. Delayed implementation of Audit Committee Recommendations	Failure to implement recommendations from Audit Committee timeously results in audit queries	-Establish a turnaround time to respond to audit committee recommendations	This is an on-going concern.

Section D: Strategic Plan

The Strategic Plan of the Abaqulusi Local Municipality is a direct product of the 3 day Strategic Planning Session held between 7-9 March 2022 with the Executive Committee and Management Team of the Municipality. The primary resolution taken during the intensive session was that the Strategic Direction of the Municipality will not change, hence the Vision, Mission, Goals, Objectives and Strategies will remain the same as the term of the previous council.

1. What is Strategic Planning?

Strategic planning is a participatory and structured process for setting the Municipality's future direction towards it's strive to meet a specific shared Vision and Goals.

There are various methods for conducting strategic planning, but at its simplest it is a process of answering four basic questions:

- Where are we now?
- Where do we want to be?
- How will we get there?
- How do we know that we are arriving?

2. Importance of Strategic Planning

Strategic planning is important to an organization because it provides a sense of direction and outlines measurable goals. Strategic planning is a tool that is useful for guiding day-to-day decisions and also for evaluating progress and changing approaches when moving forward. In order to make the most of strategic planning, your company should give careful thought to the strategic objectives it outlines, and then back up these goals with realistic, thoroughly researched, quantifiable benchmarks for evaluating results.

Strategic planning gives overall direction

Strategic planning can provide an overall strategic direction to the management of the organization and gives a specific direction to areas like financial strategy, marketing strategy, organizational development strategy and human resources strategy, to achieve success. These other kinds of planning, some of which are confused with strategic planning are intended for parts of the organization, or specific functions or processes within the organization. All of these other types of planning should be guided and informed by the strategic plan.

3. Methodology and Approach

Step1: Agree on the Strategic Planning Process

Step 2: Conduct a SWOT Analysis (SWOT - Strengths, Weaknesses, Opportunities and Threats) – This usually includes an external component to identify and assess opportunities and threats in the external environment and an internal component to assess institutional strengths and weaknesses.

Step 3: Identify Key Issues or Challenges and Choices – Determine and specify the Municipality’s priorities in terms of time and importance.

Step 4: Develop a Shared Vision for the Municipality –

- This is essentially a picture of what the Municipality will be like if it successfully **implements** the strategic plan.
- It is a **broad statement** of where we want to be at specific time in the future.

Step 5: Formulate the Municipality’s Mission in-line with its Powers and Functions –

- Consensus on **why** the Municipality exists
- **What** it seeks to achieve
- **Whom** it serves

Step 6: Formulate the Municipality’s Broad Goals per Key Performance Area

- Providing strategic and focused **direction** to the municipality,

- Taking cognizance of the development **mandate** of the municipality,
- and the need to use **scarce resources** (human, financial, equipment) effectively and efficiently,
- The municipality **cannot** be and do everything for everyone,
- It needs to be **strategically focused** and only do what it should be doing, in terms of its assigned Powers and Functions,
- within the context of its **available resources**,
- to deliver successfully on its development **mandate**.

Step 7: Formulate the Municipality’s Development Objectives

- A broad statement of **what** you want to achieve and **by when** do want to achieve it
- Informed by the Broad Goals identified per Key Performance Area

Step 8: Formulate the Municipality’s Development Strategies

- Indicates **how** to achieve an objective
- Should give rise to specific projects in order to measure progress of achieving the objective and broad goal

4. Alignment with National, Provincial and District Plans, Programmes and Strategies

4.1 National Development Plan

The National Development Plan (NDP) was prepared by the National Planning Commission (NPC), a structure that was appointed by President Jacob Zuma in May 2010. The NDP aims to eliminate poverty and reduce inequality by 2030. It indicates that South Africa can realise these goals by drawing on the energies of its people, growing an inclusive economy, building capabilities, enhancing the capacity of the state, and promoting leadership and partnerships throughout society. In the NPC's Diagnostic Report (2011), the NPC identified the following primary challenges within the country:

- Too few people work;
- The quality of school education for black people is poor;
- Infrastructure is poorly located, inadequate, and under-maintained;
- Spatial divides hobble inclusive development;
- The economy is unsustainably resource intensive;
- The public health system cannot meet demand or sustain quality;

- Public services are uneven and often of poor quality;
- Corruption levels are high; and
- South Africa remains a divided society.

In addressing these concerns, the NDP sets out six interlinked priorities, namely:

- Uniting all South Africans around a common programme to achieve prosperity and equity;
- Promoting active citizenry to strengthen development, democracy, and accountability;
- Bringing about faster economic growth, higher investment, and greater labour absorption; Focussing on key capabilities of people and the state;
- Building a capable and developmental state; and
- Encouraging strong leadership throughout society to work together to solve problems.

4.2 Batho Pele Principles

This White Paper on Transforming Public Service Delivery therefore, urgently seeks to introduce a fresh approach to service delivery: an approach which puts pressure on systems, procedures, attitudes and

behaviour within the Public Service and reorients them in the customer's favour, an approach which puts the people first. This does not mean introducing more rules and centralised processes or micromanaging service delivery activities. Rather, it involves creating a framework for the delivery of public services which treats citizens more like customers and enables the citizens to hold public servants to account for the service they receive. A framework which frees up the energy and commitment of public servants to introduce more customer-focused ways of working. The approach is encapsulated in the name which has been adopted by this initiative - Batho Pele (a Sesotho adage meaning 'People First').

Eight principles for transforming public service delivery - the *Batho Pele* principles - have been identified. These are expressed in broad terms in order to enable national and provincial departments to apply them in accordance with their own needs and circumstances. The *Batho Pele* principles are:

1. Consultation

Citizens should be consulted about the level and quality of the public services they receive and, wherever possible, should be given a choice about the services that are offered.

2. Service Standards

Citizens should be told what level and quality of public services they will receive so that they are aware of what to expect.

3. Access

All citizens should have equal access to the services to which they are entitled.

4. Courtesy

Citizens should be treated with courtesy and consideration

5. Information

Citizens should be given full, accurate information about the public services they are entitled to receive.

6. Openness and transparency

Citizens should be told how national and provincial departments are run, how much they cost, and who is in charge.

7. Redress

If the promised standard of service is not delivered, citizens should be offered an apology, a full explanation and a speedy and effective remedy; and when complaints are made, citizens should receive a sympathetic, positive response.

8. Value for money

Public services should be provided economically and efficiently in order to give citizens the best possible value for money.

4.3 Cabinet Outcomes

The Outcomes approach is designed to ensure that government is focused on achieving the expected real improvements in the life of all South Africans. The outcomes approach clarifies what we expect to achieve, how we expect to achieve it and how we will know whether we are achieving it. It will help with spheres of government to ensure that results improve the lives of citizens rather than just carrying out our functions. It will help us track the progress we are making in achieving results and it will help us collect evidence about what worked and what did not, to help us improve our planning and implementation on an annual basis.

Based on the Election Manifesto and the Medium Term Strategic Framework, a set of 12 outcomes were developed through extensive consultation and discussion at both Ministerial and Administrative levels. These Outcomes reflect the desired development impacts we seek to achieve, given government's policy priorities. Each outcome is clearly articulated in terms of measurable outputs and key activities to achieve the outputs.

The twelve key outcomes that have been identified and agreed to by the Cabinet are:

1. Improved quality of basic education
2. A long and healthy life for all South Africans
3. All people in South Africa are and feel safe
4. Decent employment through inclusive economic growth
5. A skilled and capable workforce to support an inclusive growth path

6. An efficient, competitive and responsive economic infrastructure network
7. Vibrant, equitable and sustainable rural communities with food security for all
8. Sustainable human settlements and improved quality of households life
9. A responsive, accountable, effective and efficient local government system
10. Environmental assets and natural resources that are well protected and continually enhanced
11. Create a better South Africa and contribute to a better and safer Africa and World
12. An efficient, effective and development orientated public service and an empowered, fair and inclusive citizenship

4.4 Provincial Growth and Development Plan

In 2011, the KZN Provincial Government adopted the KZN PGDS in order to provide Kwa-Zulu Natal with a reasoned strategic framework for accelerating and sharing economic growth through catalytic and developmental interventions, within a coherent equitable spatial 31 development architecture, putting people first, particularly the poor and vulnerable, and building sustainable communities, livelihoods and living environments.

The 6 Strategic Goals identified in the PGDP is as follow:

1. Job Creation
2. Human Resource Development
3. Human and Community Development

4. Strategic Infrastructure
5. Response to Climate Change
6. Governance and Policy
7. Spatial Equity

4.5 District Growth and Development Plan

One of the most important purposes of a District Growth and Development Planning policy and strategy is to ensure that national, provincial and local initiatives and programmes are integrated and sustainable to maximize the growth and employment impact of economic and social development projects and programmes. At a district level, economic and social development policy is directly the rationalisation of some of the existing provincial and local institutional structures, the suggestion of new institutions; to target direct programmes to those areas where it would have the greatest impact on local economies, to consolidate funding that flows into local areas for economic development and to provide support services that would assist local communities in realising their economic goals and visions.

Strategic Goals

1. Job Creation
2. Human Resource Development
3. Human and Community Development
4. Strategic Infrastructure
5. Environmental Sustainability
6. Governance and Policy
7. Spatial Equity

5. Strategic Plan

5.1 Vision



5.2 Mission



5.3 Core Values

- Integrity
 - Transparency
 - Fairness
 - Competitiveness
 - Honesty
- Patriotism
 - Courage
 - Accountability
 - Ethical
 - Time Bound

5.4 Goals

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- To reduce levels of infrastructure backlogs by providing Basic Services, Facilities and maintaining existing infrastructure.
 - Empower and capacitate institutional structures and promotion of transparent cooperative governance.
 - Ensure sound financial management and accountability.
 - Ensure transparency, accountability and community involvement in municipal affairs.
 - To promote socio-economic growth and job opportunities.
 - To redress the spatial imbalances and promote sustainable environmental planning.

5.5 Key Performance Area, Goals, Focus Area, Development Objectives and Strategies

Key Performance Area: Basic Service Delivery and Infrastructure Development			
Goal: To reduce levels of infrastructure backlogs by providing Basic Services, Facilities and maintaining existing infrastructure.			
Key Focus Area	IDP Ref. No.	Development Objectives	Development Strategies
1. Roads	1	Expand accessibility in various wards by 2027	<ul style="list-style-type: none"> • Constructing New Gravel Roads • Constructing new tarred and paved roads • Constructing new cause ways • Spatially capture roads infrastructure • Construction of Taxi Ranks • Construction of Municipal Testing Stations
	2	Maintain existing Roads in rural & urban areas by 2027	<ul style="list-style-type: none"> • Upgrading of gravel roads to tar • Re-gravelling of roads • Resealing of Roads • Rehabilitation of existing tar roads • Blading of roads

			<ul style="list-style-type: none"> • Spatially capture road infrastructure
2. Storm Water	3	Building and maintaining Storm Water Infrastructure by 2027	<ul style="list-style-type: none"> • Construction of new storm water drains • Cleaning of storm water drains • Spatially capture storm water infrastructure
3. Sanitation	4	Expand Sanitation accessibility in various wards by 2027	<ul style="list-style-type: none"> • Establishment of new sewer lines • Provision of VIP in rural areas • Constructing Public Ablutions • Spatially capture sanitation infrastructure
	5	Maintain and replace existing Sanitation Infrastructure by 2027	<ul style="list-style-type: none"> • Replace old sanitation pipes • Upgrading of sewer main lines • Upgrade of the WWTW
4. Water	6	Expand water accessibility in various wards by 2027	<ul style="list-style-type: none"> • Installation of new water connections • Upgrade of water main lines • Spatially capture water infrastructure
	7	Maintain and replace existing Water Infrastructure by 2027	<ul style="list-style-type: none"> • Replace old water Pipes • Repairs to water lines

			<ul style="list-style-type: none"> Repairs to existing water pumps Maintain purification treatment plants
5. Electricity	8	Expand electrical accessibility in various wards by 2027	<ul style="list-style-type: none"> Installation of New electrical connections
	9	Expand and Maintain existing network electricity in urban and rural areas by 2027. Provide alternative energy	<ul style="list-style-type: none"> Installation of Electrical Meters Installation and repairs of High Mast Lights General Infrastructure-maintenance on mini and major substations Upgrade existing transformers Repairs to Robots Provision of solar geysers and street lights Provision of solar panels in urban and rural areas Spatially capture electricity infrastructure Master sector plans to be in place
6. Sport fields & Parks	10	Expand accessibility and maintenance of Sports fields and Parks	<ul style="list-style-type: none"> Construction and maintenance of new Sports fields and Parks in various wards

		in various wards by 2027	<ul style="list-style-type: none"> Upgrade and revamp existing Sports fields and Parks
7. Community Halls	11	Expand accessibility and maintenance of Community Halls in various wards by 2027	<ul style="list-style-type: none"> Construction and maintenance of New Community Halls Upgrade and revamp existing Community Halls
8. Cemeteries	12	Expand accessibility and maintenance of Community Cemeteries in various wards by 2027	<ul style="list-style-type: none"> Construction and maintenance of Cemeteries Upgrade and revamp existing Cemeteries Fencing of all unused cemeteries Identify and establish new cemeteries
9. Creches	13	Enhance Early Childhood Development by 2027	<ul style="list-style-type: none"> Number of new crèches built
10. Libraries	14	Expand accessibility and maintenance of Libraries in various wards by 2027	<ul style="list-style-type: none"> Construction of new Libraries Upgrade and Maintain existing Libraries
11. Refuse Removal	15	Expand accessibility of Refuse Services in various wards by 2027	<ul style="list-style-type: none"> Identify new areas and settlements to offer Refuse Services Integrated waste management plan

12.Human Settlements	16	To provide sustainable human settlements to the people of AbaQulusi by 2027	<ul style="list-style-type: none"> • Identify and Secure land prior to project approval • Ensure appointment of experienced and qualified implementing agents • Land disposal policy for public use • Strengthen Intergovernmental Relations • Land identification and release • facilitation of bulk service provision • Facilitate Land Release • Approval and implementation of the Housing Sector Plan • Set up housing consumer education programme • Linking of the HSP to SDF, IDP and Comprehensive CIF • Middle income housing development
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Alignment With National, Provincial And District Strategic Documents

This KPA is aligned with the following national, provincial and district strategies to ensure integrated and sustainable provision of infrastructure that will lead to better living conditions for all our people.

National Development Plan identified the following primary challenges pertaining to this KPA:

- Infrastructure is poorly located, inadequate, and under-maintained;
- Public services are uneven and often of poor quality;
- Corruption levels are high; and

Cabinet Outcomes:

6. An efficient, competitive and responsive economic infrastructure network
7. Vibrant, equitable and sustainable rural communities with food security for all
8. Sustainable human settlements and improved quality of households life

KZN Provincial Growth and Development Plan/Strategy

- 3. Human and Community Development
- 4. Strategic Infrastructure

Zululand District Growth and Development Plan

- 4. Strategic Infrastructure

Batho Pele Principles:

- 1. Service Standards
- 2. Access

AbaQulusi municipality

The goal, focus areas, Action plans and eventual projects of the municipality is all directly aligned with the broader governmental strategic documents to ensure the strategic use of scarce resources to provide new and maintain existing services in the municipality. The compilation of a maintenance Plan as well as an infrastructure delivery plan will ensure transparency and the curbing of unrealistic expectations while striving towards reaching the Municipality’s vision and giving effect to the national and provincial strategies.

The implementation of the Strategies for the 12 identified Focus Areas will ensure that the community of AbaQulusi Municipality enjoys an improved quality of life with the concomitant opportunities and that our places where we live, work and play are

situated in an environment conducive to an ever increasing quality of live.

Key Performance Area: Municipal Transformation and Institutional Development			
Goal: Empower and capacitate institutional structures and promotion of transparent cooperative governance.			
Key Focus Area	IDP Ref. No.	Development Objective	Development Strategies
1. Human Resources Management	17	To ensure that the municipality practice sound Human Resources management by 2027	<ul style="list-style-type: none">• Conduct Workshops on labour relations• Ensure functionality of Local Labour Forum• Formulate, review and adopt new and existing HR Policies.• Review and adopt Employment Equity plan• Review and adopt recruitment Plan and strategy• Review and adopt Retention strategy• Review and adopt organizational structure

			<ul style="list-style-type: none"> • Review Job descriptions • Fast track filling of critical vacant posts • Expanding or securing leaderships ,internship and apprenticeship to community members in consultation with SETAs
2. Human Resource Development	18	To ensure that the new and existing staff are capacitated to fulfil their functions and promote career development and comply with safety measures by 2027	<ul style="list-style-type: none"> • Develop/Review Workplace Skills Plan. • Develop/Review Induction Plan. • Ensure functionality of OHS Committee and other HRD related committees. • Develop/Review training policy • Develop/Review Wellness Programme. • Facilitate skills audit for municipal employees. • Facilitate skills audit for councillors

			<ul style="list-style-type: none"> • Facilitate Female councillors empowerment • Continued professional development (CPD) for all professionals serving in the municipality • MFMP training for Staff and Councillors
3. Council Support	19	To ensure that Council and its committee fulfil their executive and legislative functions and play an effective oversight role over administration by 2027	<ul style="list-style-type: none"> • Develop and adopt Council Annual Programme • Monitoring and implementation of the Council Annual Programme • Monitoring the execution of Council resolutions • Provision of Administrative Support to Council and its Committees
4. Records Management	20	To ensure effective management of all internal and external records by 2027	<ul style="list-style-type: none"> • Implementation of Records Management Policy
5. Fleet Management	21	To ensure effective management of fleet by 2027	<ul style="list-style-type: none"> • Implementation of Fleet Management Policy

6. Information Technology	22	To provide a secure ICT infrastructure which delivers appropriate levels of Confidentiality, integrity, availability, stability and growth by 2027	<ul style="list-style-type: none"> • Development and monitoring of ICT infrastructure and relevant security mechanisms with provision of reports. • Workshop of ICT Policies and Procedures to staff. • Development of IntraNet to provide basic information on Email and Internet security standards for users. • Ensure ICT secure procedures are followed. • Ensure security mechanisms are in place to ensure confidentiality and integrity of data. • Upgrade, and maintain relevant equipment and infrastructure to ensure stability of ICT infrastructure • Providing ICT Tools of trade. • Upgrading to new technologies.
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			<ul style="list-style-type: none"> • Updating/Upgrading to new software as part of the new technology drive forward. • Renewal and expansion of DR and Data Backup Systems • Develop compliance/IntraNet calendar for staff on the IntraNet as reference model to assist in providing staff with deadline dates for ALL reports. • Develop backup and replicate information for future reference • Procure CAD software for engineering drawings
7. General Administration	23	To improve customer care and strengthen its relations with the municipality	<ul style="list-style-type: none"> • Establish a municipal call center • Develop and review the Customer Care Call Centre annually

Alignment With National, Provincial And District Strategic Documents

This KPA is aligned with the following national, provincial and district strategies to ensure that the internal institution is structured and operating in a way that ensure optimal service provision.

National Development Plan identified the following primary challenges pertaining to this KPA:

- Public services are uneven and often of poor quality;
- Corruption levels are high; and
- South Africa remains a divided society.

Cabinet Outcomes:

5. A skilled and capable workforce to support an inclusive growth path
9. A responsive, accountable, effective and efficient local government system and inclusive citizenship
6. An efficient, effective and development orientated public service and an empowered, fair

KZN Provincial Growth and Development Plan/Strategy

2. Human Resource Development

Zululand District Growth and Development Plan

2. Human Resource Development
3. Human and Community Development
6. Governance and Policy

Batho Pele Principles:

- 1: Consultation
- 2: Service Standards
- 3: Access
- 4: Courtesy
- 5: Information
- 8: Value for money
- 6: Openness and transparency

AbaQulusi municipality

The goal, focus areas, development strategies and eventual projects of the municipality are all directly aligned with the broader governmental strategic documents to ensure that the internal structure of the Municipality is established in such a way that the organization has the capacity to warrant optimised service delivery to the people in its area.

The focus of this KPA is to be a service provider to the organisation itself. The mandate of this KPA provides the responsible officials with the task to ensure effective, efficient, capable and qualified human and administrative resources that will see to it that the institution can effectively do its service delivery. The contribution of this KPA can make or break the organisation it therefore need to be strong, capable and virtuous.

Key Performance Area: Financial Viability & Management			
Goal: <i>Ensure sound financial management and accountability</i>			
Key Focus Area	IDP Ref. No.	Development Objective	Development Strategies
1. Revenue	24	Ensure the Municipal Revenue Streams are optimized	<ul style="list-style-type: none"> • Conducting Daily control check and balances of cashiers and banking of cash • Conducting Monthly updating of valuation roll and financial system to

			secure correct billing of rates <ul style="list-style-type: none"> • Monitor Billing vs Payment system • Update Indigent Register • Visiting satellite offices regularly to verify and secure financial procedures and income • Implement Revenue enhancement committee resolutions • Amendment to the credit control policy • Timeous and accurate reading of meters • Handing over of long outstanding/selling of debtors • Ensure reconciliations are performed daily, weekly and monthly respectively
2. Expenditure	25	To ensure effective expenditure control	<ul style="list-style-type: none"> • Ensure payment of service providers within 30 days • Ensure reconciliations are performed daily, weekly and monthly respectively • Verification of all orders and invoices correctness before payment is done using check list and

			<p>financial system and procedures</p> <ul style="list-style-type: none"> • Timeous payment of salaries and third parties • Timeous submission of VAT and PAYE to SARS • Verification of correct allocation of orders
3. SCM	26	To strengthen the Supply Chain Unit and Processes	<ul style="list-style-type: none"> • Develop Municipal Procurement Plan • Implement suppliers database in line with National Treasury's Central Suppliers Database • Review SCM Policy • Submission of Irregular expenditure report to COGTA on a monthly basis • Provide training and skills development to officials involved in procurement processes • Verification of Service Providers
4. Assets	27	To Maintain Fixed Assets of the Municipality	<ul style="list-style-type: none"> • Maintain fixed assets register on a monthly basis • Updating of all purchases and spot check visits to offices • Maintaining the Fixed Assets Register in terms of

			<p>the Fixed Assets Policy and GRAP 17 monthly</p> <ul style="list-style-type: none"> • Quarterly verification of inventory • Ensure reconciliations are performed daily, weekly and monthly respectively
5. Financial Reporting	28	Ensure that financial reporting conforms to all legal and institutional requirements	<ul style="list-style-type: none"> • Develop Draft Budget annually • Develop and Adopt Final Budget annually • Develop and adopt Final Budget Process Plan annually • Submission of Monthly Section 71, Quarterly Section 52 & Half Year Section 72 Report • Develop Adjustment budget in line with section 72 reports • Annual adoption of policies and procedures • Ensure reconciliations are performed daily, weekly and monthly respectively

Alignment With National, Provincial And District Strategic Documents

This KPA is aligned with the following national, provincial and district strategies to ensure that the institution provides services to its personnel, consumers and suppliers.

National Development Plan identified the following primary challenges pertaining to this KPA:

- Public services are uneven and often of poor quality;
- Corruption levels are high; and

Cabinet Outcomes:

6. An efficient, effective and development orientated public service and an empowered, fair and inclusive citizenship
9. A responsive, accountable, effective and efficient local government system

KZN Provincial Growth and Development Plan/Strategy

6. Governance and Policy

Zululand District Growth and Development Plan

6. Governance and Policy

Batho Pele Principles:

- 1: Consultation
- 2: Service Standards
- 3: Access
- 4: Courtesy
- 5: Information
- 8: Value for money
- 6: Openness and transparency

AbaQulusi municipality

The goal, focus areas, development strategies and eventual projects of the municipality are all directly aligned with the broader governmental strategic documents to ensure that the financial affairs of the municipality confirms to legal requirements, strife towards an approved audit report and do all payment timeously.

The focus of this KPA is to be a service provider to the organisation itself as well as its consumers and suppliers. The mandate of this KPA provides the responsible officials with the task to ensure the responsible, honest management of tax payers' money. This KPA is mainly targeted on legal compliance and need to be implemented with absolute accountability, skill and without any prejudice.

Key Performance Area: Good Governance and Community Participation			
Goal: To be a Responsible, accountable, effective and efficient developmental Municipality			
Key Focus Area	IDP Ref. No.	Development Objective	Development Strategies
1. Communication and customer satisfaction	29	To revive and strengthen Communications by 2027	<ul style="list-style-type: none"> • Develop/adopt communication strategy • Review the Communication Strategy
	30	To engage and improve customer satisfaction by 2027	<ul style="list-style-type: none"> • Develop a customer care centre • Appoint a customer care committee • Conduct customer service satisfaction surveys on regular basis • Establish “suggestion boxes’ at all municipal offices • Utilisation of the municipal “hotline” system • Establish additional municipal satellite offices
2. Internal Audit	31	To provide an assurance on the effectiveness of governance, risk management and internal control by 2027	<ul style="list-style-type: none"> • Develop and implement the annual internal audit coverage plan • Develop and implement quality assurance programmes to assess

			<p>the effectiveness of internal audit unit</p> <ul style="list-style-type: none"> • Discuss and submit internal audit reports to Management, Audit Committee and MPAC • Appoint audit steering committee • Develop and implement the audit committee annual plan • Develop and implement the audit committee assessment tool
3. Audit Committee	32	To ensure the effectiveness of the Audit Committee by 2027	<ul style="list-style-type: none"> • Develop and implement the audit committee annual plan • Develop and implement the audit committee assessment tool • Submission of audit committee reports to Council on a quarterly basis • Evaluate and track the implementation of audit committee resolutions
4. Risk Management	33	To improve the effectiveness of risk management within the organization by 2027	<ul style="list-style-type: none"> • Conduct the risk assessment and develop the risk register • Appoint risk management committee

			<p>and assess the functionality thereof</p> <ul style="list-style-type: none"> • Incorporate risk action plans into departmental SDBIP • Monitor the implementation of risks mitigation plans by Department • Identify and assess new emerging risks throughout the period
5. Integrated Development Planning	34	To ensure effective decision-making, budgeting and management of resources	<ul style="list-style-type: none"> • Develop and implement the IDP/Budget process plan • Engage in Community Consultation Process (IDP Rep Forums, Road-shows, Izimbizos) • Develop, review and adopt IDP annually
6. Performance Management	35	To promote a system of transparency and accountability within the municipality	<ul style="list-style-type: none"> • Review and adopt the PMS Framework • Cascading of PMS to all levels
8. Batho Pele	36	To enhance service delivery through the improvement of public consultation and	<ul style="list-style-type: none"> • Develop and adopt Batho Pele Policy, procedural Manuel, Service Delivery Charter and Service Delivery Improvement Plan

		communications by 2027	<ul style="list-style-type: none"> • Hosting of Batho Pele Campaigns
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Alignment With National, Provincial And District Strategic Documents

This KPA is aligned with the following national, provincial and district strategies to ensure that the governance of the institution is legal complaint, corruption free and accountable.

National Development Plan identified the following primary challenges pertaining to this KPA:

1. Public services are uneven and often of poor quality;
2. Corruption levels are high; and

Cabinet Outcomes:

1. An efficient, effective and development orientated public service and an empowered, fair and inclusive citizenship
2. A responsive, accountable, effective and efficient local government system

KZN Provincial Growth and Development Plan/Strategy

1. Governance and Policy

Zululand District Growth and Development Plan

1. Governance and Policy

Batho Pele Principles:

1: Consultation

2: Service Standards

3: Access

4: Courtesy

5: Information

8: Value for money

6: Openness and transparency

AbaQulusi municipality

The goal, focus areas, development strategies and eventual projects of the municipality are all directly aligned with the broader governmental strategic documents to ensure the municipality functions optimum with the ambit of its developmental mandate. The municipality must ensure the promoting of an active citizenry to strengthen development, democracy, and accountability and to be servants to the community.

Communities must actively partake in the local sphere of government through information sharing workshops, capacitation of ward structures and dissemination of important issues through various media platforms.

The mandate of this KPA as reflected in the Strategic plan is to make sure that the citizens are involved in governance and the organisation is accountable to them.

Key Performance Area: Local Economic Development and Social Development			
Goal: <i>To promote socio-economic growth and job opportunities.</i>			
Key Focus Area	IDP Ref No	Development Objective	Development Strategies
1. Agriculture	37	Unleashing agricultural potential in Abaqulusi by 2027	<ul style="list-style-type: none">• Coordinate the establishment of agri-business forums, farmers associations• Provide support to the agricultural production• Coordinate agricultural activities• Establish cooperatives in all areas• Assist in Developing Agri-processing Hub

			<ul style="list-style-type: none"> • Develop Agriculture Sector Plan
2. SMME's and Job Creation	38	Continuous assistance of entrepreneurship and job creation by 2027	<ul style="list-style-type: none"> • Train SMME's according to their needs to meet the standard • Coordinate intergovernmental programmes to create job opportunities
3. Poverty alleviation	39	Reduce poverty in all wards by 2027	<ul style="list-style-type: none"> • Train the vulnerable community on income generating project • Deliver poverty alleviation project in all wards to create business opportunities
4. Tourism	40	Promote and identify tourism opportunities by 2027	<ul style="list-style-type: none"> • Co-ordinate tourism events and awareness campaigns in the municipality • Organise workshops and Road shows • Establish tourism industry and project focusing on tourism • Develop Tourism Sector Plan and Promote heritage route

			<ul style="list-style-type: none"> • Introduce historically disadvantaged people into tourism • Assisting Accommodation Establishments with their Tourism Grading
5. Economic growth	41	Promote economic development by 2027	<ul style="list-style-type: none"> • Develop commercial centres in the Municipality • Review, adopt and implement the LED strategy • Community empowerment on small business start-ups • To assist with business retention for existing businesses and provide incentives for new businesses
6. Real estate and Business Management	42	Proper Acquisition and disposal of real estate according to municipality by-laws by 2027	<ul style="list-style-type: none"> • Develop and Implement Land disposal Policy • Develop real estate by-laws • To enhance real estate capacity • Effective management of outdoor advertising

			<ul style="list-style-type: none"> • Business Licence Compliance
7. Sport and Recreation	43	Promote Sports and Recreation in Abaqulusi by 2027	<ul style="list-style-type: none"> • Establish Sport and recreation Committee (Sport Council) • Conduct sport talent promotion and competitions • Provide DSR with a platform to support federations and players in different sport codes
8. Youth programmes	44	Establish and promote youth development programmes by 2027	<ul style="list-style-type: none"> • Establish Youth Committee (Youth Council) • Conduct youth empowerment sessions • Provide government departments and private sector with a platform to support the youth in their different developmental needs.
9. Arts and culture	45	Establish and promote cultural programmes by 2027	<ul style="list-style-type: none"> • Establish Art & Culture Committee (art & Culture Council) • Conduct artist' talent promotion and competitions

			<ul style="list-style-type: none"> • Provide department of arts and culture with a platform to support artists in their different art codes.
10. Social welfare	46	Ensure availability of social services programmes to the community of Abaqulusi by 2027	<ul style="list-style-type: none"> • Establish Social services stakeholder Committee • Support DSD in out rolling social development programmes.
11. Health HIV/AIDS	47	Establish and promote healthy living and HIV/AIDS awareness programmes BY 2027	<ul style="list-style-type: none"> • Establish health and HIV/AIDS Committee (AIDS Council) • Conduct awareness programmes • Provide department of health with a platform to support the community in their different health needs.
12. Special Programmes	48	Establish and promote community empowerment programmes for children, aged, disabled and vulnerable groups by 2027	<ul style="list-style-type: none"> • Establish Special programmes Committee (Children , Gender , elderly and Disability Councils) • Conduct empowerment sessions and awareness campaigns

			<ul style="list-style-type: none"> • Support NGO'S by sourcing assistance from potential sponsors and funders
13. Safety and Security	49	Enhancing safety and security by 2027	<ul style="list-style-type: none"> • Participate in the CPF and Neighbourhood watch meetings • Conduct crime-awareness programmes in communities • Review of Safety and Security Plan • Installation of CCTV Cameras

Alignment With National, Provincial And District Strategic Documents

This KPA is aligned with the following national, provincial and district strategies to ensure that the institution complies with its mandate to promote an enabling environment for the economy to grow and to ensure social upliftment by providing facilities and support.

National Development Plan identified the following primary challenges pertaining to this KPA:

- Bringing about faster economic growth, higher investment, and greater labour absorption; Focussing on key capabilities of people and the state;
- Building a capable and developmental state; and

Cabinet Outcomes:

4. Decent employment through inclusive economic growth
5. A skilled and capable workforce to support an inclusive growth path
6. An efficient, competitive and responsive economic infrastructure network
7. Vibrant, equitable and sustainable rural communities with food security for all
8. Sustainable human settlements and improved quality of household's life
10. Environmental assets and natural resources that is well protected and continually enhanced

KZN Provincial Growth and Development Plan/Strategy

1. Job Creation

Zululand District Growth and Development Plan

1. Job Creation

Batho Pele Principles:

- 1: Consultation
- 2: Service Standards
- 3: Access
- 4: Courtesy
- 5: Information
- 8: Value for money
- 6: Openness and transparency

AbaQulusi municipality

The goal, focus areas, development strategies and eventual projects of the municipality are all directly aligned with the broader governmental strategic documents to ensure the municipality provides an enabling environment for its citizens that will lead to economic opportunities and social upliftment. The municipality’s action plans focus on equipping our community with the necessary skills and facilities to become actively involved in the socio-economic enhancement of individuals and groups.

Key Performance Area: Cross Cutting (Spatial, Environment and Disaster Management)			
Goal: <i>To redress the spatial imbalances and promote sustainable environmental planning.</i>			
Key Focus Area	IDP Ref. No.	Development Objective	Development Strategies
1. Town Planning	50	To ensure effective management of current and desirable land uses by 2027	<ul style="list-style-type: none"> • Review and implementation of the Spatial Development Framework • Implementation of SPLUMA and SPLUMA By-Law • Implementation of Precinct Plans • Preparation of the AbaQulusi wall-to-wall scheme and Land Audit in compliance with the Spatial Planning and land Use Management Act 2013 • Co-ordination of the Municipal Planning Tribunal • Facilitation of Township Establishment • Identification of developmental land • Conduct Information Workshops

			<ul style="list-style-type: none"> • Set up enforcement procedures
2. GIS	51	To have an effective and efficient GIS System by 2027	<ul style="list-style-type: none"> • Ensure GIS system is updated regularly • Integrate GIS System with other municipal departments
3. Building Inspectorate	52	To ensure the sustainability of the built environment by 2027	<ul style="list-style-type: none"> • Timeous Assessment of building plans • Workshop Built environment professionals • Training to current staff and peace officers • Deal effectively and efficiently with all contraventions
4. Fire & Disaster Management	53	Ensure Effective & Efficient response to community emergencies by 2027	<ul style="list-style-type: none"> • Strengthen stakeholder relations • Decentralization of services by establishing disaster satellite offices • Establishment of Disaster Management Unit • Acquiring relevant and sufficient Disaster Equipment regularly
5. Environmental health	54	Establish and promote a healthy environment in Abaqulusi by 2027	<ul style="list-style-type: none"> • Establish Environmental issues committee (Enviro Council) • Conduct awareness programmes

			<ul style="list-style-type: none"> • Provide department of environmental affairs with a platform to support the municipality and the community in their different art environmental needs
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Alignment With National, Provincial And District Strategic Documents

This KPA is aligned with the following national, provincial and district strategies to ensure that the municipality works in a way that is sustainable and provide a safe environment for its citizens.

National Development Plan identified the following primary challenges pertaining to this KPA:

- Spatial divides hobble inclusive development;
- Corruption levels are high

Cabinet Outcomes:

3. All people in South Africa are and feel safe
7. Vibrant, equitable and sustainable rural communities with food security for all
8. Sustainable human settlements and improved quality of household's life enhanced

10. Environmental assets and natural resources that are well protected and continually

KZN Provincial Growth and Development Plan/Strategy

3. Human and Community Development
4. Strategic Infrastructure
5. Response to Climate Change
7. Spatial Equity

Zululand District Growth and Development Plan

5. Environmental Sustainability
7. Spatial Equity

Batho Pele Principles:

- 1: Consultation
- 2: Service Standards
- 3: Access
- 4: Courtesy
- 5: Information
- 8: Value for money

- 6: Openness and transparency

AbaQulusi municipality

The goal, focus areas, development strategies and eventual projects of the municipality are all directly aligned with the broader governmental strategic documents to ensure the municipality strive to safeguard a sustainable, safe and well preserved environment for its current citizens and future generations.

The municipality's integrated approach to provide an enabling and conducive environment where people enjoy better living conditions and a safe life are reflected in the action plans that is part of this document.

6. Alignment between Abaqulusi Municipality and the Goals of the KZN PGDP/S

KZN PGDP/S Strategic Goals

1. Inclusive Economic Growth

2. Human Resource Development

3. Human and Community Development

4. Strategic Infrastructure

5. Environmental Sustainability

6. Governance and Policy

7. Spatial Equity

Abaqulusi Municipality's Vision

To be the progressive, prosperous and sustainable economic hub of Zululand by 2035

Abaqulusi Municipality's Support Plan of the KZN PGDP/S

- Development of Agri-processing Hub
- Recently adopted LED Strategy
- Development of an Agriculture Sector Plan
- Development of a Mining Strategy
- Recently adopted Tourism Strategy
- Training of SMME's
- Hosting Agricultural Forum Meetings

- Provision of Bursaries offered to prospective students
- Training of staff members
- Employment of in-service trainees and interns
- Facilitate a skills audit of the municipality

- Delivery of poverty alleviation projects in all wards annually
- Support and participate in Community Policing Forums
- Conduct awareness campaigns promoting safety and security
- Hosting and Implementation of Special Groups Programmes
- Provision of social and public facilities (Housing, Libraries, Sports fields, crèches, etc)

- Expand accessibility of basic services (New Infrastructure)
- Maintain existing infrastructure

- Finalise IWMP
- Introduce Recycling Programme
- Upgrade and Formalisation of Landfill site
- Enforce building and land use regulations
- Review of Disaster Management Sector Plan

- Participate in all IGR Structures
- Develop and review of new and existing policies
- Development of a customer care centre and municipal hotline
- Conduct community satisfaction surveys

- Development of a wall-to-wall scheme
- Review the SDF
- Township Establishment and Formalisation

Section E: Implementation Plan

The Abaqulusi Municipality's Implementation Plan provides a year-on-year overview of the Capital Projects and Repairs and Maintenance Projects that the Municipality will focus their attention on in order to improve service delivery. The Implementation Plan is also an important tool utilised to develop the municipality's One Year Operational Plan, which in essence serves as the municipality's Service Delivery and Budget Implementation Plan. In this case, a detailed breakdown of Municipal Projects for 2022/2023 financial year which is related to a specific focus area is catered for in Section G of this report. Sector Department Projects can be found under Section F (2) of this report which focuses on the Financial Plan and Sector Department Projects in detail.

Table 24: Implementation Plan

Key Performance Area: Basic Service Delivery and Infrastructure Development												
Goal	Key Focus Area	Objective	Strategy	Key Performance Indicator	Target Year					Budget	Funding Source	Responsible Department
					22-23	23-24	24-25	25-26	26-27			
To reduce levels of infrastructure backlogs by providing Basic Services, Facilities and maintaining existing infrastructure	Roads	Expand accessibility in various wards by 2027.	<ul style="list-style-type: none"> Constructing New Gravel Roads Constructing new tarred and paved roads Constructing new cause ways 	<ul style="list-style-type: none"> Number of km Date 	X					R39 978 850	MIG	Technical Services Department
		Maintain existing Roads in rural & urban areas by 2027.	<ul style="list-style-type: none"> Upgrading of gravel roads to tar Re-gravelling of roads 	<ul style="list-style-type: none"> Number of km Date 	X					R11 000 000	Internal	

			<ul style="list-style-type: none"> • Resealing of Roads • Rehabilitation of existing tar roads • Blading of roads 									
	Sanitation	Maintain and replace existing Sanitation Infrastructure by 2027.	<ul style="list-style-type: none"> • Replace old sanitation pipes • Upgrading of sewer main lines • Upgrade of the WWTW 	<ul style="list-style-type: none"> • % of construction complete • Date 	X						R2 750 000	Internal
	Water	Maintain and replace existing Water Infrastructure by 2027.	<ul style="list-style-type: none"> • Replace old water Pipes • Repairs to water lines • Repairs to existing water pumps • Maintain purification treatment plants 	<ul style="list-style-type: none"> • % of construction complete • Date 	X						R5 100 000	Internal
	Electricity	Expand electrical accessibility in various wards by 2027.	Installation of New electrical connections	<ul style="list-style-type: none"> • Number of households • Date 	X						R18 485 000	INEP
R20 198 182											CoGTA	
		Expand and Maintain existing network electricity in urban and rural areas by 2027.	<ul style="list-style-type: none"> • Installation of Electrical Meters • Installation and repairs of High Mast Lights 	<ul style="list-style-type: none"> • Number of meters • Number of robots 	X						R7 720 000	Internal

			<ul style="list-style-type: none"> • General Infrastructure-maintenance on mini and major substations • Upgrade existing transformers • Repairs to Robots • Provision of solar geysers and street lights • Provision of solar panels in urban and rural areas 	<ul style="list-style-type: none"> • Number of High Mast Lights • Date 									
	Human Settlements	To provide sustainable human settlements to the people of AbaQulusi by 2022	<ul style="list-style-type: none"> • Review and adoption of the Housing Sector Plan 	<ul style="list-style-type: none"> • Date of Adoption of the HSP 	X						R300 000	Internal	Dev. Planning

Key Performance Area: Local Economic Development and Social Development

Goal	Key Focus Area	Objective	Strategy	Key Performance Indicator	Target Year					Budget	Funding Source	Responsible Department
					22-23	23-24	24-25	25-26	26-27			
To promote socio-economic growth and job opportunities.	SMME's and Job Creation	Continuous assistance of entrepreneurship and job creation by 2027	Coordinate intergovernmental programmes to create job opportunities	Number of jobs created through the EPWP Programme	X				X	R2 773 000	EPWP Grant	Community Services

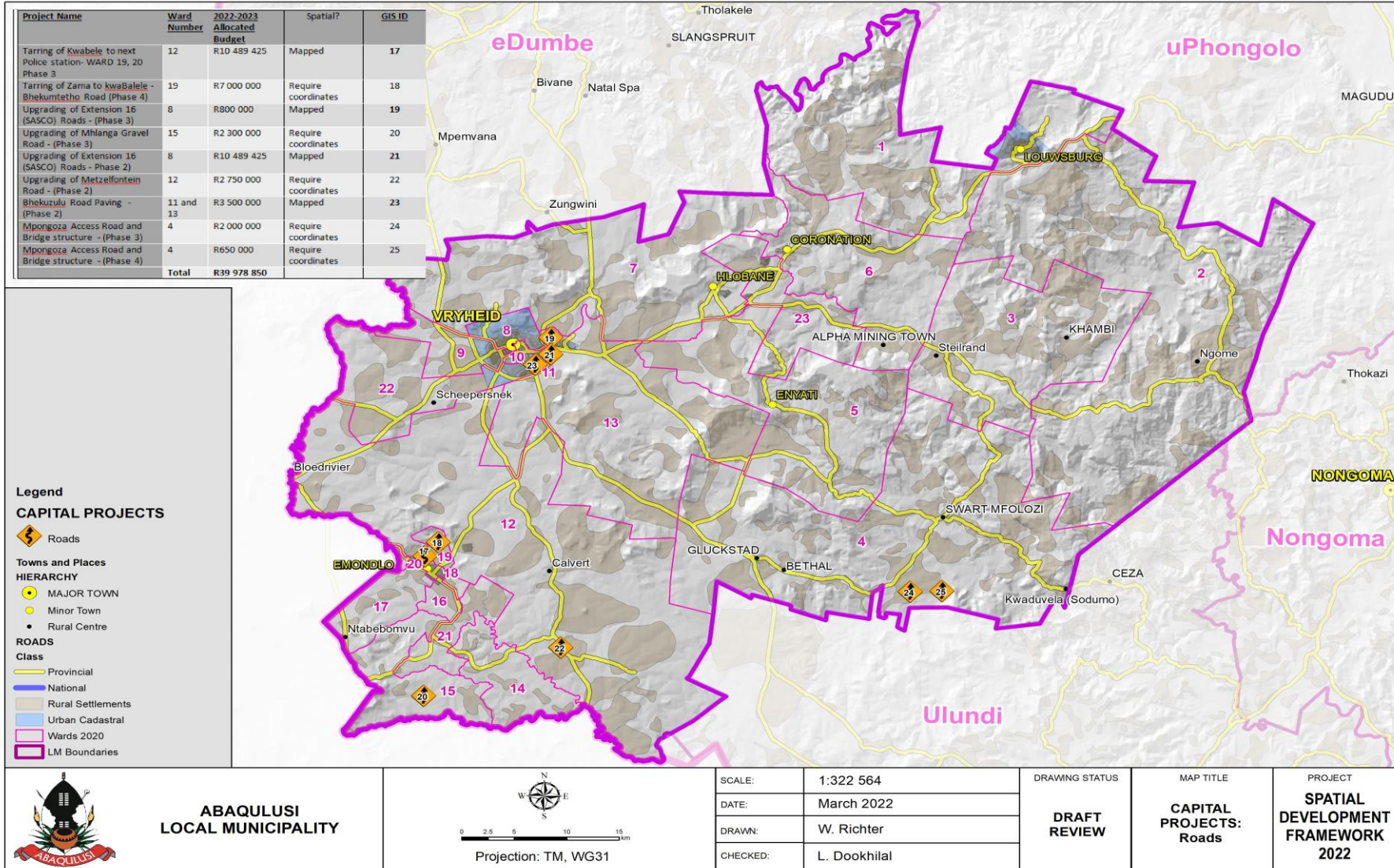
	Tourism	Promote and identify tourism opportunities by 2027	<ul style="list-style-type: none"> • Co-ordinate tourism events and awareness campaigns in the municipality • Organise workshops and Road shows • Develop Tourism Sector Plan and Promote heritage route 	Date of Adoption of Tourism Sector Plan	X						R300 000	Internal	Development Planning
				Number of Tourism Workshops and Awareness Campaigns hosted	X						R100 000		
	Economic growth	Promote economic development by 2027	<ul style="list-style-type: none"> • Review, adopt and implement the LED strategy 	Date of Adoption of LED Strategy	X						R300 000	Internal	
			<ul style="list-style-type: none"> • Community empowerment on small business start-ups • To assist with business retention for existing businesses and provide incentives for new businesses 	Number of LED Projects Delivered % of Budget Spent	X						R6 450 000		

			<ul style="list-style-type: none"> Develop a Mining Sector Plan 	Date of Adoption of Mining Sector Plan	X						R200 000		
	Special Programmes	Establish and promote community empowerment programmes for children, aged, disabled and vulnerable groups by 2027	<ul style="list-style-type: none"> Establish Special programme Committees (Children , Gender , elderly, Disability Councils, HIV/Aids, Youth) Conduct empowerment sessions and awareness campaigns Support NGO'S by sourcing assistance from potential sponsors and funders 	Number of awareness campaigns held Number of programmes delivered to assist vulnerable groups % of Budget Spent	X						R7 150 000		Office of the Mayor

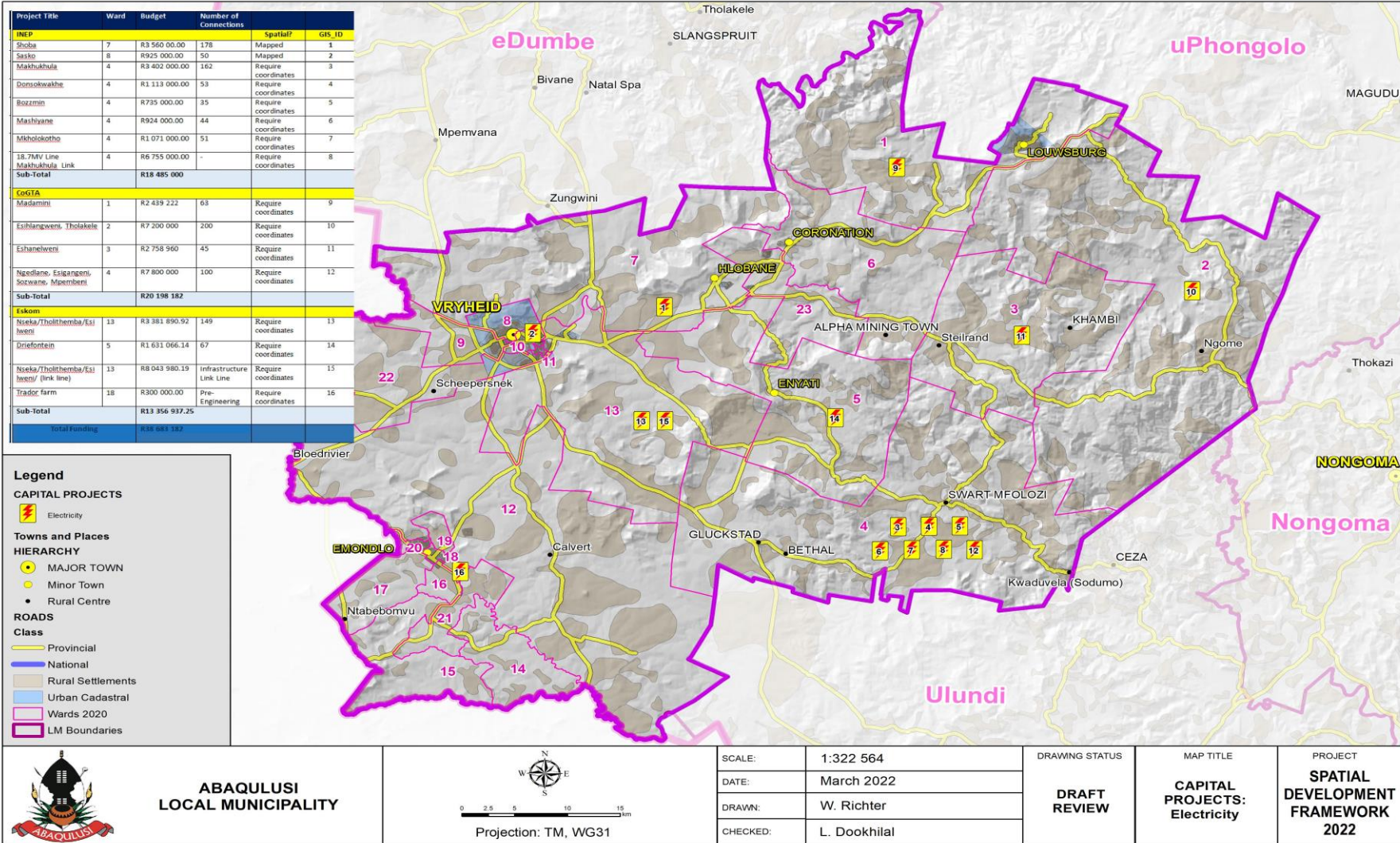
Key Performance Area: Cross-Cutting

Goal	Key Focus Area	Objective	Strategy	Key Performance Indicator	Target Year					Budget	Funding Source	Responsible Department
					22-23	23-24	24-25	25-26	26-27			
To redress the spatial imbalances and promote sustainable environmental planning.	Town Planning	To ensure effective management of current and desirable land uses by 2022	<ul style="list-style-type: none"> Review and implementation of the Spatial Development Framework 	Phase of Job Completed by Date	X					R750 000	Internal	Development Planning
			<ul style="list-style-type: none"> Facilitation of Township Establishment 	Phase of Job Completed by Date	x					R1 500 00	Internal	Development Planning

Map 35: Capital Projects - Roads



Map 36: Capital Projects - Energy



Section F: Financial Plan

1. Municipal Medium Term Revenue and Expenditure Framework (MTREF)

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The Municipality's service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate funds will be transferred from low- to high priority programmes so as to maintain sound financial stewardship. A critical review will also be undertaken of expenditure on non-essential and 'nice-to-have' items. 2022/23 MTREF was drafted in context of an economy that is not projected to grow exponentially. .

The budget for the 2022/23 MTREF period is based on the realisation that revenues and cash flows are expected to remain under pressure in 2021/22 and the municipality must adopt a conservative approach when projecting expected revenues and cash receipts. The municipality must further in terms of MFMA Circular 112/115 carefully consider the affordability of tariff increases especially in relation to domestic consumers which makes up the bulk of the municipality's revenue base whilst considering the level and quality of services versus the associated cost.

The draft budget was compiled by ensuring that the financial management processes are transparent, aligned to the accountability cycle and facilitate good governance that is accountable to the local community. Public perception shows high levels of unhappiness with service delivery and perceived corruption at municipalities and sound leadership is required as well as measures put in place to address mismanagement by implementing effective systems to measure, monitor and evaluate performance.

The budget supports the provision of basic services to the communities, facilitating social and economic development, promoting a safe and healthy environment in a sustainable manner.

The main challenges experienced during the compilation of the 2022/23 MTREF can be summarised as follows:

- Ensuring the timely delivery of capital programmes (eliminate under-spending of capital budgets) and to review all by-laws and development approval processes with a view of removing any bottlenecks to investment and job creation.
- Under spending on repairs and maintenance – often seen as a way to reduce short term spending which shortens the life of assets, increases long term maintenance and refurbishment costs and causes a deterioration in the reliability of our infrastructure
- Spending on non-priorities – including unnecessary travel, luxury furnishings, excessive catering and the use of consultants to perform routine tasks.
- Not just employing more people without any reference to the level of staffing required delivering effective services. The

municipality must through fully participate in the Expanded Public Works Program focus on maximizing its contribution to job creation by ensuring that service delivery and capital projects use labour intensive methods wherever appropriate and implement intern's programmes to provide young people with on-the-job training.

- Collecting outstanding debts – this requires political commitment, sufficient administration capacity and pricing policies that ensure that bills are accurate and affordable.
- Pricing services correctly – the full cost of services must be reflected in the tariffs charged to consumers who can afford to pay. Overly generous subsidies and rebates that result in services running at a loss cannot be entertained.

The following budget principles and guidelines directly informed the compilation of the draft 2022/23 MTREF:

- The 2021/22 Adjustment Budget priorities and targets, as well as the base line allocations contained in the Adjustment Budget.
- Service level standards were used to inform the measurable objectives, targets and backlog eradication goals.
- Tariff and property rate increases should be affordable and try not to exceed inflation as measured by the CPI, except where the price increases in the services that are beyond the control of the municipality, i.e. ESKOM.
- Cost Containment Regulations have been implemented to curtail spending in terms of the regulations.

- No budget has been allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the Division of Revenue Act gazette.

National Treasury has issued a Circular (MFMA Circular No 64) giving guidance to municipalities of what should be done to maximise the revenue generating potential of existing sources of revenue such as property rates and trading services. Further Circulars will be issued by National Treasury to guide municipalities in developing credible revenue frameworks by reaffirming the fundamental principles of costing, revenue management and revenue enhancement.

Revenue management is described as a fundamental and routine financial management function of the municipality's revenue generating business that includes billing and collection activities in respect of trading services and property rates.

Revenue enhancement is about improving by making more, in the case of municipal revenue it is associated with increasing the value of revenue generated. Revenue enhancement can be broken into two components. The first being national policy developments that give rise to additional sources of revenue from government (grant funding) and the second component is the ability of the municipality to grow its own revenue base.

MFMA Circular No 58 advises that the municipality must ensure that the billing systems are accurate; accounts are sent out to residents on a monthly basis and follow-up to collect revenue owed to the municipality.

In terms of MFMA Circular No 64 the main responsibility of the municipality is to deliver services. In terms of Section 75A of the Municipal Systems Act the municipality is allowed to levy and recover fees, charges or tariffs in respect of municipal service delivery functions and recover collection charges and interest on outstanding amounts. The municipality must adopt by-laws to give effect to the implementation and enforcement of the tariff policies.

Revenue generation is everyone's responsibility, not just that of the revenue Section. The municipality must effectively manage all functions that impact protecting and growing the revenue base. The implementation of internal controls along the revenue value chain will aid effective data handovers; utilising system data validation mechanisms and ensuring that service level standards are fundamental to ensuring the integrity of the billing data but are advised to stay away from costly data cleansing exercises.

The following are fundamental to maximising the existing revenue:

- Billing system that correctly reflects all billing and customer information required to issue accurate accounts to consumers.
- All property within the municipal jurisdiction must be correctly valued and the billing system must be updated with any change in property ownership. This is necessary to protect and grow the property rates base.
- Effective business processes to ensure new property development as well as improvements to existing properties are valued as required.
- Correct categorisation of properties.

- Water and electricity meter numbers must be recorded correctly and linked to corresponding property.
- Continual maintenance of water and electricity meters to minimise losses due to leakages or incorrectly metered consumption.
- Accurate meter reading and minimising the amount of meter reading estimates.
- Refuse and sanitation service charges must be included in all billing records and the municipality must ensure these services are not run at a loss.
- Billing queries to be resolved within reasonable timeframes.
- Municipal functions must be adequately staffed with competently skilled individuals who understand the job requirements and how to deliver on it.

The Circular further advises municipalities to table "surplus" budgets. To achieve this the municipality must ensure cost reflective tariffs; operation efficiencies; maximising revenue regenerating potential of own revenue sources and a productive workforce and sound decision making to ensure that the limited financial resources are spent wisely so that value for money is achieved.

National Treasury's MFMA Circular No. 112/115 was used to guide the compilation of the 2022/23 MTREF. In view of the aforementioned, the following table is a consolidated overview of the proposed 2022/23 Medium-term Revenue and Expenditure Framework:

Table 25: 2022 - 2025 MTREF

KZN263 AbaQulusi - Table A4 Budgeted Financial Performance (revenue and expenditure)										
Description	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit Outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue By Source										
Property rates	(70 969)	(94 550)	(100 717)	(83 493)	(101 776)	(101 776)	(68 322)	99 099	103 223	107 868
Service charges - electricity revenue	(170 332)	(182 861)	(193 292)	(219 846)	(213 127)	(213 127)	(142 677)	205 946	214 524	224 111
Service charges - water revenue	(32 936)	(34 542)	(44 344)	(41 679)	(48 679)	(48 679)	(30 105)	59 124	61 722	64 302
Service charges - sanitation revenue	(27 041)	(29 097)	(31 367)	(27 787)	(33 287)	(33 287)	(21 506)	34 920	24 271	25 284
Service charges - refuse revenue	(18 855)	(16 193)	(17 866)	(23 174)	(25 163)	(25 163)	(15 250)	27 149	26 255	27 350
Rental of facilities and equipment	(1 636)	(1 141)	(1 070)	(1 050)	(554)	(554)	(409)	8 634	8 634	8 634
Interest earned - external investments	(365)	(1 867)	(897)	(1 680)	(1 680)	(1 680)	(612)	1 620	1 620	1 620
Interest earned - outstanding debtors	(15 288)	(11 478)	(7 979)	-	(52 336)	(52 336)	(8 541)	64 834	67 237	69 632

Dividends received	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	(21 579)	(11 195)	(13 602)	(24 773)	(17 270)	(17 270)	(5 700)	5 253	5 253	5 253
Licences and permits	(4 493)	(3 646)	(2 837)	(5 148)	(7 294)	(7 294)	(4 940)	7 110	7 110	7 110
Agency services	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	(137 787)	(179 986)	(213 994)	(179 728)	(183 728)	(183 728)	(178 321)	200 369	211 490	227 037
Other revenue	(1 253)	(968)	(4 726)	(5 576)	(5 137)	(5 137)	(428)	1 487	487	487
Gains on disposal of PPE	315	-	(15 928)	-	-	-	-	-	-	-
Total Revenue By Source	(502 219)	(567 524)	(648 620)	(613 934)	(690 032)	(690 032)	(476 812)	715 544	731 827	768 688
Expenditure By type										
Employee related costs	130 942	141 715	161 440	168 228	182 062	182 062	118 431	192 166	200 621	209 649
Remuneration of councillors	16 029	15 036	18 340	19 123	18 863	18 863	11 868	19 806	20 678	21 608
Debt impairment	44 771	15 533	64 771	6 730	6 730	6 730	-	7 053	7 363	7 694
Depreciation & asset impairment	72 648	45 771	88 595	42 666	42 666	42 666	2 073	32 695	41 229	63 834
Finance charges	513	1 227	7 986	-	-	-	215	-	-	-
Bulk purchases - electricity	165 871	215 715	191 594	240 000	240 000	240 000	147 243	261 400	272 379	286 636
Inventory consumed	19 907	13 880	13 690	25 828	24 015	24 015	17 969	31 266	59 563	57 059
Contracted services	79 269	74 764	91 544	85 660	130 949	130 949	74 737	112 062	99 543	86 923
Transfers and subsidies	6 526	12 316	7 008	-	8 000	8 000	5 355	-	-	-

Other expenditure	41 748	37 317	36 597	25 318	29 963	29 963	21 202	44 096	51 733	54 027
Losses	(14 917)	5 046	58	-	-	-	-	-		
Total Expenditure By type	563 306	578 320	681 623	613 553	683 249	683 249	399 092	700 544	753 109	787 431
Surplus/(Deficit)	61 087	10 796	33 004	(381)	(6 783)	(6 783)	(77 719)	15 000	(21 281)	(18 742)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	(45 024)	(40 399)	(35 368)	(40 548)	(40 548)	(40 548)	(17 556)	40 904	51 666	53 910
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)	-	-	-	-	-	-	-			
Transfers and subsidies - capital (in-kind - all)	(1 715)	(1 721)	-	-	-	-	-			
Surplus/(Deficit) after capital transfers & contributions	14 348	(31 323)	(2 365)	(40 928)	(47 330)	(47 330)	(95 275)	55 904	30 385	35 167
Taxation	-	-	-	-	-	-	-			
Surplus/(Deficit) after taxation	14 348	(31 323)	(2 365)	(40 928)	(47 330)	(47 330)	(95 275)	55 904	30 385	35 167

Attributable to minorities	–	–	–	–	–	–	–			
Surplus/(Deficit) attributable to municipality	14 348	(31 323)	(2 365)	(40 928)	(47 330)	(47 330)	(95 275)	55 904	30 385	35 167
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–			
Surplus/(Deficit) for the year	14 348	(31 323)	(2 365)	(40 928)	(47 330)	(47 330)	(95 275)	55 904	30 385	35 167

Total operating revenue has increased by R25,8 million for the 2022/23 financial year when compared to the 2021/22 Adjustment Budget. For the two outer years, operational revenue will increase, equating to a total revenue growth of R84 million over the MTREF when compared to the 2021/22 financial year.

Total operating expenditure for the 2022/23 financial year has been appropriated at R700,5 million. When compared to the 2021/22 Adjustment Budget, operational expenditure has increased by 2,5% in the 2022/23 budget and 4,2% and 4,5% increases for each of the respective outer years of the MTREF. The budget for bulk purchases to Eskom has increased to 9,6% as announced by NERSA and the employment budget has increased by 5% (CPI 4,8%) as per the MFMA Circulars 112 & 115, as well as the collective agreement 07/2021.

The capital budget of R 55,9 million for 2022/23 is more when compared to the 2021/22 Adjustment Budget. The increase is due to urgent capital funding from own revenue being allocated for

2022/23. The capital program increases to R68,1 million in the 2023/24 financial year due and then decreases to R50,9 million in 2024/25. Currently a limited amount of funding for the capital budget will be funded from internally generated funds in each of the financial years of the MTREF. The internally funded projects will commence only in the 2nd half of the financial year but are a necessity. Capital from government grants and transfers amounts to R 40,9 million which is R1,6 million more than the 2021/22 financial year. Of the R18,4 million allocated to the municipality from INEP an amount of R925,500 has been allocated as capital projects for the municipality, the remainder of the funds is for electrification in Eskom areas and the funds for that portion are not shown in the income and expenditure budget as the project does not become a capital item of the municipality but is handed back to Eskom on completion.

Revenues and cash flows are expected to remain under pressure in 2022/2023 and the municipality must adopt a conservative approach

when projecting expected revenues and cash receipts. Tariffs must be carefully considered ensuring the affordability of domestic tariffs whilst considering the levels of services. Revenue must be managed effectively and carefully evaluate all spending decisions. Non-priority spending must be eliminated and the cost containment measures as per government gazette 41445 dated 16 February 2018 must be implemented.

The Income budget has been based on tariff increases as follows:

- Property Rates – 4,8%
- Electricity – 7,4%
- Water – 4,8%
- Sanitation – 4,8%
- Refuse – 4,8%
- Other tariffs – 4,8%

1.1. Operating Revenue Framework

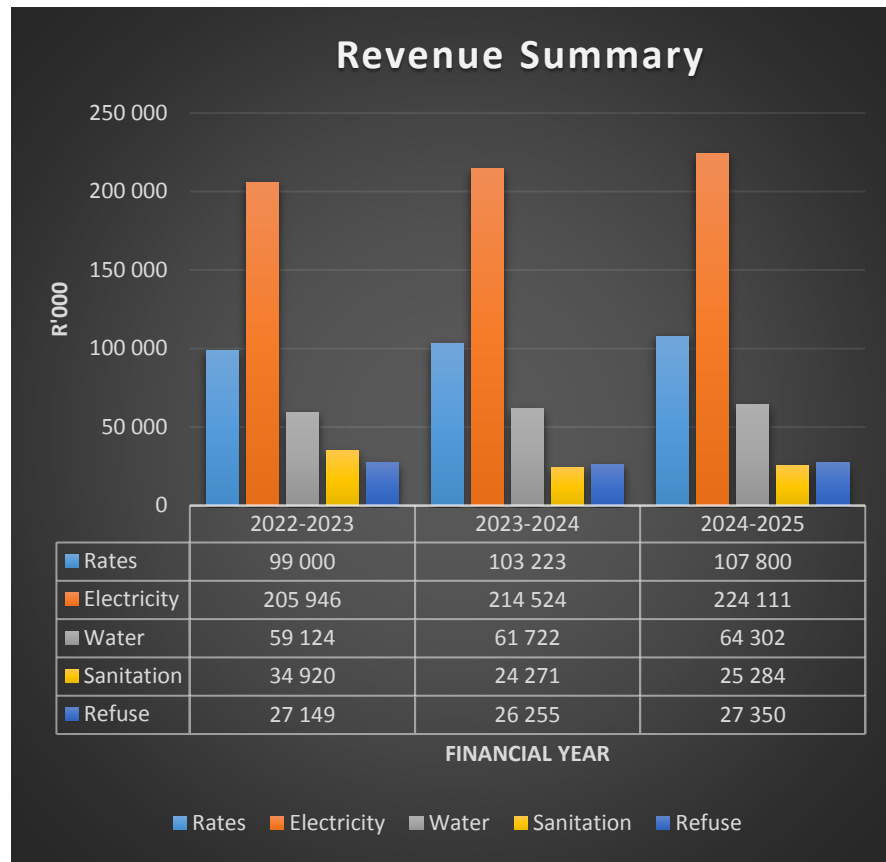
For Abaqulusi Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the municipal area and continued economic development;
- Efficient revenue management, which aims to ensure an 84% annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

The following figure is a summary of the 2022/23 MTREF (classified by main revenue source):

Figure 13: Income Summary



In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Revenue generated from rates and services charges forms a significant % of the revenue basket for the Municipality.

Service charge revenues comprise more than 43,24% of the total revenue mix. In the 2022/23 financial year, revenue from services charges is expected to total R 327,1 million. This increases to R 326,7 million and R341 million in the respective financial years of the MTREF. This includes the revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality.

Property rates is the second largest revenue source totalling 13,8% or R 99 million rand and increases to R 107,8 million by 2024/25.

The third largest sources are “other revenue” which consists of various items such as income received from permits and licenses, building plan fees, connection fees and advertisement fees. Departments have been urged to review the tariffs of these items on an annual basis to ensure they are cost reflective and market related. The anticipated revenue from all other revenue is R 8,8 million.

Operating grants and transfers totals R 200,3 million in the 2022/23 financial year and increases to R227 million by 2024/25.

The municipality will investigate sourcing additional funding which will be applied to address:

- Compensation for rising costs of providing free basic water and electricity to poor households.
- Accelerate provision of access to clean water through bulk and reticulation projects.
- Accelerate provision of access to electricity and improving the sustainability of access through the refurbishment of key infrastructure.
- Expand the collection and use of data on the condition of municipal roads.
- Increase the number of interns with infrastructure-related skills. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the Municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. The municipality must however take into account the labour and other input costs of services, the need to ensure financial sustainability, local economic conditions, the

affordability of services, the indigent policy. An appropriate balance between the interests of poor households, other consumers and financial sustainability needs to be maintained as excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increases of ESKOM bulk tariffs are far beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's electricity and in these tariffs are largely outside the control of the Municipality. Discounting the impact of these price increases in lower consumer tariffs will erode the Municipality's future financial position and viability. Based on NERSA's approval of a 9,6% increase to Eskom as per NERSA announcement. The municipality has allowed for increases of 7,47%.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity, petrol, diesel, chemicals, cement etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within

this framework the Municipality has undertaken the tariff setting process relating to service charges as follows.

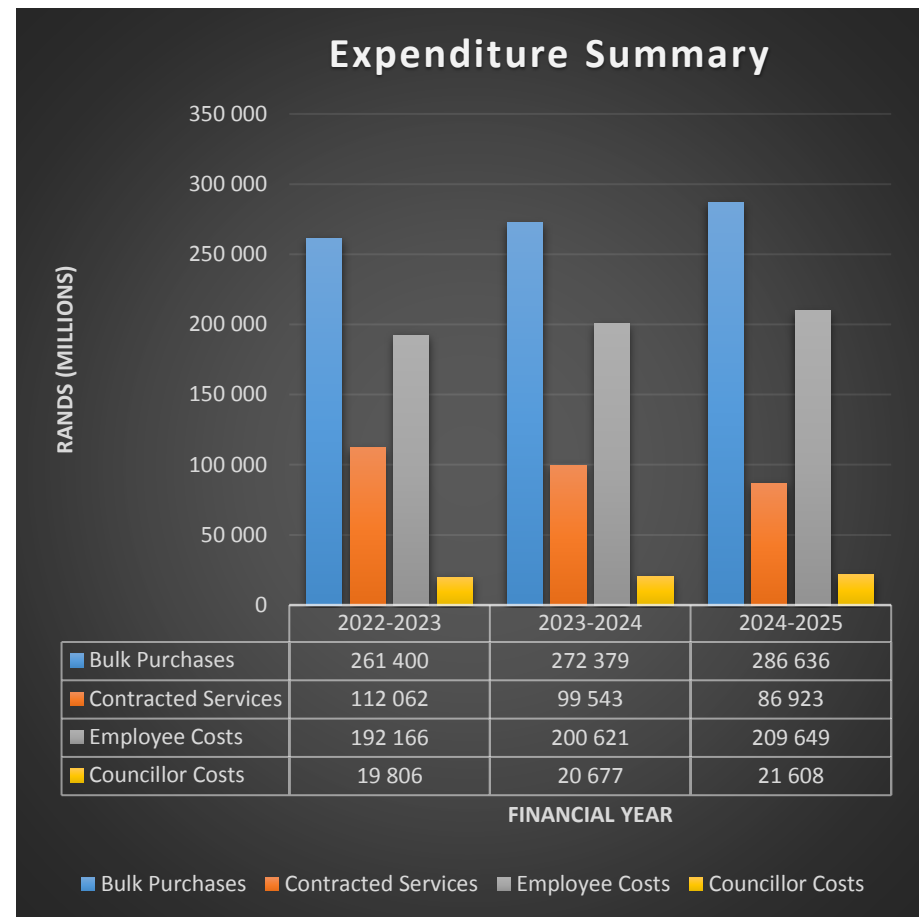
1.2. Operating Expenditure Framework

The Municipality’s expenditure framework for the draft 2022/23 budget and MTREF is informed by the following:

- The asset renewal strategy and the repairs and maintenance plan;
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services;
- Strict adherences to the principle of **no project plan no budget**. If there is no business plan no funding allocation can be made; and
- Creation of job opportunities by the municipality thus an increase in staff costs.

The following figure is a high-level summary of the 2022/23 budget and MTREF (classified per main type of operating expenditure):

Figure 14: Expenditure Summary



The budgeted allocation for employee related costs for the 2022/23 financial year totals R192,1 million, which equals 27,4% of the total operating expenditure. The multi-year Salary and Wage Collective Agreement from SALGBC to be implemented from 1 July 2022 is CPI (4,9%) in terms of the agreement.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget.

The provision of debt impairment was determined based on an annual collection rate of 84% and the Debt Write-off Policy of the Municipality. For the 2022/23 financial year this amount equates to R7 million and an amount of R7,3 million for 2023/24 million which escalates to R7,6 million by 2024/25. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R32,6 million for the 2022/23 financial and equates to 4,67% of the total operating expenditure. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register.

Bulk purchases are directly informed by the purchase of electricity from ESKOM. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. ESKOM increase has been budgeted for at 9,6% in line with the NERSA Tariff Guideline increase, benchmarks and proposed timelines for municipal tariff approval process for the 2022/23 financial year consultation paper published on the 12th of March 2021. The amount budgeted for bulk purchases amounts to R261,4 million which equates to 37,3% of the expenditure budget.

Inventory consumed (Repairs & Maintenance) comprise of amongst others the purchase of fuel, diesel, materials for maintenance, cleaning materials and chemicals. In line with the Municipality's repairs and maintenance plan this group of expenditure has been prioritised to ensure sustainability of the Municipality's infrastructure. For 2022/23 the percentage of this against the group of expenditure is 4,46% (R31,2 million) and decreases for the two outer years of which budget allocation of R28,5 million by 2024/25.

Contracted services have increased for the Municipality for the 2022/23 financial year. As part of the compilation of the 2022/23 MTREF this group of expenditure was critically evaluated and operational efficiencies were enforced. In the 2022/23 financial year, this group of expenditure totals R112 million and has escalated overall, clearly demonstrating the need to investigate these contracts before the 2022/23 financial year to try and apply cost containment measures. For the two outer years growth has been limited to 4,2% and 4,5% respectively. As part of the process of identifying further cost efficiencies, a business process re-

engineering project will commence in the 2022/23 financial year to identify alternative practices and procedures, including building in-house capacity for certain activities that are currently being contracted out. The outcome of this exercise will be factored into the next budget cycle and it is envisaged that additional cost savings will be implemented. The reason for the escalation is the additional refuse services for the small towns where refuse was in the past not being collected and the additional security costs as more security guards had to be employed due to theft and damage of infrastructure

Other expenditure comprises of various line items such as insurances, telephone costs, bank charges, Subsistence and travelling, leasing of office equipment, vehicle leases and other costs relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. Growth has been limited to 4,8% for 2022/23 and curbed at 4,2% and 4,5% for the two outer years, indicating that significant cost savings have been already realised.

2. Sector Funded Projects

Local Government can be considered as one sphere of government within the Republic of South Africa. It is a sphere of government that is highly dependable on the roles and responsibilities of Provincial and National Government. Although the primary function of Local Government is to ensure Democracy and Service Delivery, Provincial and National Government also has a mandate to support Local Government to perform at its optimum best. The various roles and responsibilities within the service delivery context of South Africa and its three spheres of government is arranged as follows:

Sphere of Government	Phases			
	1. Policy	2. Planning	3. Implementation	4. Service Provision
1. National	<p>Develop municipal infrastructure policy and set standards for delivery systems</p> <p>Develop sector policies, norms and standards</p>	<p>Develop framework for National Spatial Development Perspective (NSDP)</p> <p>Macro sector planning</p>	<p>Municipal infrastructure Programme management, collaboration, mobilise support and monitoring</p> <p>Monitor implementation of norms and standards and collaboration around support</p>	<p>Regulate and oversee systems and procedures</p> <p>Regulate and oversee sectoral norms and standards</p>
2. Provincial		<p>Provincial Growth and Development Strategies (PGDS)</p> <p>Provincial Sector Plans</p>	<p>Monitor implementation of infrastructure policy and delivery systems and mobilise and co-ordinate support</p> <p>Monitor implementation of norms and standards and collaboration around support</p>	<p>Systems and procedures support</p> <p>Service provision support and intervention</p>
3. Local	<p>Service provision policies and bylaws</p> <p>Sector policies for free basic services</p>	<p>IDP</p> <p>Local sector plans</p> <p>Project Pre-Feasibility and Feasibility Studies and Business plans</p>	<p>Infrastructure delivery systems put in place and project management</p> <p>Technical department (eg. water, roads etc. oversee project implementation)</p> <p>Project cycle – implement technical norms and standards</p>	<p>Regulate and oversee sectoral norms and standards</p> <p>Regulate and oversee sectoral norms and standards</p> <p>Service provision (O&M)</p>

2.1 Municipal Infrastructure Grant

Project Name	Ward Number	2022-2023 Allocated Budget
Tarring of Kwabele to next Police station- WARD 19, 20 Phase 3	12	R10 489 425
Tarring of Zama to kwaBalele - Bhekumtetho Road (Phase 4)	19	R7 000 000
Upgrading of Extension 16 (SASCO) Roads - (Phase 3)	8	R800 000
Upgrading of Mhlanga Gravel Road - (Phase 3)	15	R2 300 000
Upgrading of Extension 16 (SASCO) Roads - Phase 2)	8	R10 489 425
Upgrading of Mezzelfontein Road - (Phase 2)	12	R2 750 000
Bhekuzulu Road Paving - (Phase 2)	11 and 13	R3 500 000
Mpongoza Access Road and Bridge structure - (Phase 3)	4	R2 000 000
Mpongoza Access Road and Bridge structure - (Phase 4)	4	R650 000
Total		R39 978 850

2.2 Department of Minerals and Energy (INEP)

Project Title	Ward	Budget	Number of Connections
Integrated National Electrification Programme			
Shoba	7	R3 560 00.00	178
Sasko	8	R925 000.00	50
Makhukhula	4	R3 402 000.00	162
Donsokwakhe	4	R1 113 000.00	53
Bozzmin	4	R735 000.00	35
Mashiyane	4	R924 000.00	44
Mkhokotho	4	R1 071 000.00	51
18.7MV Line Makhukhula Link	4	R6 755 000.00	-
Total		R18 485 000	

2.3 Eskom

Project Title	Ward	Budget	Number of Connections
Nseka/Tholithemba/Esi lweni	13	R3 381 890.92	149
Driefontein	5	R4 082 003.73	98
Nseka/Tholithemba/Esi lweni/ (link line)	13	R8 043 980.19	Infrastructure Link Line

Trador farm	18	R300 000.00	
Total		R13 356 937.25	

2.4 National CoGTA

Project Title	Ward	Budget	Number of Connections
Madamini	1	R2 439 222	63
Esihlangweni, Tholakele	2	R7 200 000	200
Eshanelweni	3	R2 758 960	45
Ngedlane, Esigangeni, Sozwane, Mpembeni	4	R7 800 000	100
Total		R20 198 182	

2.5 Department of Education

Project Name	Ward	Scope Of Works	Infrastructure Programmes	I.A	2022/23 Budget R'000
Amakhwat ha	22	Water And Sanitation	Upgrades And Additions	Dopw	R -

Combined School					
Amakhwat ha Junior Secondary School	22	Storm Damaged Phase 18	Refurbishment And Rehabilitation	Idt	R 501.300
Bernica Primary School	7	Construction Of Boys And Girls Toilet Block,	Upgrades And Additions	Dopw	R 667.000
Besterspruit Primary School	22	Replacing Roof Structures , Broken Windows And Doors , Plastering And Paint Works , Stormwater Drainage Improvement	Refurbishment And Rehabilitation	Dbsa	R 169.318
Bhekuzulu Primary School (Vryheid)	11	Chemical Toilets: Construction Of Permanent Structures	Upgrades And Additions	Dopw	R 602.500
Busekhaya High School	14	Construction Of Boys And Girls Toilet Block,	Upgrades And Additions	Dopw	R 437.000
Cibilili Primary School	3	Repairs And Renovations	Refurbishment And Rehabilitation	Dopw	R -

Dunduluzi Primary School	2	Construction Of Boys And Girls Toilet Block,	Upgrades And Additions	Dopw	R 667.000
Egqumeni Primary School	1	Construction Of Boys And Girls Toilet Block,	Upgrades And Additions	Kzndoe	R -
Emandleni Primary School	7	Construction Of Boys And Girls Toilet Block,	Upgrades And Additions	Dopw	R 667.000
Emthunzini Primary School	2	Water And Sanitation	Upgrades And Additions	Kzndoe	R -
Emvunyan e Senior Primary School	14	Construction Of Boys And Girls Toilet Block,	Upgrades And Additions	Dopw	R 692.000
Encuntshe Primary School	5	Construction Of Boys And Girls Toilet Block,	Upgrades And Additions	Dopw	R 195.750
Enyathi Intermediate School	5	Construction Of Boys And Girls Toilet Block,	Upgrades And Additions	Dopw	R 819.000
Evane Intermediate School	2	Construction Of Boys And Girls Toilet Block,	Upgrades And Additions	Kzndoe	R -
Filidi Secondary School	10	Refurbishment And Rehabilitation	Refurbishment And Rehabilitation	Idt	R 2 167.000

Fortuin Primary School	2	Construction Of Boys And Girls Toilet Block,	Upgrades And Additions	Dopw	R -
Gelekedle Secondary School	7	Construction Of Boys And Girls Toilet Block,	Upgrades And Additions	Kzndoe	R -
Gobeni Primary School	1	Construction Of Boys And Girls Toilet Block,	Upgrades And Additions	Kzndoe	R -
Goqo Primary School	19	Removal And Replacement Of Roof Structures . Repairs And Renovations To The Entire School	Refurbishment And Rehabilitation	Kzndoe	R -
Gudu Secondary School	21	Replacement Of Corrugated Iron Roof System To 9 Classroom Blocks, 7 Admin Offices, 1 Staff Room, 2 Cottages And 6 & 2 Ablutions. Replacement Of Broken Glazing And Doors. Redesigning	Refurbishment And Rehabilitation	Dopw	R 1 121.000

		Of Surface Drainage, Desludging Existing Ablutions, Rainwater Goods & Water Harvesting.			
Gudu Secondary School	21	Construction Of Boys And Girls Toilets	Upgrades And Additions	Idt	R 1 242.000
Hlanguza Combined School	22	Construction Of Boys And Girls Toilet Block,	Upgrades And Additions	Kzndoe	R -
Hlathingwe Primary School	14	Storm Damaged Phase 18	Refurbishment And Rehabilitation	Idt	R 501.300
Hlengingqondo Primary School	13	Construction Of Boys And Girls Toilet Block,	Upgrades And Additions	Dopw	R 819.000
Hlobani Primary School (Hlobane (Mine) Ps)	7	Construction Of 2 Boys, 4 Urinals, 6 Girls, 1 Disabled, Staff 1m, 2 Urinals And 1f Toilet Block + Grade R: 5 Seats	Upgrades And Additions	Dbsa	R 1 085.000
Hluma Intermediate School	13	Construction Of Boys And Girls Toilet Block,	Upgrades And Additions	Kzndoe	R -

Hoërskool Pionier	22	Refurbishment And Rehabilitation	Refurbishment And Rehabilitation	Dopw	R -
Ikhethelo Secondary School	16	Upgrade And Additions	Upgrades And Additions	Kzndoe	R -
Impumelelo Yethu Primary School	3	Water And Sanitation	Upgrades And Additions	Kzndoe	R -
Impumelelo Yethu Primary School (Mange Ps)	3	Storm Damage To 1 Toilet Block	Refurbishment And Rehabilitation	Dopw	R -
Induzozo Primary School	15	1 Multipurpose Classrooms Including Laboratories And Specialist Rooms, 1 Storeroom(S), 1 Disabled Toilets, Electrification Provisioning,	Upgrades And Additions	Dopw	R -
Induzozo Primary School	15	Construction Of Boys And Girls Toilet Block,	Upgrades And Additions	Dopw	R 637.000
Inkanyezi Yesizwe Intermediate School	6	Construction Of Boys And Girls Toilet Block,	Upgrades And Additions	Idt	R 262.500

Inkanyiso Lsen School	22	Upgrading Of Existing School Infrastructure To Meet The Dbe Norms And Standards	Upgrades And Additions	Dbsa	R -
Intathakusa Intermediate School	4	Construction Of Boys And Girls Toilet Block,	Upgrades And Additions	Dopw	R 443.000
Intuthuko Primary School (Hlobane)	6	Construction Of Boys And Girls Toilet Block,	Upgrades And Additions	Kzndoe	R -
Iqhaweleziwe Combined School	4	Construction Of Boys And Girls Toilet Block,	Upgrades And Additions	Dopw	R 634.000
Isigodi Primary School	15	Construction Of Boys And Girls Toilet Block,	Upgrades And Additions	Dopw	R 515.000
Isiqulwane Primary School	5	Demolition Existing And Construct New Blocks, Construction Of New Borehole, Provision For New Water Harvesting Jojo Tanks, Construction Of V-Drains,	Upgrades And Additions	Dopw	R 133.250

		Construction Of Covered & Open Walkways And Desludging Of Exiting Ablutions			
Isolomuzi Secondary School	12	Construction Of Boys And Girls Toilet Block,	Upgrades And Additions	Kzndoe	R -
Jojosini Primary School	14	Demolition Existing And Construct New Blocks, Construction Of New Borehole, Provision For New Water Harvesting Jojo Tanks, Construction Of V-Drains, Construction Of Covered & Open Walkways And Desludging Of Exiting Ablutions	Upgrades And Additions	Dopw	R 133.250
Khawuleza Primary School	21	Construction Of Boys And Girls Toilet Block,	Upgrades And Additions	Dopw	R 637.000

Khethukuthula Secondary School	15	Construction Of Boys And Girls Toilet Block,	Upgrades And Additions	Dopw	R 515.000
Klein-Eden Primary School	1	Storm Damaged Phase 18	Refurbishment And Rehabilitation	Idt	R 501.300
Klein-Eden Primary School	1	Construction Of Boys And Girls Toilet Block,	Upgrades And Additions	Idt	R 1 574.000
Kongolana Primary School	6	Construction Of Boys And Girls Toilet Block,	Upgrades And Additions	Kzndoe	R -
Kwa Banakile Primary School	1	Construction Of Boys And Girls Toilet Block,	Upgrades And Additions	Idt	R -
Kwafuzokuhle Primary School	17	Construction Of 2 Boys, 4 Urinals, 6 Girls, 1 Disabled And Staff 1m, 2 Urinals, 2f Toilet Block	Upgrades And Additions	Dbsa	R 1 085.000
Kwamadamu Intermediate School	2	Construction Of Boys And Girls Toilet Block,	Upgrades And Additions	Idt	R 1 574.000
Kwanotshe lwa Secondary School	6	Storm Damage Repairs	Refurbishment And Rehabilitation	Dopw	R 1 350.000

Kwanotshe lwa Secondary School	6	Water And Sanitation	Upgrades And Additions	Kzndoe	R -
Kwasokoyi Primary School	4	Storm Damage Repairs	Refurbishment And Rehabilitation	Dopw	R 123.625
Kwasokoyi Primary School	4	Water And Sanitation	Upgrades And Additions	Kzndoe	R -
Langeni Combined School	3	Upgrade And Additions	Upgrades And Additions	Kzndoe	R -
Lenjane Primary School	4	Replacement Of Asbestos Roof System To Existing 1, 2 & Two 3 Classroom Blocks, 7 Ablutions And Store Room. Replacement Of Broken Glazing And Doors. Redesigning Of Surface Drainage, Desludging Existing Ablutions, Rainwater Goods & Water Harvesting.	Refurbishment And Rehabilitation	Dopw	R -

Lindumthe tho Primary School	19	Construction Of Boys And Girls Toilet Block,	Upgrades And Additions	Kzndoe	R -
Louwsburg Primary School (Kruger St)	1	Construction Of Boys And Girls Toilet Block,	Upgrades And Additions	Dbsa	R -
Mahlaban eni Primary School	2	Construction Of Boys And Girls Toilet Block,	Upgrades And Additions	Kzndoe	R -
Mandlakay ise Primary School	6	Construction Of Boys And Girls Toilet Block,	Upgrades And Additions	Kzndoe	R -
Manzampo fu Primary School	15	Storm Damaged Phase 18	Refurbishment And Rehabilitation	Idt	R 501.300
Manzampo fu Primary School	15	Construction Of 4 Boys, 4 Urinals,8 Girls, 1 Disabled,Staff 1m, 2 Urinals And 1f Toilet Block + Grade R: 5 Seats	Upgrades And Additions	Dbsa	R -
Mathunjw a Secondary School	2	2 Standard Classroom, 4 Multipurpose Classrooms Including Laboratories And Specialist Rooms, 1	Upgrades And Additions	Dopw	R -

		Media Centre, 1 Office(S), 6 Storeroom(S), 1 Snp Kitchen/Tucks hop, 10 Girls' Toilet Seats, 7 Boys' Toilet Seats And Urinal Spaces, 5 Teacher Toilet Seats, 2 Disabled Toilets,			
Mathunjw a Secondary School	2	Construction Of 6 Seats Boys Toilet Block, 8 Seats Girls Toilet Block, 5 Seats Grade R Toilet Block, 4 Seats Teachers Toilet Block, Installation Of Gutters And 5x2.5kl Rain Water Harvesting Tanks And Refurbishmen t Of Existing Toilet Facilities.	Upgrades And Additions	Idt	R 934.000
Metzelfont ein	12	Construction Of Boys And	Upgrades And Additions	Dopw	R 637.000

Combined School		Girls Toilet Block,			
Mfemfe Intermediate School	3	Construction Of Boys And Girls Toilet Block,	Upgrades And Additions	Kzndoe	R -
Mgobhozi Primary School	5	Construction Of Boys And Girls Toilet Block,	Upgrades And Additions	Kzndoe	R -
Mpembeni Primary School	4	Construction Of Boys And Girls Toilet Block,	Upgrades And Additions	Dopw	R 495.000
Mseni Primary School	7	Construct New Block Toilets With 18 Seats For Female Learners. Construct New Block Toilets With 3 Seats With 1 For Male Educators, 1 For Female Construct New Block Toilets With 18 Seats For Male Learners. Educators And 1 Seat For Physically	Upgrades And Additions	ldt	R 989.000

		Challenged Learners. De-Sludge Existing Ablutions. Demolition Of 3 Blocks Of Toilets. Extend Water Supply And Installation Of Water Tanks			
Mvuzini Secondary School	17	Construction Of Boys And Girls Toilet Block,	Upgrades And Additions	Kzndoe	R -
Mzweni Primary School	22	Construction Of Boys And Girls Toilet Block,	Upgrades And Additions	Kzndoe	R -
Nceceni Primary School	15	Renovations, Rehabilitation Or Refurbishments	Refurbishment And Rehabilitation	Dopw	R 164.703
Nceceni Primary School	15	Construction Of 4 Boys, 4 Urinals, 8 Girls, 1 Disabled And Staff 1m, 2 Urinals, 2f Toilet Block	Upgrades And Additions	Dbsa	R 1 085.000
Ngali Secondary School	14	Replacing Roof Structures ,	Refurbishment And Rehabilitation	Dopw	R 1 550.000

		Broken Windows And Doors , Plastering And Paint Works , Stormwater Drainige Improvement			
Ngome Primary School	2	Construction Of Boys And Girls Toilet Block,	Upgrades And Additions	Dopw	R -
Ngotshe Secondary School	1	Renovations, Rehabilitation Or Refurbishmen ts	Refurbishment And Rehabilitation	Kzndoe	R -
Ngotshe Secondary School	1	Construction Of Boys And Girls Toilet Block,	Upgrades And Additions	Dbsa	R 1 000.000
Nkwambazi Primary School	1	Construction Of Boys And Girls Toilet Block,	Upgrades And Additions	Dopw	R 574.972
Ntshibants hiba Primary School	15	Storm Damages To School	Refurbishment And Rehabilitation	Dbsa	R 165.507
Ntswalaka hla Senior Primary School	17	Storm Damaged Phase 19	Maintenance And Repair	Dbsa	R 805.000
Ntswalaka hla Senior	17	Construction Of Boys And	Upgrades And Additions	Idt	R 1 757.500

Primary School		Girls Toilet Block,			
Okhalweni Primary School (Hlobane)	5	Chemical Toilets: Construction Of Permanent Structures	Upgrades And Additions	Kzndoe	R -
Phungelihl e Primary School	4	Construction Of Boys And Girls Toilet Block,	Upgrades And Additions	Kzndoe	R -
Qondisani Primary School	14	Construction Of Boys And Girls Toilet Block,	Upgrades And Additions	Idt	R 262.125
Sakheseth u Primary School	12	Construction Of Boys And Girls Toilet Block,	Upgrades And Additions	Dopw	R 735.416
Sakhikusas a Primary School (Ihlathi Ps)	6	Construction Of Boys And Girls Toilet Block,	Upgrades And Additions	Kzndoe	R -
Sekethway o Secondary School	20	Construction Of Boys And Girls Toilet Block,	Upgrades And Additions	Kzndoe	R -
Shongololo Combined School	6	Construction Of Boys And Girls Toilet Block,	Upgrades And Additions	Idt	R 934.000
Sihlengeni Combined School	2	Construction Of Boys And Girls Toilet Block,	Upgrades And Additions	Idt	R 443.750

Sikhiye Secondary School	17	Upgrade And Additions	Upgrades And Additions	Kzndoe	R -
Sikhiye Secondary School	17	Water And Sanitation	Upgrades And Additions	Idt	R 183.458
Sikhulile Combined School	4	Construction Of Boys And Girls Toilet Block,	Upgrades And Additions	Dopw	R 467.000
Singana Primary School	4	Construction Of Boys And Girls Toilet Block,	Upgrades And Additions	Dopw	R 739.000
Siqophumlando Secondary School	15	Construction Of Boys And Girls Toilet Block,	Upgrades And Additions	Kzndoe	R -
Sishongani Primary School	17	Construction Of Boys And Girls Toilet Block,	Upgrades And Additions	Dopw	R 739.000

Sivulindlela Intermediate School	3	Construction Of Boys And Girls Toilet Block,	Upgrades And Additions	Dopw	R 467.000
Siyaphambili Intermediate School	4	Construction Of 24 Toilet Seats , 7 Urinals And 16 Whb.	Upgrades And Additions	Idt	R 1 574.000
Thabani Primary School	18	Water And Sanitation	Upgrades And Additions	Kzndoe	R -
Thakazela Primary School	6	Construction Of Support Centre, Repairs, Renovations And Upgrades To Existing Ramps.	Upgrades And Additions	Coega	R -
Thamsanqa Primary School	1	Storm Damage Repairs	Refurbishment And Rehabilitation	Dopw	R 123.625
Thamsanqa Primary School	1	Water And Sanitation	Upgrades And Additions	Kzndoe	R -
Thandokwakhe Intermediate School	7	Construction Of Boys And Girls Toilet Block,	Upgrades And Additions	Idt	R 900.000
Thekwane Primary School	1	Construction Of Boys And Girls Toilet Block,	Upgrades And Additions	Kzndoe	R -

Thelezi Primary School	15	Construction Of Boys And Girls Toilet Block,	Upgrades And Additions	Kzndoe	R -
Tholathemba Primary School	13	Construction Of Boys And Girls Toilet Block,	Upgrades And Additions	Dopw	R 489.000
Uqweqwe Secondary School	14	Storm Damage Repairs	Refurbishment And Rehabilitation	Dopw	R 667.000
Uqweqwe Secondary School	14	Construction Of Boys And Girls Toilet Block,	Upgrades And Additions	Dopw	R 132.613
Velankosi Primary School	18	Construction Of Boys And Girls Toilet Block,	Upgrades And Additions	Dopw	R 467.000
Verdukt Intermediate School	2	Construction Of Boys And Girls Toilet Block,	Upgrades And Additions	Kzndoe	R -

Vryheid Comprehensive Secondary School	22	Renovations To New Classroom Block , Administration Block And Classrooms , Girls And Boys Hostel Block, Cow Milking Building ,Calf/Horse Shed ,Farm Office And Garage ,Implement Shed ,Chicken Broilers & Layers,Farm Staff Houses ,Farm Staff Houses ,Cow Feeding Pan 1 ,Cow Feeding Pan 2 & 3 ,Farm Workshop ,Horse Feeding Pan ,Pigsty Building ,Hay Shed And Farm Mechanical Workshop ,Electrical	Refurbishment And Rehabilitation	Idt	R 334.125
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		Works ,Mechanical Works			
William Booth Primary School	2	Construction Of Boys And Girls Toilet Block,	Upgrades And Additions	Idt	R 1 574.000
Wykom Primary School	2	Replacement Of Corrugated Iron Roof System To 1 & 3 Classroom Blocks And Office. Replacement Of Broken Glazing And Doors. Redesigning Of Surface Drainage, Desludging Existing Ablutions, Rainwater Goods & Water Harvesting.	Refurbishment And Rehabilitation	Dbsa	R 141.250
Wykom Primary School	2	Construction Of Boys And Girls Toilet Block,	Upgrades And Additions	Dopw	R 210.000
Zamangot hando Secondary School	21	Storm Damage Repairs	Refurbishment And Rehabilitation	Dopw	R 667.000

Zamangot hando Secondary School	21	Construction Of Boys And Girls Toilet Block,	Upgrades And Additions	Dopw	R 739.000
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2.6 Department of Health

Project Name	FIDPM Stage	Total Project Cost (Rands)	Facility Asset Name	Status
Bhekumthetho Clinic - Installation of standby Generator Set	Stage 1: Initiation/ Pre-feasibility	500 000	Bhekumthetho Clinic	At design stage for implementation and completion in the 2022/23
Bhekumthetho Clinic : Install 20 KL elevated steel water tank		700 000	Bhekumthetho Clinic	At design stage for implementation and completion in the 2022/23
Gluckstadt Clinic - Installation of standby Generator Set	Still to be initiated	500 000	Gluckstadt Clinic	At design stage for implementation and completion in the 2022/23
Khambi Clinic - Installation of standby Generator Set	Stage 1: Initiation/ Pre-feasibility	500 000	Khambi Clinic	At design stage for implementation and completion in the 2022/23

Louwsburg Clinic - Installation of standby Generator Set	Stage 1: Initiation/ Pre-feasibility	500 000	Louwsburg Clinic	At design stage for implementation and completion in the 2022/23
Makhwela Clinic - Installation of standby Generator Set	Stage 1: Initiation/ Pre-feasibility	500 000	Makhwela Clinic	At design stage for implementation and completion in the 2022/23
Makhwela Clinic : Install 20 kl elevated steel tanks	Stage 1: Initiation/ Pre-feasibility	700 000	Makhwela Clinic	At design stage for implementation and completion in the 2022/23
Mason Street Clinic - Installation of standby Generator Set	Stage 1: Initiation/ Pre-feasibility	-	Mason Street Clinic	At design stage for implementation and completion in the 2022/23
Mondlo 2 Clinic - Installation of standby Generator Set	Stage 1: Initiation/ Pre-feasibility	500 000	Mondlo 2 Clinic	At design stage for implementation and completion in the 2022/23
Ntababomvu Clinic - Installation of standby Generator Set	Stage 1: Initiation/ Pre-feasibility	-	Ntababomvu Clinic	At design stage for implementation and completion in the 2022/23
Swart Mfolozi - Installation	Stage 1: Initiation/	-	Swart Mfolozi Clinic	At design stage for implementation

of standby Generator Set	Pre-feasibility			and completion in the 2022/23
Vryheid Hospital - Asbestos Eradication & Associated Roofing Work	Stage 5: Works	13 704 472	Vryheid Hospital	In construction and targeted to complete in the 2022/23
Vryheid Hospital - Design, Supply, Install & Commission Of Non-Water Air Cooled Air Conditioning Uni	Stage 2: Concept/ Feasibility	3 000 000	Vryheid Hospital	At design stage for implementation in 2022/23/24
Vryheid Hospital - New OPD	Stage 1: Initiation/ Pre-feasibility	150 000 000	Vryheid Hospital	At planning stage for implementation in the 2025/26

2.7 Zululand District Municipality

Project Type	Regional Scheme	Settlement Name	Ward	No. of H/h	2022-2023 Allocated Budget (R)
Rudimentary Roll-out Scheme	Hlahlindela	KwaMatiela	9	21	510 000
		KwaSavells	9	25	530 000
		Stillwater	9	90	1 130 000
		Kwabanga 2	13	51	780 000
		Betel	22	22	490 000
		Eensgevonden plotte	22	96	1 130 000
		Fearmdale	22	66	980 000
		KwaLubeck	22	23	490 000
		Scheepersnek	22	34	640 000
		Zaaifontein	22	22	510 000
	Khambi	Ongcwezeni	2	185	1 370 000
		Thuthukani	2	14	450 000
		Hlanganani CPA	3	6	370 000
		Kewulane	3	81	1 070 000
		Mthumeni	3	15	380 000
		Siyaphambile	4	33	650 000

		Ekamvu	5	26	560 000
		Lenjane 2	5	26	730 000
		Ishoba 1	13	131	1 310 000
		Leeunek 2	13	12	420 000
	Coronation	Mfabantu	3	20	520 000
		Gobeni	6	17	460 000
	Mciyo	6	29	660 000	

2.8 KZN EDTEA

According to the KZN Provincial Gazetted Grants, KZN Economic Development, Tourism and Environmental Affairs, Abaqulusi Local Municipality will receive **R2 000 000 in the next financial year – 2022/2023 for the development of Informal Traders Stores.**

Name of Local Municipality	Name of Project	Funding agent	Budget	Applicant / Ownin g entity	Status
Abaqulusi LM	Abaqulusi (CMC)	EDTEA	R800 000 .00	Abaqulusi LM	Planning Phase
Abaqulusi LM	Abaqulusi Land Rehabilitation Programme	DFFE	R15 000 000.00	Abaqulusi LM	Planning Phase
Abaqulusi LM	Cultivation of Medical Plants	DFFE	R5 000 000.00	IARi Non-Profit	Planning Phase

				Organis ation	
Abaqulusi LM	Ntinginono Rehabilitation of Environmental Centre	DFFE	R5 000 000.00	Abaqulusi LM	Planning Phase
Abaqulusi LM	Abaqulusi 3 Township Open Space Greening Programme	DFFE	R12 000 000.00	Abaqulusi LM	Planning Phase
Zululand DM targeting all its 5 LM's	Good Green Deeds	DFFE	R2 600 000.00	Zululand DM	Ongoing
Zululand DM targeting all its 5 LM's	Municipal Cleaning and greening	DFEE	R 398 000 000.00	Zululand DM	Planning Phase

2.9 KZN CoGTA

According to the KZN Provincial Gazetted Grants, KZN Cooperative Governance and Traditional Affairs, Abaqulusi Local Municipality will receive ***R5 700 000 in the next financial year – 2022/2023 for Rehabilitation of Small Towns. An amount of R3 000 000 and R5 000 000 is also allocated in the outer 2 years.***

Section G: Operational Plan Draft Service Delivery Budget Implementation Plan

1. Introduction

According to the MFMA, Act No. 56 of 2003, Circular 13, states the following: “The Service Delivery Budget Implementation Plan gives effect to the Integrated Development Plan (IDP) and budget of the municipality and will be possible if the IDP and budget are fully aligned with each other, as required by the MFMA. The budget gives effect to the strategic priorities of the municipality and is not a management or implementation plan. The SDBIP therefore serves as a “contract” between the administration, council and community expressing the goals and objectives set by the council as quantifiable outcomes that can be implemented by the administration over the next twelve months. This provides the basis for measuring performance in service delivery against end-of-year targets and implementing the budget.”

“The SDBIP provides the vital link between the mayor, council (executive) and the administration, and facilitates the process for holding management accountable for its performance. The SDBIP is a management, implementation and monitoring tool that will assist the mayor, councillors, municipal manager, senior managers and community. A properly formulated SDBIP will ensure that appropriate information is circulated internally and externally for purposes of monitoring the execution of the budget, performance of senior management and achievement of the strategic objectives set by council. It enables the municipal manager to monitor the performance of senior managers, the mayor to monitor the performance of the municipal manager, and for the community to monitor the performance of the municipality. The SDBIP should therefore determine (and be consistent with) the performance agreements between the mayor and the municipal manager and the municipal manager and senior managers determined at the start of every financial year and approved by the mayor. It must also be consistent with outsourced service delivery agreements such as municipal entities, public-private partnerships, service contracts and the like.”

According to the MFMA, act No 56 of 2003, a municipal SDBIP is to be approved by the Mayor no later than 28 days after the approval of the Final Budget.

2. Components of an SDBIP

When developing a municipal SDBIP, the following components must be considered, namely:

- *Monthly projections of revenue to be collected for each source*
- *Monthly projections of expenditure (operating and capital) and revenue for each vote*
- *Quarterly projections of service delivery targets and performance indicators for each vote*

2.1 Monthly projections of revenue to be collected for each source

KZN263 Abaqulusi - Supporting Table SA25 Budgeted monthly revenue by source															
Description	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue By Source															
Property rates	8 258	8 258	8 258	8 258	8 258	8 258	8 258	8 258	8 258	8 258	8 258	8 258	99 099	103 223	107 868
Service charges - electricity revenue	17 162	17 162	17 162	17 162	17 162	17 162	17 162	17 162	17 162	17 162	17 162	17 162	205 946	214 524	224 111
Service charges - water revenue	4 927	4 927	4 927	4 927	4 927	4 927	4 927	4 927	4 927	4 927	4 927	4 927	59 124	61 722	64 302
Service charges - sanitation revenue	2 910	2 910	2 910	2 910	2 910	2 910	2 910	2 910	2 910	2 910	2 910	2 910	34 920	24 271	25 284
Service charges - refuse revenue	2 262	2 262	2 262	2 262	2 262	2 262	2 262	2 262	2 262	2 262	2 262	2 262	27 149	26 255	27 350
Rental of facilities and equipment	719	719	719	719	719	719	719	719	719	719	719	719	8 634	8 634	8 634
Interest earned - external investments	135	135	135	135	135	135	135	135	135	135	135	135	1 620	1 620	1 620
Interest earned - outstanding debtors	5 403	5 403	5 403	5 403	5 403	5 403	5 403	5 403	5 403	5 403	5 403	5 403	64 834	67 237	69 632
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	438	438	438	438	438	438	438	438	438	438	438	438	5 253	5 253	5 253
Licences and permits	593	593	593	593	593	593	593	593	593	593	593	593	7 110	7 110	7 110
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	66 790	-	-	-	-	66 790	-	-	66 790	-	-	-	200 369	211 490	227 037
Other revenue	124	124	124	124	124	124	124	124	124	124	124	124	1 487	487	487
Gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contribution)	109 721	42 931	42 931	42 931	42 931	109 721	42 931	42 931	109 721	42 931	42 931	42 930	715 544	731 827	768 688

2.2 Monthly projections of expenditure (operating and capital) and revenue for each vote

Description	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework			
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue by Vote																
Vote 1 - VOTE1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance & Administration	93 035	14 585	14 585	14 585	14 585	14 585	93 035	14 585	14 585	93 035	14 585	14 585	14 584	410 368	428 690	452 849
Vote 3 - Community & Social Services	1 711	45	45	45	45	45	1 711	45	45	1 711	45	45	45	5 535	5 549	5 771
Vote 4 - Energy Sources	18 108	17 183	17 183	17 183	17 183	17 183	17 183	17 183	17 183	17 183	17 183	17 183	17 183	207 121	224 774	234 810
Vote 5 - Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Internal Audit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Planning and Development	10	10	10	10	10	10	10	10	10	10	10	10	10	122	122	122
Vote 9 - Public Safety	417	417	417	417	417	417	417	417	417	417	417	417	417	5 000	5 000	5 000
Vote 10 - Road Transport	593	593	593	593	593	593	593	593	593	593	593	593	593	7 110	7 110	7 110
Vote 11 - Sport and Recreation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Waste Management	2 262	2 262	2 262	2 262	2 262	2 262	2 262	2 262	2 262	2 262	2 262	2 262	2 262	27 149	26 255	27 350
Vote 13 - Waste Water Management	2 907	2 907	2 907	2 907	2 907	2 907	2 907	2 907	2 907	2 907	2 907	2 907	2 907	34 885	24 235	25 246
Vote 14 - Water Management	4 930	4 930	4 930	4 930	4 930	4 930	4 930	4 930	4 930	4 930	4 930	4 930	4 930	59 159	61 758	64 340
Vote 15 -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	123 972	42 931	42 931	42 931	42 931	42 931	123 047	42 931	42 931	123 047	42 931	42 931	42 930	756 448	783 493	822 598
Expenditure by Vote to be appropriated																
Vote 1 - VOTE1	3 377	3 377	3 377	3 377	3 377	3 377	3 377	3 377	3 377	3 377	3 377	3 378	3 378	40 529	42 164	42 419
Vote 2 - Finance & Administration	8 553	8 553	8 553	8 553	8 553	8 553	8 553	8 553	8 553	8 553	8 553	8 554	8 554	102 638	136 469	130 198
Vote 3 - Community & Social Services	2 563	2 563	2 563	2 563	2 563	2 563	2 563	2 563	2 563	2 563	2 563	2 563	2 563	30 753	32 838	31 366
Vote 4 - Energy Sources	25 670	25 670	25 670	25 670	25 670	25 670	25 670	25 670	25 670	25 670	25 670	25 671	25 671	308 046	328 791	345 587
Vote 5 - Housing	215	215	215	215	215	215	215	215	215	215	215	215	215	2 580	2 693	2 814
Vote 6 - Internal Audit	432	432	432	432	432	432	432	432	432	432	432	432	432	5 180	5 408	5 652
Vote 7 - Other	77	77	77	77	77	77	77	77	77	77	77	77	77	928	969	1 013
Vote 8 - Planning and Development	1 883	1 883	1 883	1 883	1 883	1 883	1 883	1 883	1 883	1 883	1 883	1 883	1 883	22 595	16 851	17 608
Vote 9 - Public Safety	2 774	2 774	2 774	2 774	2 774	2 774	2 774	2 774	2 774	2 774	2 774	2 774	2 774	33 288	29 393	31 041
Vote 10 - Road Transport	3 692	3 692	3 692	3 692	3 692	3 692	3 692	3 692	3 692	3 692	3 692	3 692	3 692	44 308	44 471	67 222
Vote 11 - Sport and Recreation	643	643	643	643	643	643	643	643	643	643	643	643	643	7 714	9 620	10 053
Vote 12 - Waste Management	2 717	2 717	2 717	2 717	2 717	2 717	2 717	2 717	2 717	2 717	2 717	2 717	2 717	32 609	25 344	25 952
Vote 13 - Waste Water Management	1 861	1 861	1 861	1 861	1 861	1 861	1 861	1 861	1 861	1 861	1 861	1 861	1 861	22 336	26 447	27 636
Vote 14 - Water Management	3 920	3 920	3 920	3 920	3 920	3 920	3 920	3 920	3 920	3 920	3 920	3 920	3 920	47 041	51 651	48 872
Vote 15 -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	58 378	58 378	58 378	58 378	58 378	58 378	58 378	58 378	58 378	58 378	58 378	58 380	58 380	700 544	753 109	787 431
Surplus/(Deficit) before assoc.	65 594	(15 447)	(15 447)	(15 447)	(15 447)	(15 447)	64 669	(15 447)	(15 447)	64 669	(15 447)	(15 447)	(15 450)	55 904	30 385	35 167
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

2.3 Quarterly projections of service delivery targets and performance indicators for each vote

Table 26: Draft Scorecard

SDBIP Ref No.	Focus Area	Development Objectives	IDP Ref. No	Project	Ward	Budget	Funding Source	Key Perf. Indicator/ Performance Measure	Unit of Measure	Baseline	Annual Target	Quarterly Targets				Res. Dept.	Portfolio of Evidence
												Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target		
												01 Jul 2022 – 30 Sep 2022	01 Oct 2022 – 31 Dec 2022	01 Jan 2023 – 31 March 2023	01 April 2023 – 30 June 2023		
Key Performance Area: Basic Service Delivery & Infrastructure Development																	
Municipal Goal: To reduce levels of infrastructure backlogs by providing Basic Services, Facilities and maintaining existing infrastructure.																	
	Roads	Expand accessibility in various wards by 2027	1	Tarring of Zama to kwaBalele - Bhekumtetho Road Ward 19 (Phase 3)	12	R10 489 425	MIG	% (percentage) of road tarred by 30 June 2023	percentage (%)		100% (percentage) of road tarred by 30 June 2023	10% of road tarred by 30 Sep 2022	40% of road tarred by 31 Dec 2022	80% of road tarred by 31 March 2023	100% of road tarred by 30 June 2023	Technical Services	Quarterly progress reports and completion certificate
Tarring of Zama to kwaBalele - Bhekumtetho Road Ward 19 (Phase 4)				19	R 7000 000	MIG	% (percentage) of road tarred by 30 June 2023	percentage (%)		100% (percentage) of road tarred by 30 June 2023	10% of road tarred by 30 Sep 2022	40% of road tarred by 31 Dec 2022	80% of road tarred by 31 March 2023	100% of road tarred by 30 June 2023	Quarterly progress reports and completion certificate		
Upgrading of Extension 16 (SASKO) Roads - Ward 8 (Phase 2)				8	R10 489 425	MIG	% of road upgraded by 30 June 2023	percentage (%)		100% of roads upgraded by 30 June 2023	10% of road upgraded by 30 Sep 2022	40% of road upgraded by 31 Dec 2022	80% of road upgraded by 31 March 2023	100% of road upgraded by 30 June 2023	Quarterly progress reports and completion certificate		
Upgrading of Extension 16 (SASKO) Roads - Ward 8 (Phase 3)				8	R 800 000	MIG	Date project design of phase 8, Extension 16(Sasko) road completed	Date		Project design of phase 8, Extension 16(Sasko) road completed by 30 June 2023	N/A	N/A	N/A	Project design of phase 8, Extension 16(Sasko) road completed by 30 June 2023	Quarterly progress reports and completion certificate		
		Maintain existing Roads in rural & urban areas by 2027	2	BhekuZulu Road Paving - Ward 11 & 13 (Phase 2)	13	R 3500 000	MIG	% of road paving completed by 30 June 2023	percentage (%)		100% of road paving completed by 30 June 2023	10% of road paving completed by 30 Sep 2022	40% of road paving completed by 31 Dec 2022	80% of road paving completed by 31 March 2023	100% of road paving completed by 30 June 2023	Quarterly progress reports and completion certificate	
Upgrading of Mhlanga Gravel Road - Ward 15 (Phase 3)				15	R2 300 000		% of road upgraded by 30 June 2023	percentage (%)		100% of road upgraded by 30 June 2023	10% of road upgraded by 30 Sep 2022	40% of road upgraded by 31 Dec 2022	80% of road upgraded by 31 March 2023	100% of road upgraded by 30 June 2023	Quarterly progress reports and completion certificate		
Upgrading of Mezzelfontein Road - Ward 12 (Phase 2)				12	R2 750 000	MIG	Date project design of phase 2 Mezzelfontein Road in ward 12 completed	percentage (%)		Project design of phase 2 Mezzelfontein Road in ward 12 completed by 30 June 2023	N/A	N/A	N/A	Project design of phase 2 Mezzelfontein Road in ward 12 completed by 30 June 2023	Project design and/progress report		

SDBIP Ref No.	Focus Area	Development Objectives	IDP Ref. No	Project	Ward	Budget	Funding Source	Key Perf. Indicator/ Performance Measure	Unit of Measure	Baseline	Annual Target	Quarterly Targets				Res. Dept.	Portfolio of Evidence
												Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target		
												01 Jul 2022 – 30 Sep 2022	01 Oct 2022 – 31 Dec 2022	01 Jan 2023 – 31 March 2023	01 April 2023 – 30 June 2023		
				Mpongoza Access Road and Bridge structure Phase 2 - Ward 4 (Phase 3)	4	R2000 000		% of road upgraded by 30 June 2023	Percentage (%)	New project	100% of roads upgraded by 30 June 2023	10% of roads upgraded by 30 Sep 2022	40% of roads upgraded by 31 Dec 2022	80% of roads upgraded by 31 March 2023	100% of roads upgraded by 30 June 2023	Technical Services	Quarterly progress reports and completion certificate
	Sanitation	Expand Sanitation accessibility in various wards by 2027		Basic Level of Sanitation access				Number of households with access to basic level of sanitation by 30 June 2023	Number		18900 of households with access to basic level of sanitation by 30 June 2023	18900 of households with access to basic level of sanitation by 30 Sep 2022	18900 of households with access to basic level of sanitation by 31 Dec 2022	18900 of households with access to basic level of sanitation by 31 March 2023	18900 of households with access to basic level of sanitation by 30 June 2023		
	Water	Expand water accessibility in various wards by 2027		Basic level of water access				Number of households with access to basic level of water by 30 June 2023	Number		18900 households with access to basic level of water by 30 June 2023	18900 households with access to basic level of water by 30 Sep 2022	18900 households with access to basic level of water by 31 Dec 2022	18900 households with access to basic level of water by 31 March 2023	18900 households with access to basic level of water by 30 June 2023		
	Electricity	Expand electrical accessibility in various wards by 2027		Basic level of electricity				Number of new households with access to electricity by 30 June 2023	Number		18900 of households with access to basic level of electricity by 30 June 2023	18900 of households with access to basic level of electricity	18900 of households with access to basic level of electricity	18900 of households with access to basic level of electricity	18900 of households with access to basic level of electricity by 30 June 2023		
	Electricity	Expand electrical accessibility in various wards by 2027.	8	Electrical connections (Shoba)	7	R 3 560 00	INEP	Number of new households with access to electricity by 30 June 2023	Number		178(one – hundred and seventy-eight) households with access to electricity by 30 June 2023	N/A	59(fifty-nine households with access to electricity by	118(one – hundred and eighteen) households with access to electricity by	178(one – hundred and seventy-eight) households with access to electricity by 30 June 2023		Copy of quarterly progress reports, copy of completion certificate and Close out Report
			Sasko	4	R 925 000	INEP	Number of new households with access to electricity by 30 June 2023	Number		50(fifty) households with access to electricity by 30 June 2023	N/A	16(sixteen) households with access to electricity by 31 Dec 2022	32(thirty – two) households with access to electricity by 31 March 2023	50(fifty) households with access to electricity by 30 June 2023(one hundred and sixty – two)		Copy of quarterly progress reports, copy of completion certificate and Close out Report	
			Makhukhula	4	R 3 402 000	INEP	Number of new households with access to electricity by 30 June 2023	Number		162 (one hundred and sixty – two) households with access to electricity by 30 June 2023	N/A	54(fifty – four) households with access to electricity by 31 Dec 2022	108(one-hundred and eight) households with access to electricity by	162((one hundred and sixty – two) households with access to electricity by 30 June 2023		Copy of quarterly progress reports, copy of completion certificate and Close out Report	

SDBIP Ref No.	Focus Area	Development Objectives	IDP Ref. No	Project	Ward	Budget	Funding Source	Key Perf. Indicator/ Performance Measure	Unit of Measure	Baseline	Annual Target	Quarterly Targets				Res. Dept.	Portfolio of Evidence
												Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target		
												01 Jul 2022 – 30 Sep 2022	01 Oct 2022 – 31 Dec 2022	01 Jan 2023 – 31 March 2023	01 April 2023 – 30 June 2023		
				Donsokwakhe	4	R 113 000	INEP	Number of new households with access to electricity by 30 June 2023	Number		53(fifty – three) households with access to electricity by 30 June 2023	N/A	17(seventeen) households with access to electricity by 31 Dec 2022	34(thirty – four) households with access to electricity by 31 March 2023	53(fifty – three) households with access to electricity by 30 June 2023	Technical Services	Copy of quarterly progress reports, copy of completion certificate and Close out Report
				Bozzmin	4	R 735 000	INEP	Number of new households with access to electricity by 30 June 2023	Number		35(thirty – five) households with access to electricity by 30 June 2023	N/A	11(eleven) households with access to electricity by 31 Dec 2022	22(twenty–two) households with access to electricity by 31 March 2023	35(thirty – five) households with access to electricity by 30 June 2023		Copy of quarterly progress reports, copy of completion certificate and Close out Report
				Mashiyane	4	R 924 000	INEP	Number of new households with access to electricity by 30 June 2023	Number		44(fourty – four) households with access to electricity by 30 June 2023	N/A	14(fourteen) households with access to electricity by 31 Dec 2022	28(twenty–eight) households with access to electricity by 31 March 2023	44(fourty – four) households with access to electricity by 30 June 2023		Copy of quarterly progress reports, copy of completion certificate, and Close - out Report
				Makholokotho	4	R 1 071 000	INEP	Number of new households with access to electricity by 30 June 2023	Number		51(fifty–one) households with access to electricity by 30 June 2023	N/A	17(seventeen) households with access to electricity by 31 Dec 2022	34(thirty – four) households with access to electricity by 31 March 2023	51(fifty–one) households with access to electricity by 30 June 2023		Copy of quarterly progress reports, copy of completion certificate, and Close - out Report
				28.7 MV Line Makhukhula Link	4	R 6 755 000	INEP	% of 28.7 MV Line completed by 30 June 2023	Percentage (%)		100% 100% of MV Line completed by 30 June 2023	10% of MV Line completed by 30 Sep 2022	40% % of MV Line completed by 31 Dec 2022	80% % of MV Line completed by 31 March 2023	100% of MV Line completed by 30 June 2023		Copy of quarterly progress reports, copy of completion certificate, and Close - out Report
	Refuse Removal	Expand accessibility of Refuse Services in various wards by 2027	15	Refuse Removal				Number of households with access to basic level of refuse removal by 30 June 2023	Number		15000 households with access to basic level of refuse removal by 30 June 2023	15000 households with access to basic level of refuse removal by 30 Sep 2022	15000 households with access to basic level of refuse removal by 31 Dec 2022	15000 households with access to basic level of refuse removal by 31 March 2023	15000 households with access to basic level of refuse removal by 30 June 2023	Community Services	Billing report

SDBIP Ref No.	Focus Area	Development Objectives	IDP Ref. No	Project	Ward	Budget	Funding Source	Key Perf. Indicator/ Performance Measure	Unit of Measure	Baseline	Annual Target	Quarterly Targets				Res. Dept.	Portfolio of Evidence
												Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target		
												01 Jul 2022 – 30 Sep 2022	01 Oct 2022 – 31 Dec 2022	01 Jan 2023 – 31 March 2023	01 April 2023 – 30 June 2023		
	Human Settlement	To provide sustainable human settlements to the people of AbaQulusi by 2027	16	Housing Forum meetings				Number of Housing Forum meetings held by 30 June 2023	Number		4(four) Housing Forum meetings held by 30 June 2023	1 (one) Housing Forum meeting held by 30 Sep 2022	1 (one) Housing Forum meeting held by 31 Dec 2022	3 (three) Housing Forum meeting held by 31 March 2023	4(four) Housing Forum meeting held by 30 June 2023	Development Planning	Attendance Registers/ Minutes
KPA: Municipal Transformation & Institutional Development																	
Municipal Goal: Empower and capacitate institutional structures and promotion of transparent cooperative governance																	
	Human Resource Management	To ensure that the municipality practice sound Human Resources management by 2027.	17					Percentage of people from employment equity target groups employed in the three highest levels of management in compliance with the Municipality's approved equity plan by 30 June 2023	Percentage (%)		30% of people from employment equity target groups employed in the three highest levels of management by 30 June 2023			10% of people from employment equity target groups employed in the three highest levels of management by 31 March 2023	30% of people from employment equity target groups employed in the three highest levels of management by 30 June 2023	Corporate Services	Appointment letters
								Date Employment Equity Plan (EEP) reviewed adopted and Submitted to Department of Labour (DoL)	Date	01 Dec 2021	EE Report reviewed and adopted and submitted to DoL by 15 January 2023		N/A	EEP reviewed and adopted and submitted to DoL by 15 January 2023	N/A		EER (Employment Equity Report) and acknowledgement letter
	Human Resource Development	To ensure that the new and existing staff are capacitated to fulfil their functions and promote career development and comply with safety measures by June 2027.	18	Human Resources Manual and Human Resources Strategy	N/A	N/A	N/A	Date HR Policy manual reviewed and submitted to Council for approval	Date		HR Policy manual reviewed and submitted to Council for approval 31 May 2023	N/A	N/A	Draft Human Resources Manual to be submitted to Council by 30 March 2023	Policy Manual reviewed and submitted to Council by 31 May 2023		HR Reviewed Policy Manual and Council Resolution

SDBIP Ref No.	Focus Area	Development Objectives	IDP Ref. No	Project	Ward	Budget	Funding Source	Key Perf. Indicator/ Performance Measure	Unit of Measure	Baseline	Annual Target	Quarterly Targets				Res. Dept.	Portfolio of Evidence
												Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target		
												01 Jul 2022 – 30 Sep 2022	01 Oct 2022 – 31 Dec 2022	01 Jan 2023 – 31 March 2023	01 April 2023 – 30 June 2023		
				Review and adoption of Organogram	N/A	N/A	N/A	Date Organogram reviewed and submitted to Council for adoption	Date		Organogram reviewed and submitted to Council for adoption 31 May 2023	N/A	N/A	Organogram reviewed and submitted to Corporate Service Portfolio by 31 March 2023	Organogram reviewed and submitted to EXCO and Council by 31 May 2023		Reviewed organogram, and Council Resolution
	Council Support	To ensure that Council and its committee fulfil their executive and legislative functions and play an effective oversight role over administration by 2027	19	Councils Annual Programme	N/A	N/A	N/A	Adoption (by Date) of Councils Annual Programme by 30 June 2023	Date		Councils Annual Programme adopted by 30 June 2023	N/A	N/A	N/A	Councils Annual Programme adopted by 30 June 2023	Corporate Services	Councils Annual Programme and Council Res.
Council Meetings				N/A	-	-	Number of Council Meetings provided with administrative support by 30 June 2023	Number		4(four) Council Meetings provided with administrative support by 30 June 2023	1(one) Council Meetings provided with administrative support by 30 Sep 2022	2(two) Council Meetings provided with administrative support by 31 Dec 2022	3(three) Council Meetings provided with administrative support by 31 March 2023	4(four) Council Meetings provided with administrative support by 30 June 2023		Attendance Registers/ Minutes	
EXCO				N/A	-	-	Number of EXCO Meetings provided with administrative support by 30 June 2023	Number		10(ten) EXCO Meetings provided with administrative support by 30 June 2023	3(three)EXCO Meetings provided with administrative support by 30 Sep 2022	5(five) EXCO Meetings provided with administrative support by 31 Dec 2022	7(seven) EXCO Meetings provided with administrative support by 31 March 2023	10(ten) EXCO Meetings provided with administrative support by 30 June 2023		Attendance Registers/ Minutes	
MPAC				N/A	-	-	Number of Municipal Public Accounts Committee (MPAC) Meetings provided with administrative support by 30 June 2023	Number		4(four) MPAC Meetings provided with administrative support by 30 June 2023	1(one) MPAC Meetings provided with administrative support by 30 Sep 2022	2(two) MPAC Meetings provided with administrative support by 31 Dec 2022	3(three) MPAC Meetings provided with administrative support by 31 March 2023	4(four) MPAC Meetings provided with administrative support by 30 June 2023	Corporate Services	Attendance Registers/ Minutes	
Portfolio Committees				N/A	-	-	Number of Portfolio Committee Meetings provided with administrative support by 30 June 2023	Number		50(fifty) Portfolio Committee Meetings provided with administrative support by 30 June 2023	15(fifteen) Portfolio Committee Meetings provided with administrative support by 30 Sep 2022	25(twenty-five) Portfolio Committee Meetings provided with administrative support by 31 Dec 2022	35(thirty -five) Portfolio Committee Meetings provided with administrative support by 31 March 2023	50(forty) Portfolio Committee Meetings provided with administrative support by 30 June 2023		Attendance Registers/ Minutes	

SDBIP Ref No.	Focus Area	Development Objectives	IDP Ref. No	Project	Ward	Budget	Funding Source	Key Perf. Indicator/ Performance Measure	Unit of Measure	Baseline	Annual Target	Quarterly Targets				Res. Dept.	Portfolio of Evidence
												Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target		
												01 Jul 2022 – 30 Sep 2022	01 Oct 2022 – 31 Dec 2022	01 Jan 2023 – 31 March 2023	01 April 2023 – 30 June 2023		
				Review of delegation of powers	N/A	N/A	N/A	Date delegation register reviewed and submitted to Council for approval	Date		Delegation register reviewed and submitted to Council for approval 31 March 2023	N/A	N/A	Delegation register reviewed and submitted to Council for approval 31 March 2023	N/A	Corporate Services	Council Resolution and Reviewed delegation of powers
	Records Management	To ensure effective management of all internal and external records	20	Records Management Policy review	N/A	N/A	N/A	Date Records Management Policy review submitted to Council for approval	Date		Records Management policy reviewed and submitted to Council by 31 May 2023	N/A	N/A	N/A	Records Management policy reviewed and submitted to Council by 31 May 2023	Corporate Services	Council Resolution and Reviewed Records Management
	Fleet Management	To ensure effective management of fleet by 2027	21	Review and Adopt Fleet Management Policy	N/A	N/A	N/A	Date Fleet Management Policy adopted	Date		Fleet Management Policy Adopted by 30 June 2023	N/A	N/A	N/A	Fleet Management Policy Adopted by 30 June 2023	Corporate Services	Council Resolution
	Information Technology	To provide a secure ICT infrastructure which delivers appropriate levels of confidentiality, integrity, availability, stability, and growth by 2027.	22	ICT Infrastructure and Network	N/A	-	-	Number of Monitoring Reports produced by 30 June 2023	Number	4	4 (four) Monitoring Reports produced by 30 June 2023	1 (one) Monitoring Report produced by 30 Sep 2022	2(two) Monitoring Report produced by 31 Dec 2022	3(three) Monitoring Report produced by 31 March 2023	4(four) Monitoring Report produced by 30 June 2023	Corporate Services	Copy of Reports
ICT Workshops				N/A	-	-	Number of workshops held with staff and Councillors by 30 June 2023	Number	4	4four) workshops held with staff by 30 June 2023	1 (one) workshop held with staff by 30 Sep 2022	2 (two) workshops held with staff by 31 Dec 2022	3(three) workshops held with staff by 31 March 2023	4(four)workshops held with staff by 30 June 2023	Corporate Services	Attendance Registers/ Minutes	
IT Governance Framework				N/A			Date IT Governance Framework reviewed and submitted to Council for approval	Date		IT Governance Framework reviewed and submitted to Council for approval by 31 May 2023	N/A	N/A	N/A	IT Governance Framework reviewed and submitted to Council for approval by 31 May 2023	Corporate Services	Reviewed IT Governance Framework and Council Res.	
Financial Viability & Management:																	
Municipal Goal: Ensure sound financial management and accountability.																	
	Revenue	Ensure the Municipal Revenue Streams are optimised	24	Revenue collection	N/A	N/A	N/A	% of collection Rate on billing by 30 June 2023	percentage (%)		92% of collection Rate on billing on by 30 June 2023	92% of collection Rate on billing on by 30 Sep 2022	92% of collection Rate on billing on by 31 Dec 2022	92% of collection Rate on billing on by 31 March 2023	92% of collection Rate on billing on by 30 June 2023	Financial Services	Billing report

SDBIP Ref No.	Focus Area	Development Objectives	IDP Ref. No.	Project	Ward	Budget	Funding Source	Key Perf. Indicator/ Performance Measure	Unit of Measure	Baseline	Annual Target	Quarterly Targets				Res. Dept.	Portfolio of Evidence
												Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target		
												01 Jul 2022 – 30 Sep 2022	01 Oct 2022 – 31 Dec 2022	01 Jan 2023 – 31 March 2023	01 April 2023 – 30 June 2023		
				Revenue collection	N/A	N/A	N/A	% of the collection on the outstanding debtors by 30 June 2023	percentage (%)		92% of collection Rate on by 30 June 2023	92% of collection Rate on billing on by 30 Sep 2022	92% of collection Rate on billing on by 31 Dec 2022	92% of collection Rate on billing on by 31 March 2023	92% of collection Rate on by 30 June 2023		Debtors age analysis
	Expenditure	To ensure effective expenditure control	25	Expenditure control	N/A	N/A	N/A	% of Service Providers paid within 30 days	percentage (%)		30% of Service Providers paid within 30 days by 30 June 2023	30% of Service Providers paid within 30 days by 30 Sep 2022	30% of Service Providers paid within 30 days by 31 Dec 2022	30% of Service Providers paid within 30 days by 31 March 2023	30% of Service Providers paid within 30 days by 30 June 2023		Copy of Expenditure Reports & Age analysis
Expenditure control				N/A	N/A	N/A	Percentage of capital budget actually spent on capital projects by 30 June 2023	percentage (%)		100% of capital budget actually spent on capital projects by 30 June 2023	30% of capital budget actually spent on capital projects by 30 Sep 2022	50% of capital budget actually spent on capital projects by 31 Dec 2022	80% of capital budget actually spent on capital projects by 31 March 2023	100% of capital budget actually spent on capital projects by 30 June 2023		Copy of Expenditure Report	
				N/A	N/A	N/A	Percentage of households on Indigent Register with access to free basic services by 30 June 2023	percentage (%)		100% of households on Indigent Register with access to free basic services by 30 June 2023	100% of households on Indigent Register with access to free basic services by 30 Sep 2022	100% of households on Indigent Register with access to free basic services by 31 Dec 2022	100% of households on Indigent Register with access to free basic services by 31 March 2023	100% of households on Indigent Register with access to free basic services by 20 June 2023	Financial Services	Free Basic Services Report	
	SCM	To strengthen the Supply Chain Unit and Processes	26	Procurement plan adoption	N/A	N/A	N/A	Adoption (by Date) of Procurement Plan by 30 June 2023	Date		Procurement Plan adopted by 30 June 2023	N/A	N/A	Draft Procurement Plan in place by 31 March 2023	Procurement Plan adopted by 30 June 2023		Copy of Council Resolution & Procurement Plan
				Submission of expenditure on (UIFW) report to MPAC	N/A	N/A	N/A	Number of reports submitted to MPAC by 30 June 2023	Number		4(four) reports submitted MPAC by 30 June 2023	1(one) report submitted MPAC by 30 Sep 2022	2(two) reports submitted MPAC by 31 Dec 2022	3(three) reports submitted MPAC by 31 March 2023	4(four) reports submitted MPAC by 30 June 2023		(MPAC Agenda) Proof of submission Expenditure report
				SCM Policy review	N/A	N/A	N/A	Date SCM Policy reviewed and adopted by 31 May 2023	Date		SCM Policy reviewed and adopted by 31 May 2023	N/A	N/A	N/A	SCM Policy reviewed and adopted by 31 May 2023		SCM Policy & Council Resolution
	Assets	To Maintain Fixed Assets of the Municipality	27		N/A	N/A	N/A	Number of verifications undertaken by 30 June 2023	Number		2(two) quarterly verification of inventory undertaken by 30 June 2023		1(one) quarterly verification of inventory undertaken by 31 Dec 2022		2(two) quarterly verification of inventory undertaken by 30 June 2023		Copy of the Updated Asset Register

SDBIP Ref No.	Focus Area	Development Objectives	IDP Ref. No	Project	Ward	Budget	Funding Source	Key Perf. Indicator/ Performance Measure	Unit of Measure	Baseline	Annual Target	Quarterly Targets				Res. Dept.	Portfolio of Evidence
												Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target		
												01 Jul 2022 – 30 Sep 2022	01 Oct 2022 – 31 Dec 2022	01 Jan 2023 – 31 March 2023	01 April 2023 – 30 June 2023		
	Financial Reporting	Ensure that financial reporting conforms to all legal and institutional requirements	28		N/A	N/A	N/A	Date Final Budget Process Plan developed and submitted to Council for approval	Date		Final Budget Process Plan developed and submitted to Council for approval by 31 Aug 2022	Final Budget Process Plan developed and submitted to Council for approval by 31 Aug 2022	N/A	N/A	N/A		Final Budget Process Plan and Council Agenda Extract
					N/A	N/A	N/A	Date Draft 2023/24 Budget developed and submitted to Council for noting	Date		Draft 2023/24 Budget developed and submitted to Council for noting by 31 March 2023	N/A	N/A	Draft 2023/24 Budget developed and submitted to Council for noting by 31 March 2023	N/A	Financial Services	Copy of Council Resolution
					N/A	N/A	N/A	Date Final 2023/24 Budget adopted by Council	Date		Final 2023/24 Budget adopted by 31 May 2023	N/A	N/A	N/A	Final 2022/23 Budget adopted by 31 May 2023		Copy of Council Resolution
					N/A	N/A	N/A	Number of Sec.71 Reports submitted to the mayor by 30 June 2023	Number		12(twelve) sec.71 Reports submitted to the mayor by 30 June 2023	3(three) sec.71 Reports submitted to the mayor by 30 Sep 2022	6(six) sec.71 Reports submitted to the mayor by 31 Dec 2022	9(nine) sec.71 Reports submitted to the mayor by 31 March 2023	12(twelve)sec.71 Reports submitted to the mayor by 30 June 2023		Copy of Council Resolution
					N/A	N/A	N/A	Date Sec. 72 Reports submitted to the Mayor, National Treasury and Provincial Treasury	Number		Sec. 72 Reports submitted to the Mayor, National Treasury, and Provincial Treasury by 25 Jan 2023	N/A	N/A	Sec. 72 Reports submitted to the Mayor, National Treasury and Provincial Treasury by 25 Jan 2023	N/A		Sec 72 Report, proof of submissions
					N/A	N/A	N/A	Number of Sec. 52(d) Reports submitted to Council by 30 June 2023	Number		4(four) sec 52(d) reports submitted to Council by 30 June 2023	1(one) sec 52(d) reports submitted to Council by 30 Sep 2022	2(two) sec 52(d) reports submitted to Council by 31 Dec 2022	3(three)sec 52 reports submitted to Council by 31 March 2023	4(four) sec 52(d) reports submitted to Council by 30 June 2023		Copy of Council Resolution & Sec 52(d) report
					N/A	N/A	N/A										

KPA: Good Governance and Community Participation

Municipal Goal: Ensure transparency, accountability, and community involvement in municipal affairs.

SDBIP Ref No.	Focus Area	Development Objectives	IDP Ref. No	Project	Ward	Budget	Funding Source	Key Perf. Indicator/ Performance Measure	Unit of Measure	Baseline	Annual Target	Quarterly Targets				Res. Dept.	Portfolio of Evidence
												Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target		
												01 Jul 2022 – 30 Sep 2022	01 Oct 2022 – 31 Dec 2022	01 Jan 2023 – 31 March 2023	01 April 2023 – 30 June 2023		
	Communications and Customer Satisfaction	To revive and strengthen Communications by 2027	29	Communication Strategy				Date Communication Strategy developed	Date		Communication Strategy developed by 31 March 2023	N/A	N/A	Communication Strategy developed by 31 March 2023	N/A		Copy of Council Resolution and Communication Strategy
	Internal Audit	To provide assurance on the effectiveness of governance, risk management, and internal control by 2027	31	AG Action Plan				Date 2021/22 AG Action Plan developed	Date		2021/22 AG Audit Action Plan developed by 31 Jan 2023	N/A	N/A	2021/22 AG Audit Action Plan developed by 31 Jan 2023	N/A	Executive Dept.	AG Action Plan
Audit Action plan implemented							Percentage of 2021/22 AG Audit Action plan implemented by 30 June 2023	Percentage (%)		50% of 2021/22 AG Audit Action plan implemented by 31 March 2023	N/A	N/A	80% of 2021/22 AG Audit Action plan implemented by 31 March 2023	100% of 2021/22 AG Audit Action plan implemented by 30 June 2023	2021/22 AG Action Plan Progress Report		
Audit Committee				32	Audit Committee Reports				Number of Audit Committee Reports Submitted to Council by 30 June 2023	Number		4(Four) Audit Committee Reports Submitted to Council by 30 June 2023	1(one) Audit Committee Reports Submitted to Council by 30 Sep 2022	2(two)Audit Committee Reports Submitted to Council by 31 Dec 2022	3(three)Audit Committee Reports Submitted to Council by 31 March 2023		4(four) Audit Committee Reports Submitted to Council by 30 June 2023
	Integrated Development Planning	To ensure effective decision-making, budgeting and management of resources	34	IDP/Budget Process Plan	N/A	N/A		Date IDP/Budget Process Plan developed and submitted to Council for approval	Date		IDP/Budget Process Plan developed and submitted to Council for approval by 30 Sep 2022	IDP/Budget Process Plan developed and submitted to Council for approval by 30 Sep 2022	N/A	N/A	N/A	Executive Support	IDP/Budget Process Plan & Council Resolution
				Draft IDP	N/A	N/A		Date Draft IDP 2023/24 reviewed and submitted to Council for noting	Date		Draft IDP 2023/24 reviewed and submitted to Council for noting by 31 March 2023	N/A	N/A	Draft IDP 2023/24 reviewed and submitted to Council for noting by 31 March 2023		Development Planning	Extract of Council agenda & Council Resolution
				Final IDP	N/A	N/A		Date Final IDP 2022/23 reviewed and submitted to Council for approval	Date		Final IDP 2022/23 reviewed and submitted to Council for approval by 31 May 2023	N/A	N/A	N/A	Final IDP 2022/24 reviewed and submitted to Council for approval by 31 May 2023	Development Planning	Council Resolution & Council Agenda extract

SDBIP Ref No.	Focus Area	Development Objectives	IDP Ref. No	Project	Ward	Budget	Funding Source	Key Perf. Indicator/ Performance Measure	Unit of Measure	Baseline	Annual Target	Quarterly Targets				Res. Dept.	Portfolio of Evidence
												Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target		
												01 Jul 2022 – 30 Sep 2022	01 Oct 2022 – 31 Dec 2022	01 Jan 2023 – 31 March 2023	01 April 2023 – 30 June 2023		
	Performance Management	To promote a system of transparency and accountability within the municipality	35	Quarterly Performance Reports	N/A	N/A	N/A	Number of Quarterly Performance Reports submitted to Council by 30 June 2023	Number		4(four) Quarterly Performance Reports submitted to Council by 30 June 2023	1(one) Quarterly Performance Reports submitted to Council by 30 Sep 2022	2(two) Quarterly Performance Reports submitted to Council by 31 Dec 2022	3(three) Quarterly Performance Reports submitted to Council by 31 March 2023	4(four) Quarterly Performance Reports submitted to Council by 30 June 2023	Executive Dept.	Council Resolution & Council Agenda extract
Quarterly Performance reviews				N/A	N/A	N/A	Number of Quarterly Performance reviews conducted by 30 June 2023	Number		4(four) Quarterly reviews conducted by 30 June 2023	1(one) Quarterly reviews conducted by 30 Sep 2022	2(two) Quarterly reviews conducted by 31 Dec 2022	3(three) Quarterly reviews conducted by 31 March 2023	4(four) Quarterly reviews conducted by 30 June 2023	Attendance Register		
PMS Policy Framework review				N/A	N/A	N/A	Date PMS Policy Framework reviewed and submitted to Council for approval	Date		PMS Policy Framework reviewed and submitted to Council for approval by 30 June 2023	N/A	N/A	N/A	PMS Policy Framework reviewed and submitted to Council for approval by 30 June 2023	Council Resolution & Council Agenda extract		
Annual Performance Report				N/A	N/A	N/A	Date Annual Performance Report submitted to Auditor General SA	Date		Annual Performance Report submitted to Auditor General SA by 31 Aug 2022	Annual Performance Report submitted to Auditor General SA by 31 Aug 2022	N/A	N/A	N/A	Council Resolution & Council Agenda extract		
Annual Report preparation				N/A	N/A	N/A	Date 2021/22 Annual Report completed and submitted to Council			2021/22 Annual Report completed and submitted to Council by 31 Jan 2023	N/A	N/A	2021/22 Annual Report completed and submitted to Council by 31 Jan 2023	N/A	N/A		Council Resolution & Council Agenda extract

Social and Local Economic Development:

Municipal Goal: promote socio-economic growth and job opportunities.

	Agriculture	Unleashing agricultural potential in Abaqulusi by 2027	38	Agricultural Forums		N/A		Number of Agri-forums held by 30 June 2023	Number	4	2(two) Agri-forums held by 30 June 2023	N/A	1 Agri-forums held by 31 Dec 2022	N/A	2(two) Agri-forums held by 30 June 2023		Attendance Register/ Minutes
				Agricultural Cooperatives		N/A		Number of Agricultural cooperatives supported by 30 June 2023	Number	1	2(two) Agricultural cooperatives supported by 30 June 2023		1(one) Agricultural cooperatives supported by 31 Dec 2022	N/A	1(one) Agricultural cooperatives supported by 30 June 2023	Dev Planning	Copy of Proof of Registration

SDBIP Ref No.	Focus Area	Development Objectives	IDP Ref. No	Project	Ward	Budget	Funding Source	Key Perf. Indicator/ Performance Measure	Unit of Measure	Baseline	Annual Target	Quarterly Targets				Res. Dept.	Portfolio of Evidence
												Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target		
												01 Jul 2022 – 30 Sep 2022	01 Oct 2022 – 31 Dec 2022	01 Jan 2023 – 31 March 2023	01 April 2023 – 30 June 2023		
	SMME's and Job Creation	Continuous assistance of entrepreneurship and job creation by 2027	39	SMME Training	N/A	N/A	internal	Number of SMME trainings and workshops conducted by 30 June 2023	Number	3	2(two) SMME training and workshops conducted by 30 June 2023	N/A	1(one) SMME training and workshops conducted by 31 Dec 2022	N/A	2(two) SMME trainings and workshops conducted by 30 June 2023	Dev Planning	Attendance Register/ Minutes
	Tourism		41	Review and adoption of Tourism Strategy	N/A		N/A	Adoption (by Date) of Tourism Strategy by 31 May 2023	Date of adoption	Draft in Place	Tourism Strategy adopted by 31 May 2023	N/A	N/A	N/A	Tourism Strategy adopted by 31 May 2023	Dev Planning	Copy of Council Resolution
	Economic growth	Promote economic development by 2027	42	Review and adoption of LED Strategy	N/A		N/A	Adoption (by Date) of LED Strategy by 30 June 2023	Date of adoption	Draft in Place	LED Strategy adopted by 30 June 2023	N/A	N/A	N/A	LED Strategy adopted by 30 June 2023	Dev Planning	Copy of Council Resolution
	Arts and culture	Promote Library Services Programmes	46	Conduct outreach programme	N/A			Number of Library outreach programmes conducted by 30 June 2023	Number		4(four) Library outreach programmes conducted by 30 June 2023	1(one)Library outreach programmes conducted by 30 Sep 2022	2(two) Library outreach programmes conducted by 31 Dec 2022	3(three)Library outreach programmes conducted by 31 March 2023	4(four)Library outreach programmes conducted by 30 June 2023	Community Services	Report
Conduct outreach programmes				N/A			Number of museum outreach programmes conducted by 30 June 2023	Number		4(four) museum outreach programmes conducted by 30 June 2023	1(one) museum outreach programmes conducted by 30 Sep 2022	2(two) museum outreach programmes conducted by 31 Dec 2022	3(three) museum outreach programmes conducted by 31 March 2023	4(four) museum outreach programmes conducted by 30 June 2023	Community Services	Report	
	Safety and Security	Enhancing safety and security by 2027	50	DTLC Transactions				Number of transactions processed at DLTC by 30 June 2023	Number		80 000(eighty thousand) transactions processed at DLTC by 30 June 2023	20 000(twenty thousand) transactions processed at DLTC by 30 Sep 2022	40 000(fourty thousand) transactions processed at DLTC by 31 December 2022	60 000(sixty – thousand) transactions processed at DLTC by 30 March 2023	80 000(eighty thousand) transactions processed at DLTC by 30 June 2023	Community Services	Transaction report
				Motor licensing				Number of transactions processed at Motor licensing by 30 June 2023	Number		80 000 (eighty thousand) transactions processed at motor licensing by 30 June 2023	20 000 twenty thousand) transactions processed at Motor licensing by 30 Sep 2022	40 000 (fourty thousand) transactions processed at Motor licensing by 31 Dec 2022	60 000(sixty – thousand) transactions processed at Motor licensing by 30 March 2023	80 000 eighty thousand) transactions processed at Motor licensing by 30 June 2023		
				Conduct Road Blocks				Number of roadblocks held by 30 June 2023	Number		12(twelve) roadblocks held by 30 June 2023		3(three) roadblocks held by 30 Sep 2022	6(three)roadblocks held by 31 Dec 2022	9(nine)roadblocks held by 31 March 2023	12(twelve) roadblocks held by 30 June 2023	

KPA: Cross-Cutting Interventions

Municipal Goal: to redress the spatial imbalances and promote sustainable environmental planning

SDBIP Ref No.	Focus Area	Development Objectives	IDP Ref. No	Project	Ward	Budget	Funding Source	Key Perf. Indicator/ Performance Measure	Unit of Measure	Baseline	Annual Target	Quarterly Targets				Res. Dept.	Portfolio of Evidence
												Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target		
												01 Jul 2022 – 30 Sep 2022	01 Oct 2022 – 31 Dec 2022	01 Jan 2023 – 31 March 2023	01 April 2023 – 30 June 2023		
	Town Planning	To ensure effective management of current and desirable land uses by 2027	51	Spatial Development Framework (SDF)	All	N/A	-	Adoption (by Date) of Spatial Development Framework	Date	N/A	SDF adopted by 31 May 2023	N/A	N/A	N/A	SDF adopted by 31 May 2023	Dev Planning	Copy of Council Resolution
SHOBA Township Establishment				7	Internal	Completion (by Phase) of Shoba Township Establishment by 30 June 2023	Phase	N/A	Phase 5 of SHOBA Township Establishment completed by 30 June 2023(Town Planning Approval)	N/A	N/A	N/A	Phase 5 of SHOBA Township Establishment completed by 30 June 2023(Town Planning Approval)	Dev Planning	Copy of Progress Report		
	Building Inspectorate	To ensure the sustainability of the built environment by 2022	53	built environment workshops				Number of built environment workshops held by 30 June 2023	Number	N/A	2(two) built environment workshops to be held by 30 June 2023	N/A	1 (one) built environment workshop to be held by 31 Dec 2022	N/A	2(two) built environment workshops to be held by 30 June 2023	Dev Planning	Attendance Register
	Environmental Management	Establish and promote a healthy environment in AbaQulusi by 2027	55	Waste Management Plan	N/A			Date Waste Management Plan developed and adopted by Council by 30 June 2023	Date		Waste Management Plan developed and adopted by Council by 30 June 2023	N/A	N/A	N/A	Management Plan adopted by 30 June 2023	Community Services	Report

Section H: Organisational Performance Management

1. Introduction

The Municipal Planning and Performance Management Regulations (2001) stipulate 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, organized and managed, including determining the roles of the different role-players”.

The Abaqulusi LM currently has in place an adopted Performance Management Framework which is aligned to the abovementioned. This Framework sets the basis as to what the performance requirements are for the Organisation and Individuals. The framework acts as a municipal policy document that defines its performance management system. It constitutes Council policy with regards to:

- The requirements that a PMS for the Municipality will need to fulfil,
- The principles that will inform its development and application,
- A model that describes what areas of performance will be managed, in the Municipality

- What processes will be followed in managing performance
- What institutional arrangements are necessary for this
- Who will take responsibility for parts of the system
- How this links to S54 and S56 Performance agreements
- How S54 Managers will have their performance managed

However, in order to have a fully effective Performance Management System in place, a municipality requires the following:

- i. A Final Council Adopted Integrated Development Plan (Strategic)
- ii. A Final Council Adopted Municipal Budget (Financial)
- iii. A Final signed Service Delivery Budget Implementation Plan (Implementation)
- iv. Quarterly, Half-year and Annual Performance Reports (Monitoring)
- v. Performance Audit Committee (Evaluation)

2. Abaqulusi Municipality's Performance Standard Operating Procedures

2.1 Phases of Performance Management

Planning

The Planning Phase of an effective Performance Management System (PMS) begins with the Municipal Integrated Development Plan (IDP). A municipal IDP is a 5 year Strategic Plan that guides the Planning, Budgeting and Management processes within a municipality.

Implementation

The Implementation Phase of Performance Management can be viewed as two-fold which utilises 2 key tools within a municipality, ie. the Municipal Budget and the Service Delivery Budget Implementation Plan (SDBIP).

This phase also entails the conclusion of Performance Agreements, Performance Plans and Personal Development Plans for S54/56 Managers within the municipality.

Monitoring

Monitoring of a Performance Management System is undertaken by the Municipal Council which further delegates the function to the Municipal Manager (Accounting Officer within a municipality). Thereafter, the PMS is directly applied to the Municipal Manager (S54) and all Managers directly accountable to the Municipal Manager (S56).

The primary tool utilised to monitor performance is the municipal SDBIP which in essence is the one-year Implementation Plan of a municipality and is a by-product of the Municipal IDP and Budget.

The monitoring process is done via the submission of Quarterly Reports, Half-year Report and Annual Performance Report along

with the relevant Portfolio of Evidence (POE) to support all achievements or targets that are contained within the SDBIP.

Evaluation

Evaluating Performance of a municipality is also considered to be two-fold: this includes Informal and Formal Reviews of a specific quarter that has concluded. Evaluating Performance only applies to the Municipal Manager and all Managers that report directly to the Municipal Manager as these are officials that have entered into a Performance Agreement. Informal Reviews (Verbal) are conducted in the 1st and 3rd Quarter while Formal Reviews (Documented/Written) are conducted in the 2nd and 4th Quarter.

The review of Performance for the Municipal Manager is undertaken by the Honourable Mayor of a municipality and the review of Performance for all S56 Managers is undertaken by the Municipal Manager.

Upon the conclusion of a financial year, the Municipal Manager and all S56 Managers are further Assessed by the Municipal Performance Evaluation Committee, which determines if they qualify for a Performance Bonus or not.

Reporting

Reporting of Performance is very critical within a municipality as this will determine the progress that is made towards achieving the goals of a municipality as set out within the SDBIP. Performance reporting must be done at least twice a year to a Municipal Council/Auditor

General/Treasury. These reports must include the Half-Year and Annual Performance of the municipality.

2.2 Documenting a Performance Management System (Departmental Quarterly Reports, Portfolio of Evidence and Internal Audit Report)

Process	Activity	Responsibility	Time-frame
Compilation	All Departments are to complete their quarterly reports in terms of the SDBIP in a standard prescribed format.	Directors and Managers	Within 5 days after the quarter has ended
Collection	Portfolio of Evidence is to be collected in support of all reported Targets that have being Achieved/Met	Managers	Within 10 days after the quarter has ended
Verification	Directors are to validate, verify and sign of Confirmation Certificate to ascertain all reported information prior to submission	Directors	Within 15 days after the quarter has ended
Submission	Departments are to submit departmental quarterly reports together with their	Directors	Within 15 days after the quarter has ended

	POEs to Performance Management Unit.		
Consolidation	PMS Unit to consolidate all departments quarterly reports and prepare the Municipal Qualitative and Quantitative Performance Management Quarterly Report and submit to Internal Audit	PMS Manager	Within 20 days after the quarter has ended
Auditing Process	Internal Audit to audit all quarterly Reports together with POE	Internal Audit Manager	Within 40 days after the quarter has ended
Feed-back	Internal Audit Report on Performance of Information submitted to Municipal Manager and All Departments	Internal Audit Manager	Within 50 days after the quarter has ended
Implementation of Corrective Measures	Municipal Manager to monitor the implementation of the Corrective Measures as identified in the Internal Audit Report	Municipal Manager	Within 90 days after the quarter has ended

Section I: Annexures

Annexure I 1: Spatial Development Framework

Annexure I 2: Disaster Management Sector Plan

Annexure I 3: Organogram

Annexure I 4: Community Wish List

Annexure I 5: Housing Sector Plan

Annexure I 6: LED Strategy

Annexure I 7: Indigent Register