

01 July 2018 – 30 June 2019



2018/19



ANNUAL REPORT
2018/ 19

1ST DRAFT

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LEGISLATIVE PROVISIONS

Section 121 of the Local Government: Municipal Finance Management Act 56 of 2003 (MFMA) read with circular 63 of the MFMA Act No 56 of 2003 of the stipulates that “

Every municipality and every municipality entity must for each financial year prepare an annual report in accordance with this Chapter. The council of a municipality must within nine months after the end of a financial year deal with the annual report of the municipality and of any municipal entity under the municipality's sole or shared control in accordance with section 129.

The purpose of an annual report is-

- To provide a record of activities of the municipality or municipal entity during the financial year to which the report relates;
- To provide a report on performance against the budget of the municipality or municipal entity for that financial year; and
- To promote accountability to the local community for the decision made throughout the year by the municipality or municipality entity

The annual report of the municipality must include-

- The annual financial statements of the municipality, and in addition, if section 122 (2) applies, consolidated annual financial statements, as submitted to the Auditor General for audit in terms of section 126 (1);
- The Auditor General report in terms of section 126 (3) on those financial statements.
- The annual performance report of the municipality prepared by the municipality in terms of section 46 of the Municipal System Act;
- The Auditor General's audit report in terms of section 45 (b) of the Municipal Systems Act.
- An assessment by the municipality 's accounting officer of any arrears on municipal taxes and service charges;
- An assessment by the municipality's accounting officer of the municipality's performance against the measurable performance objectives referred to in section 17 (3) (b) for revenue collection from each revenue sources and for each vote in the municipality's approved budget for the relevant financial year;
- Particulars of any corrective action taken or to be taken in response to the issues raised in the audit reports referred to in paragraphs (b) and (d)

- Any explanation that maybe necessary to clarify issues that in connection with the financial statements;
- Any information as determined by the municipality;
- Any recommendations of the municipality's audit committee; and
- Any other information as may be prescribed.
- To provide a report on performance against the budget of the municipality or municipal entity for that financial year; and
- To promote accountability to the local community for the decision made throughout the year by the municipality or municipality entity

ABREVIATIONS

AG	Auditor General
CBP	Community Based Planning
COGTA	Cooperative Governance and Traditional Affairs
CWP	Community Works Programme
B2B	Back to Basics
EPWP	Expanded Public Works Programme
ExCom	Executive Committee
GIS	Geographic Information System
HIV/AIDS	Human Immuno-Deficiency Virus/Acquired Immune Deficiency Syndrome
ICT	Information Communication Technology
IDP	Integrated Development Plan
IA	Internal Audit
IWMP	Integrated Waste Management Plan
KPA	Key Performance Area
KPI	Key Performance Indicator
KZN	KwaZulu – Natal
LED	Local Economic Development
MEC	Member of Executive Council
MIG	Municipal Infrastructure Grant
MPAC	Municipal Public Accounts Committee
MSCOA	Municipal Standard Chart of Accounts
MTEF	Medium Term Expenditure Framework
PMS	Performance Management System
PMU	Project Management Unit
SDF	Spatial Development Framework
SEA	Strategic Environmental Assessment
SDBIP	Service Delivery and Budget Implementation Plan
IDP RF	Integrated Development Plan Representative Forum

CHAPTER 1. MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

BACKGROUND

The AbaQulusi Municipality's Annual Report has been developed according to the provisions of Section 121 of the Municipal Finance Management Act (MFMA), 56 of 2003 and Section 46 of the Local Government: Municipal Systems Act (MSA), 32 of 2000. According to the National Treasury guidelines for the preparation of the Annual Report, the report should comprise of a number of chapters to reflect the key activities undertaken within the organisation during the year under review.

In presenting this report for the financial year ended 30 June 2019, the municipality acknowledge progress made during the 2018/2019 financial year and the challenges that lie ahead. A detailed account of all the challenges and remedial actions going forward have been provided within this report

MAYOR'S MESSAGE



I wish to humbly present the Annual Report of Abaqulusi Municipality which seeks to provide a record of activities during the year 2018/19 in terms of section 121 of the Local Government Municipal Finance Management Act 56 of 2003.

The report typically deals with the Municipality's achievements in the year under review and, in so doing hopefully assists in identifying our successes, failures, and challenges. This report is therefore intended to attest to the combined efforts of the administrative and political leadership of the Municipality to gradually address fair and realistic expectations of our residents.

Whilst varied challenges still confront our Municipality, we have made strides in delivering on the main objectives of the Municipality.

Vision

The municipality is guided by its long-term vision and commits to it on annual basis and will continue to be a progressive, prosperous and sustainable economic hub of Zululand. To fulfil its vision, the SDBIP serves the annual implementation of the objectives outlined in the IDP.

Good Governance

The municipality had all its political governance structures in place during the year i.e. Council, Executive Committee and portfolio committees in terms section 79 of the Local Government Municipal Structures Act and each Portfolio committees undertook their responsibility in line with the national key performance areas.

Administrative Capacity

The municipality relies on the management to implement its strategic plan (IDP) through (Service Delivery and Budget Implementation Plan (SDBIP)). During the year under review the municipality did not have full capacity on senior management, two positions for Director Technical Services and Director Community Services were vacant. This has therefore impacted negatively on service delivery

Public Participation

AbaQulusi Municipality consider public participation as important and engaged the communities at ward level to identify needs and priorities of our people. The IDP Roadshows served as a platform for this purpose and were undertaken in April and May 2018. Over and above the councillors had been in constant consultation with communities to improve transparency and accountability on municipal affairs.

Whilst the municipality experienced challenges in 2018/19 it is also noted that there were some

achievement to pride of, AbaQulusi obtained unqualified audit opinion from Auditor General and this would not have been possible a mind of singleness from all our systems and structures.

I wish to express my sincere gratitude to councillors, officials and residents of AbaQulusi for their dedication, support and cooperation to improve service delivery within our area.

**CLLR. MC MAPHISA
ACTING MAYOR**

MUNICIPAL MANAGER'S OVERVIEW

The Annual Report is culmination of the council's five-year Integrated Development Plan (IDP). The IDP was adopted in 2017 and is reviewed annually. Guided by section 121 of the Local Government Municipal Finance Management Act 56 of 2003, AbaQulusi municipality proudly present its annual report which is reflection of the past year record of activities of the municipality, performance against the budget of the municipality and promoting accountability to the local community for the decision made throughout the year by the municipality

The municipality has ensured alignment of Services through Reviewed IDP 2018/19 and Service Delivery and Budget implementation (SDBIP) which is our tool to ensure that priorities of AbaQulusi are met as set out in the IDP

Year 2018/19 was a difficult year for AbaQulusi in municipal performance as most the targets set on each Key Performance Area regressed due to the fact that the municipality did not have full capacity on Senior Management team. To improve service delivery the management will work tirelessly irrespective of the existing challenges.

The performance on each Key Performance Areas is articulated broadly in the attached performance report where achievements on the set targets have been indicated with corrective measures on areas needing attention.

Service Delivery in both urban and rural was a priority in the year under review with focus on the following

- road construction and infrastructure maintenance, to expand accessibility in various wards, road construction and causeway was undertaken during 2019.
- Maintenance existing network electricity in urban and rural areas
- Expansion of electrical accessibility
- Expand accessibility and maintenance of Community Halls in various ward
- Early Childhood Development was enhanced with construction of crèches in various wards
- Basic level of refuse removal was provided to all wards

It is also important to note that in spite of the existing challenges the municipality was able to obtain unqualified audit opinion and I wish to convey my appreciation for the support to the staff whom without not much could be achieved, also the word of appreciation goes to the management team, honourable Councillors for always providing the strategic direction needed in achieving our vision, AbaQulusi will not be the same with efforts and commitment from all stakeholders in development of our area.

ZT SHONGWE
ACTING MUNICIPAL MANAGER

CHAPTER 1: EXECUTIVE SUMMARY

This report addresses the performance of the AbaQulusi for the period 01 July 2018 to 30 June 2019 in respect of its core legislative obligations. Local government must create the participatory framework that defines and enhances the relationship between elected leaders and their communities. This requires that the council of the municipality provides regular and predictable reporting on programme performance and the general state of affairs in their locality.

Vision and Mission

VISION

To be the progressive, prosperous and sustainable economic hub of Zululand by 2035

MISSION

It is envisaged that the municipal vision will be achieved by:

By creating a conducive environment focused on Agricultural, Industrial and Tourism Development in order to attract Investment and Provision of Basic Service Delivery

1.1 BACKGROUND AND SPATIAL CONTEXT

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 22 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, moving from 211060 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 Map below spatially depicts the AbaQulusi Municipality's location within the Zululand District Municipality and the KwaZulu-Natal Province.

Legend

- Other Minor Routes
- N11
- N2
- N3
- Zululand District Municipality
- Amajuba District Municipality
- Sisonke District Municipality
- Ugu District District Municipality
- Umgungundlovu District Municipality
- Umkhanyakude District Municipality
- Umzinyathi District Municipality
- Uthukela District Municipality
- eThekweni Municipality
- Lenbe District Municipality
- uThungulu District Municipality
- Gert Sibande District Municipality

Map Labels:

- Umkhanyakude District
- N2
- Zululand District
- Umzinyathi District
- uThungulu District
- Umzinyathi District
- N2
- eDumbe Municipality
- uPhongolo Municipality
- Nongoma Municipality
- Ulundi Municipality
- Abaqulusi Local Municipality
- N3
- Umgungundlovu District
- eTHEKWINI METRO
- Ugu District
- Uthukela District
- Amajuba District
- N11
- Gert Sibande District
- Harry Gwala District
- N2

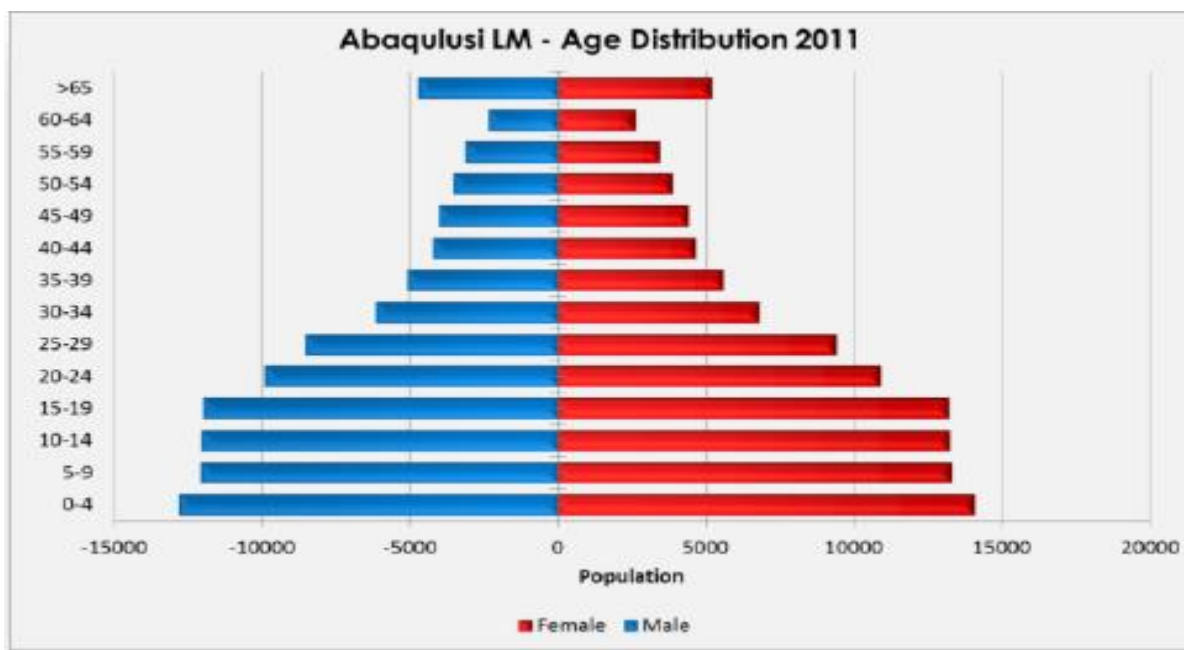
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1.2 DEMOGRAPHIC PROFILE

The population of AbaQulusi has been growing steadily since 2001. From 2001 (191 019) to 2011 (211 032) the population of the municipality increased by 20 013 as per Census 2011, with a 1% growth rate per annum. The population density of AbaQulusi Local Municipality as expressed in terms of households per hectare depicts that the population within the municipality is not evenly distributed, within a high population density clustered around the main centre of Vryheid. There is a lower population concentration in the smaller urban centres of Hlobane, Louwsburg, eMondlo and Gluckstadt, while the outlying areas of Dlodlomo, Khambi, Bhukumthutu, Gwebu, Ezibombu, Ezidulini, and Mvuzini all have an even lower population density. The full breakdown of the AbaQulusi population distribution per ward is as follows:

Table 1 Population of AbaQulusi (2001 - 2011)

Age groups and gender



Population by ward

WARD	POPULATION	WARD	POPULATION
1	10008	12	12708
2	8520	13	14253
3	11175	14	8604
4	6978	15	8103
5	10755	16	9417
6	10335	17	11889
7	10944	18	8085
8	4830	19	7437
9	6351	20	11124
10	2703	21	12603
11	11358	22	12852
Total		211 032	

Source: Census 2011

1.2.1 ABAQULUSI KEY STATISTICS

Table 02: Key statistics

DETAIL	STATISTICS	DETAIL	STATISTICS
<i>Total population</i>	211,060		
<i>Young (0-14)</i>	36,7%	<i>Matric aged 20+</i>	28%
<i>Working Age (15-64)</i>	58,6%	<i>Number of households</i>	43299
<i>Elderly (65+)</i>	4,7%	<i>Number of Agricultural households</i>	16,838
<i>Dependency ratio</i>	70,5	<i>Average household size</i>	4.6
<i>Sex ratio</i>	90,9	<i>Female headed households</i>	50%
<i>Growth rate</i>	1% (2001-2011)	<i>Formal dwellings</i>	78.8%
<i>Population density</i>	50 persons/km2	<i>Housing owned/paying off</i>	66.6%
<i>Unemployment rate</i>	35,4%	<i>Flush toilet connected to sewerage</i>	40.9
<i>Youth unemployment rate</i>	45,1%	<i>Weekly refuse removal</i>	41,5%
<i>No schooling aged 20+</i>	16,9%	<i>Piped water inside dwelling</i>	38,8%
<i>Higher education aged 20+</i>	6,6%	<i>Electricity for lighting</i>	72.1%

The demographics within AbaQulusi Municipality as per STATS SA Community Survey 2016 is as follows:

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

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

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

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

1.3 SERVICE DELIVERY OVERVIEW

1.3.1 SERVICE DELIVERY HIGHLIGHTS

The table below specifies the basic service delivery highlights for the year:

HIGHLIGHTS	WARD
Gravelling Mpongoza Road	4
Upgrading of Cecil Emmet Hall	8
Construction of Ezingadini Causeway at 81% by 30 June 2019	20
Upgrading of Coronation Hall	6
294 New Households Connected	8
Provision of access to Basic Level of Electricity to 25423 households	All wards
Provision of access to Basic Level of Sanitation to 19710 households	All wards
Provision of access to Basic Level of Water to 8121 households	All wards
Provision of access to Basic Level of Refuse Removal to 15681 households	All wards

Most of the planned projects could not be completed in time some projects were still under construction due to various challenges experienced by AbaQulusi Municipality during the year.

1.4 FINANCIAL HEALTH OVERVIEW

The municipality began the financial year with a cash balance of 11,9 million

FINANCIAL OVERVIEW – 2018/19			
R'000			
Income	Original Budget	Adjustment Budget	Actual
Grants	(200,564)	163,596	182,810
Taxes, Levies and Tariffs	(102,536)	247,876	264,190
Other	(514)	896	2,072
Subtotal	(303,614)	412,368	449,072
Less expenditure	(342,869)	(561,706)	(593,265)
Net Total	(646,483)	(149,338)	(144,193)
* Note: Surplus/(deficit)			

OPERATING RATIOS	
DETAILS	
Employee cost	24%
Repairs and Maintenance	1.5%
Finance charges and depreciation	13%

COMMENT ON OPERATING RATIOS

Employee related cost is 24% of total operating expenditure while the norm recommended by National treasury is between 30% and 35%. Repairs and Maintenance must be 6% of operating budget in terms of the norm by National Treasury while the municipality is sitting at 1.5%. It must be mentioned that another huge portion of repairs and maintenance is in capital expenditure as renewal of existing. Finance charges and depreciation make up about 13% of total operational expenditure

TOTAL CAPITAL EXPENDITURE 2015/16 – 2017/18			
DETAILS			
	2016/17	2017/18	2018/19
Original Budget	59 432	61 972	37 012
Adjustment Budget	36 326	59 855	
Actual	26 456	34 170	39 012

CAPABILITY OF THE MUNICIPALITY TO EXECUTE CAPITAL PROJECTS

The municipality was unable to allocate funding from own revenue for project in road, water electricity and sewerage as the impact of the drought in the previous financial year where the municipality had to provide water without receiving any revenue for water severely impacted on the finances of the municipality

EMPLOYEE EXPENDITURE 2016/17 – 2018/19			
DETAILS			
	2016/17	2017/18	2018/19
	(137 912 531)	(157 190 884)	(142 525 952)

Indigent Support (Including Free Basic Services)

The majority of the population in AbaQulusi Municipality is indigent; this has 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 R88, 000
- Free 6kl of water per month
- Free refuse
- These allocations are per the national government policy guidelines
- The total cost for these Free Basic Services amounts to R15,059,531.51

Revenue Enhancement and Protection Strategies

The following strategies are to be implemented:

- Review and implementation of the credit control policy
- Strict management of the indigent register.
- Access to electricity through third party vendors.
- Customer awareness on illegal electricity connections.

Municipal Consumer Debt

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 debtor's balances over 90 days as a result of this. These outstanding balances have been adequately provided for as doubtful debts.

Current and Planned Borrowings

The municipality has no current or planned borrowings.

Municipality's Credit Rating

The municipality does not have a credit rating currently.

Employee Related Costs

The employee related costs account is approximately 24% of the total expenditure.

Supply Chain Management

AbaQulusi municipality currently has Supply Chain Management Unit that manages the flow of goods and services guided by the municipal SCM policy. In order to give effect to the SCM Policy.

Status of Bid Committees in 2018/19

The municipality has an established BID specification, evaluation and adjudication committee that is fully functional

CHALLENGES

Challenges experienced for the reporting period are indicated in the table below

CHALLENGES	DESCRIPTION	ACTION TO BE TAKEN
High level of indigent dependency	High level of indigent dependence is as results community that might be found eligible to get indigent benefit	Strict verification process to register on Indigent Register
Loss of income	The municipality lose a lot of income due to illegal electricity, water connections and illegal development	Blocking of prepaid electricity Handing over of accounts to attorneys
High rate of debtors		Revenue enhancement committee has been established assisted by national COGTA

1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

HIGHLIGHTS	DESCRIPTION
Legislative and administrative authority	Council and its committees meet as prescribed. Council continues to make, review and administer by-laws for the effective administration of the functions assigned to it
Ward committees	ward committees functional in 18(eighteen) wards and issues in 4(four) are being addressed to revive the functionality are and enhance participatory democracy

1.6 AUDITOR GENERAL REPORT

1.6.1 AUDITED OUTCOMES

The Auditor-General of South Africa has a constitutional mandate and, as the Supreme Audit Institution (SAI) of South Africa, exists to strengthen our country's democracy by enabling oversight, accountability and governance in the public sector through auditing, thereby building public confidence. In short, the Auditor-General checks the spending of public money by looking at whether it has been used ideally and for the purposes intended. This is done by annually checking all government spending. In turn, this can be described as an audit.

The Auditor-General's annual audit examines 3 areas:

- Fair presentation and absence of significant misstatements in financial statements
- Reliable and credible performance information for predetermined objectives
- Compliance with all laws and regulations governing financial matters.

There can be 5 different outcomes to an audit, once the municipality has submitted their financial statements to the Auditor-General, which can be simply defined as follows:

- **A clean audit:** The financial statements are free from material misstatements and there are no material findings on reporting on predetermined objectives or non-compliance with legislation.
- **Unqualified audit with findings:** The financial statements contain material misstatements. Unless they express a clean audit outcome, findings have been raised on either reporting on predetermined objectives or non-compliance with legislation, or both these aspects.
- **Qualified audit opinion:** The financial statements contain material misstatements in specific amounts, or insufficient evidences for them to conclude that specific amounts included in the financial statements are not materially misstated.
- **Adverse Audit Opinion:** The financial statements contain material misstatements that are not confined to specific amounts, or the misstatements represent a substantial portion of the financial statements.
- **Disclaimer of Audit opinion:** The auditee provided insufficient evidence in the form of documentation on which to base an audit opinion. The lack of sufficient evidence is not confined to specific amounts or represents a substantial portion of the information contained in the financial statements.

The table below indicates the audit opinion received for the past four financial years:

YEAR	2016/17	2017/18	2018/19
	Qualified with findings	Qualified with findings	Unqualified with findings

1.7 IDP PROCESS PLAN

According to chapter 5 of the Municipal Systems Act (MSA) of 2000, all municipalities have to undertake an Integrated Development Planning process (i.e. IDP Process Plan) to produce an Integrated Development Plan (IDP). The process plan in this case essentially fulfils the function of a business plan and/or operational plan for the review process of the IDP, Budget and PMS. It is a plan that simply defines **what** should happen, by **when** it should happen, **who** is responsible, and **how** it should happen during the process of formulating/reviewing an IDP, Budget and PMS for a Municipality.

Schedule of events to undertake IDP Review 2019/20 successfully are indicated in the table below

DATE	ACTIVITY	RESPONSIBILITY
JULY 2018		
17 July 2018	Submission of 4 th Quarter PMS Report by all Departments	All Directors
17 July 2018	Table Draft 2019/2020 IDP and Budget Process Plan to EXCO	Director: Development Planning
26 July 2018	Table Draft 2019/2020 IDP and Budget Process Plan to Council	Director: Development Planning
31 July 2018	Submission of Draft 2018/2019 IDP Process Plan to COGTA for comment	Director: Development Planning
31 July 2018	Finalize Performance Agreements for Section 54/56	Municipal Manager
AUGUST 2018		
14 August 2018	Table 1 st Draft Annual Report to Audit Committee	Municipal Manager
16 August 2018	Table 1 st Draft Annual Report to MPAC	Municipal Manager
21 August 2018	-Table 1 st Draft Annual Report to EXCO -Table Final 2018/2019 IDP and Budget Process Plan to EXCO	Municipal Manager and Director: Development Planning
22 August 2018	Planning and Development Forum	ZDM
30 August 2018	-Table 1 st Draft Annual Report to EXCO -Table Final 2018/2019 IDP and Budget Process Plan to EXCO	Municipal Manager and Director: Development Planning
31 August 2018	-Submission of Draft Annual Report and AFS to Treasury	Municipal Manager and CFO
SEPTEMBER 2018		
19 September 2018	Planning and Development Forum	ZDM
21 September 2018	KZN IDP Indaba	KZN CoGTA
26 September 2018	IDP Steering Committee meeting to address 2018/2019 IDP MEC Comments	All Directors
OCTOBER 2018		

DATE	ACTIVITY	RESPONSIBILITY
15 October 2018	Submission of First Quarter Performance Reports and POE	All Directors
17 October 2018	Planning and Development Forum	ZDM
22 October 2018	Submission of first Quarter Performance Report to Internal Audit	Municipal Manager
NOVEMBER 2018		
08 November 2018	IDP Alignment Session	KZN CoGTA
13 November 2018	First Quarter Performance Review (Informal)	MM and Directors
15 November 2018	IDP Steering Committee Meeting to Discuss upcoming Strategic Planning Session	All Directors
21 November 2018	Planning and Development Forum	ZDM
26 November 2018 – 30 November 2018	Strategic Planning Session (Review Vision, Goals, Missions, Objectives, Strategies for Municipality)	EXCO, All Directors and Management
DECEMBER 2018		
4 December 2018	Table First Quarter Performance Reports to EXCO	Municipal Manager
11 December 2018	IDP Rep Forum	All Directors and Office of the Mayor
DATE	ACTIVITY	RESPONSIBILITY
12 December 2018	Planning and Development Forum	ZDM
13 December 2018	Table First Quarter Performance Reports to Council	Municipal Manager
JANUARY 2019		
07 January 2019	Submission of Second Quarter/ Half Year Performance Report	All Directors
10 January 2019	Submission of Second Quarter/ Half Year Performance Report to Internal Audit	Municipal Manager
16 January 2019	Planning and Development Forum	ZDM
17 January 2019	Mid-Year Budget and Performance assessments/review	Municipal Manager and All Directors
22 January 2019	Table 2 nd Draft Annual Report and Mid-year Budget and Performance Report to EXCO	Municipal Manager and CFO
24 January 2019	Table 2 nd Draft Annual Report and Mid-year Budget and Performance Report to MPAC	Municipal Manager and CFO
31 January 2019	Table 2 nd Draft Annual Report and Mid-year Budget and Performance Report to Council	Municipal Manager and CFO
31 January 2019	Submission of 2 nd Draft Annual Report and Mid-year Budget and Performance Report to Treasury	Municipal Manager and CFO
FEBRUARY 2019		
07 February 2019	Advertise Annual Report	Municipal Manager

DATE	ACTIVITY	RESPONSIBILITY
08 February 2019	IDP Stakeholders Meeting	KZN CoGTA
12-14 February 2019	Adjusted Budget and SDBIP Session	EXCO, All Directors and Management
20 February 2019	Planning and Development Forum	ZDM
18-20 February 2019	Strategic Planning Sessions (New Projects and Departmental Budget Requirements)	EXCO, All Directors and Management
19 February 2019	Table Adjusted Budget and SDBIP to EXCO	Municipal Manager and CFO
28 February 2019	Table Adjusted Budget and SDBIP to Council	Municipal Manager and CFO
MARCH 2019		
07 March 2019	Advertise Adjusted Budgeted and SDBIP	Municipal Manager and CFO
14 March 2019	MPAC-Oversight Report	Municipal Manager and CFO
14 March 2018	Planning and Development Forum	ZDM
19 March 2019	Table Draft 18/19 IDP, Budget, and Final Annual Report to EXCO	Director: Development Planning, Municipal Manager and CFO
28 March 2019	Table Draft 17/18 IDP, Budget, and Final Annual Report to Council	Director: Development Planning, Municipal Manager and CFO
APRIL 2019		
01-15 April 2019	IDP and Budget Roadshows (Discuss Draft IDP and Budget- Projects and Tariffs)	Office of the Mayor
04 April 2019	IDP Alignment	CoGTA
05 April 2019	Advertise Draft 19/20 IDP, Budget, and Final Annual Report	Director: Development Planning, Municipal Manager and CFO
05 April 2019	Deliver Draft 19/20 IDP and Budget to CoGTA (MEC)	Director: Development Planning
15 April 2019	Submission of Third Quarter Performance Report	All Directors
17 April 2019	Planning and Development Forum	ZDM
22 April 2019	Submission of Third Quarter Performance Report to Internal Audit	Municipal Manager
MAY 2019		
06-10 May 2019	Alignment of IDP, Budget and Develop 1 st Draft 18/19 SDBIP	EXCO, All Directors and Management
15 May 2019	Third Quarter Performance Review (Informal)	Municipal Manager and All Directors
15 May 2019	Planning and Development Forum	ZDM

DATE	ACTIVITY	RESPONSIBILITY
17 May 2019	IDP Representative Forum	All Directors and Office of the Mayor
21 May 2019	Table Final 2019/2020 IDP and Budget to EXCO	Director: Development Planning, Municipal Manager and CFO
30 May 2019	Table Final 2018/2019 IDP and Budget to Council	Director: Development Planning, Municipal Manager and CFO
JUNE 2019		
03-12 June 2019	Develop 2 nd Draft 2019/2020 SDBIP	All Directors and Management
07 June 2019	Advertising of Final 2019/2020 IDP and Budget.	All Directors and Management
07 June 2019	Submission of Final 2019/2020 IDP and Budget to COGTA	Director: Development Planning
12 June 2019	Planning and Development Forum	ZDM
13 June 2019	Submit 2 nd Draft 2019/2020 SDBIP to Mayor	Municipal Manager
14-26 June 2019	Develop Final 2019/2020 SDBIP	All Directors and Management
27 June 2019	Submit Final 2018/2019 SDBIP to Mayor for Signature	Municipal Manager
05 July 2019	Advertise Final SDBIP, Submission of Final SDBIP to Treasury	Municipal Manager

CHAPTER 2 – GOVERNANCE




COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

Governance at AbaQulusi is made up of political and administrative governance. Political governance comprises of elected councillors and council committees. Its role is to play oversight role over administration of the municipality to ensure effective and efficient service delivery. Administrative governance is undertaken through various administrative structures under the leadership of the Municipal Manager.

The principal structure of municipality is Council chaired by Speaker of Council, Cllr. MB Khumalo. The Executive Committee was led by the former Mayor, Cllr. MJ Sibiya and currently led by the acting mayor Cllr, MC Maphisa and is tasked with day – to –day running of the municipality. Political governance structures at AbaQulusi comprise of the elected councillors respectively they work together on day – to day basis to achieve service delivery goals and targets as set out in the municipal IDP

2.1 POLITICAL GOVERNANCE

The political governance of AbaQulusi Municipality is undertaken by Executive Committee led by the former mayor Cllr. MJ Sibiya who is no longer with the municipality however he served during the whole financial year of this report 2018/19. The Mayor is at the centre of the system of governance, since executive powers are vested in him to manage the day-to-day affairs. He has an overarching strategic and political responsibility The Executive Committee comprises of 8 members of Council. The EXCO political structure is made up of the following: 3 IFP: Members, 1 DA Member, and 4 ANC: Members. The composition of EXCO Councillors and their political affiliation is as follows:
















Councillor Identity	Councillor Profile	Councillor Identity	Councillor Profile
			
Cllr. MA Hlatshwayo Designation: PR Political Representation: IFP	NN Mdlalose Designation: PR Councillor Political Representation: ANC	Cllr. MC Maphisa Deputy Mayor Political Representation: IFP	Cllr. PP Selepe PR Councillor Political Representation: ANC
			
Cllr. BL Zwane PR Councillor Political Representation: IFP	Cllr. HB Khumalo Designation: PR Councillor Political Representation: ANC	Name: IA De Kock Designation: Ward Councillor Political Representation: DA	Cllr. TZ Nkosi Designation: Ward Councillor Political Representation: ANC Ward: 1





















Various portfolio committees are in place to ensure effective oversight role on council matters. The committees are established in terms of section 79 and 80 of the Local Government Municipal Structures Act No 117 of 1998. These committees include

NO.	COMMITTEE	CHAIRPERSON	MEMBERS
1.	Executive Portfolio Committee	Cllr.MC Maphisa,	Cllr.MC Maphisa, Cllr. IA De Kock, Cllr. PN Mazibuko, Cllr. TZ Nkosi, Cllr. NN Mdlalose, Cllr. PP Selepe, Cllr. BL Zwane, Cllr. MB Khumalo, HB Hlatshwayo
2.	Technical Services Committee	Cllr. BL Zwane	:BL Zwane, Cllr. KM Ntuli, Cllr. ZH Nxumalo, Cllr. NB Manana,Cllr. XJ Zungu, Cllr. IA De Kock, Cllr. DJ Mahlase Cllr. TZ Nkosi, Cllr. PM Mtshali, Cllr. MM Ntuli
3.	Community Services		Cllr. MA Mazibuko, Cllr. CJQ Hadebe, Cllr. ZH Nxumalo, Cllr. SS Siyaya, Cllr. NA Kunene, Cllr. P.P Selepe, Cllr. DP Mazibuko, Cllr. LR Mhlongo, Cllr. VC Mtshali, Cllr. MM Mhlungu
4.	Finance Portfolio	Cllr.MC Maphisa,	Cllr. MA Mazibuko, Cllr. AP Mbatha, Cllr. NB Manana, Cllr. NA Kunene, Cllr, Cllr. PM Mtshali, Cllr. MT Lushaba
5.	Corporate Services Portfolio	Cllr. IA De Kock	Cllr MP Williams, Cllr. AP Mbatha, Cllr. KM Ntuli, Cllr. SS Siyaya, Cllr. NB Manana, Cllr. MM Mhlungu, Cllr. TZ Nkosi, Cllr. AM Masondo, Cllr. NN Mdlalose, Cllr. B Ntombela
6.	Development Planning Portfolio	Cllr. MC Maphisa	Cllr.MP Williams, Cllr. NA Kunene, Cllr.MA Mazibuko, Cllr, Cllr. ZH Nxumalo, Cllr.TD Ndlovu, Cllr. NS Mgidi, Cllr.CN Mbatha, Cllr.TA Khumalo
7.	Municipal Public Account Committee	Cllr. M Victor	Cllr. JJ Jones, Cllr..MM Kunene, Cllr.TZ Mavundla, Cllr. R Ally, Cllr. MB Mabaso, Cllr. L Dube, Cllr. NY Mdlalose, Cllr. SN Ndlela

2.2 COUNCIL

Councillors are elected representatives serving predetermined term of office on the local council on behalf of their respective constituents. AbaQulusi municipal council has a total number of forty - four (44). Twenty-two (22) are represented as ward councillors and twenty-two (22) are party representatives. The Councils Political structure is made up of the following: ANC: 22 Members, IFP: 18 Members, DA: 3 Members, EFF: 1 Member. The Council is chaired by the Honourable Speaker, Councillor MB Khumalo. The composition of Council and their political affiliation is as follows:

KNOW YOUR COUNCILLOR				
 <p>Cllr. TZ Nkosi Designation: Ward Councillor Political Representation: ANC Ward: 1</p>	 <p>Cllr. MM Ntuli Designation: Ward Councillor Political Representation: ANC Ward: 2</p>	 <p>Cllr. SN Ndlela Designation: Ward Councillor Political Representation: ANC Ward: 3</p>	 <p>Cllr. MB Khumalo Designation: Honourable Speaker/ Ward Councillor Political Representation: IFP Ward: 4</p>	 <p>Cllr. B Ntombela Designation: Ward Councillor Political Representation: ANC Ward: 5</p>
 <p>Cllr. AM Masondo Designation: Ward Councillor Political Representation: ANC Ward: 6</p>	 <p>Cllr. XJ Zungu Designation: Ward Councillor Political Representation: IFP Ward: 7</p>	 <p>Cllr. M Viktor Designation: Ward Councillor Political Representation: DA Ward: 8</p>	 <p>Cllr. IA De Kock Designation: Ward Councillor Political Representation: DA Ward: 9</p>	 <p>Cllr. DP Mazibuko Designation: Ward Councillor Political Representation: ANC Ward: 10</p>
 <p>Cllr LR Mhlongo Designation: Ward Councillor Political Representation: ANC Ward: 11</p>	 <p>Cllr. MM Kunene Designation: Deputy Mayor-ZDM/ Ward Councillor Political Representation: IFP Ward: 12</p>	 <p>Cllr. AP Mbatha Designation: Ward Councillor Political Representation: IFP Ward: 13</p>	 <p>Cllr. NS Mgidi Designation: Ward Councillor Political Representation: ANC Ward: 14</p>	 <p>Cllr. NB Manana Designation: Ward Councillor Political Representation: IFP Ward: 15</p>

 <p>Cllr. NA Kunene Designation: Ward Councillor Political Representation: IFP Ward: 16</p>	 <p>Cllr. TA Khumalo Designation: Ward Councillor Political Representation: ANC Ward: 17</p>	 <p>Cllr. TI Zungu Designation: Ward Councillor Political Representation: ANC Ward: 18</p>	 <p>Cllr. MA Mazibuko Designation: Ward Councillor Political Representation: IFP Ward: 19</p>	 <p>Cllr. ZH Nxumalo Designation: Ward Councillor Political Representation: IFP Ward: 20</p>
 <p>Cllr. NC Mkhwanazi Designation: Ward Councillor Political Representation: ANC Ward: 21</p>	 <p>Cllr. L Dube Designation: Ward Councillor Political Representation: ANC Ward: 22</p>	 <p>Cllr. PP Selepe Designation: PR Councillor Political Representation: ANC</p>	 <p>Cllr. HB Khumalo Designation: PR Councillor Political Representation: ANC</p>	 <p>Cllr. PM Mtshali Designation: PR Councillor Political Representation: ANC</p>
 <p>Cllr. NY Mdlalose Designation: PR Councillor Political Representation: ANC</p>	 <p>Cllr. NN Mdlalose Designation: PR Councillor Political Representation: ANC</p>	 <p>Cllr. MT Lushaba Designation: PR Councillor Political Representation: ANC</p>	 <p>Cllr. VC Mtshali Designation: PR Councillor Political Representation: ANC</p>	 <p>Cllr. TZ Mavundla Designation: PR Councillor Political Representation: IFP</p>
 <p>Cllr. TD Ndlovu Designation: PR Councillor Political Representation: EFF</p>	 <p>Cllr. R Ally Designation: PR Councillor Political Representation: IFP</p>	 <p>Cllr. KM Ntuli Designation: PR Councillor Political Representation: IFP</p>	 <p>Cllr. JJ Jones Designation: PR Councillor Political Representation: IFP</p>	 <p>Cllr. DJ Mahlase Designation: PR Councillor Political Representation: ANC</p>

KNOW YOUR COUNCILLOR



Cllr. MC Maphisa
Designation: Honourable
Deputy Mayor/ PR
Councillor
Political Representation:
IFP



Cllr. CQJ Radebe
Designation: PR
Councillor
Political Representation:
IFP



Cllr. CN Mbatha
Designation: PR
Councillor
Political
Representation: ANC



Cllr. BL Zwane
Designation: PR
Councillor
Political
Representation: IFP



Cllr. MP Williams
Designation: PR
Councillor
Political
Representation: IFP



Cllr. MM Mhlungu
Designation: PR
Councillor
Political Representation:
DA



Cllr. MA Hlatshwayo
Designation: PR
Councillor
Political Representation:
IFP



Cllr. SS Siyaya
Designation: PR
Councillor
Political
Representation: IFP



Cllr. MB Mabaso
Designation: PR
Councillor
Political
Representation: ANC

2.3 ADMINISTRATIVE GOVERNANCE

The Municipal Manager is the Chief Accounting Officer of the Municipality. He is the head of the administration, and primarily serve as chief custodian of service delivery and implementation of political priorities. He is assisted by his direct reports, which constitutes the management team, the administrative is depicted below comprising of the following departments

2.3.1 Office of the Municipal Manager

Municipal Manager is Head of Administration and is responsible for the management of the municipality's administration in accordance with the Local Government Municipal Systems Act of 2000 and other legislation applicable to the municipality. The primary objective to measure, monitor and enhance the institution's performance and advise the political structures and political office bearers of the municipality.

The following units exist within the department:

- Internal Audit
- Executive Support
- Legal Services
- Performance Management

2.3.2 Financial Services

Budget & Treasury manages the financial affairs of municipality to ensure the optimum use of all municipal assets. In essence, it is the protector of the public purse as it levies taxes and charges on the public, collects the taxes and charges for the public, and administers the expenditure of those taxes and charges on goods, services and assets on behalf of the public.

The following units exist within the department:

- Revenue,
- Expenditure and Supply Chain
- Budget and treasury

2.3.3 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.

The following units exist within the department:

2.3.4 Corporate Services

Enable support to Council, the Committees of Council, as well as to the Political Office Bearers, provide an effective and efficient human resource strategic and administration, ensure skilled workforce, ensure fair representation of the workforce, promote a conducive working environment provide optimal information technology services and infrastructure.

The following units exist within the department:

- Human Resource, Administration
- Information Technology
- Council Support and
- Fleet Management

2.3.5 Community Services

The Community Development Department's core functions is to ensure that the community is well serviced in regards to: Health care, Public Safety, Education (Libraries) Sports & Recreation, Community Halls, Traffic Management, Refuse removal and sewerage

The following units exist within the department:

- Waste management
- Safety and Security
- Recreational Services

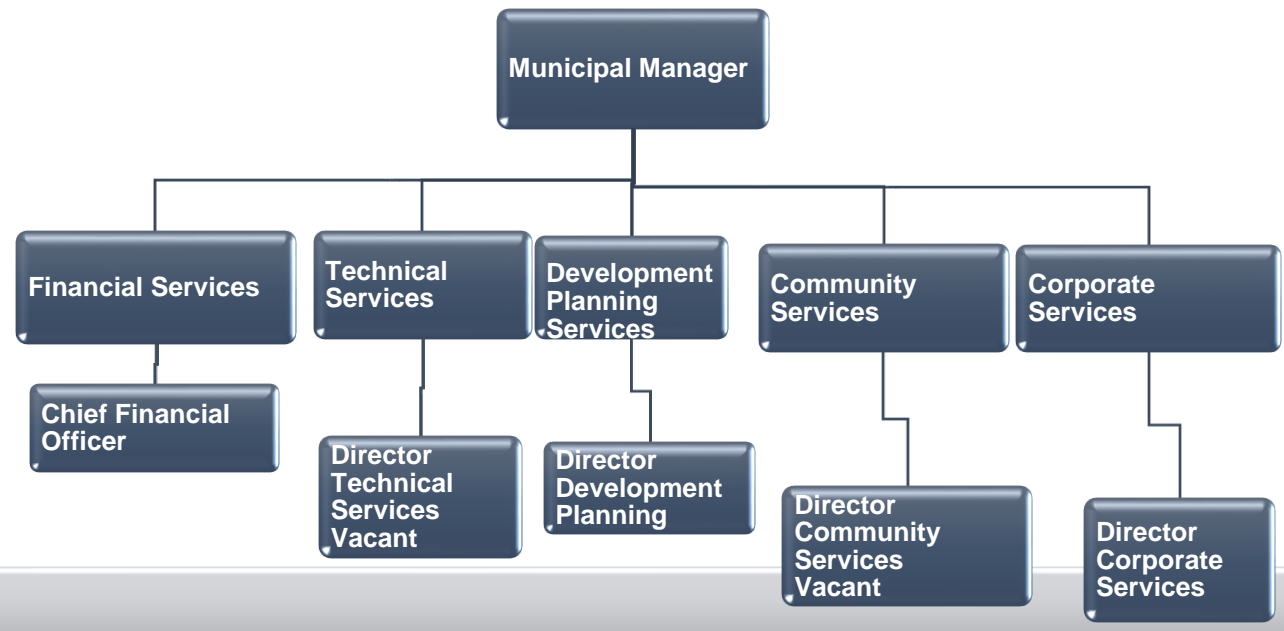
2.3.6 Development Planning.

The planning and development departments' primary function within the municipality is to regulate and control all development.

The following units exist within the department:

- Town Planning
- LED
- Tourism
- Housing
- GIS
- Building Inspectorate

Depicted below is the Organogram of the municipality



Organogram

COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.4 INTERGOVERNMENTAL RELATIONS

The municipality participates in a number of national and provincial forums.

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

The mayor and municipal manager participate in the technical and provincial MUNIMEC respectively

IGR in the context of South Africa mainly aims to achieve the following:

- Information Sharing
- Communication
- Consultation
- Engagement
- Co-operation

The key IGR Structures that is established in the country that provides a platform to achieve the above - mentioned is outlined as follows:

Table 9 IGR National and Provincial Structures

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 co-ordinating Forums▪ MuniMECs
Local	<ul style="list-style-type: none">▪ District Inter-Governmental Forums:▪ The District Technical Forum▪ Mayoral Forum▪ Municipal Manager's 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.

Municipal Structures

Other than legislated and political structures, the following structures are also in place in the AbaQulusi Local Municipality:

Table 10 IGR Municipal Structure

Department	Structure
Development Planning	<input type="checkbox"/> IDP Rep Forum
Corporate Services	<input type="checkbox"/> Local Labour Forum
Community Services	<input type="checkbox"/> Disaster Management Forum <input type="checkbox"/> Sports Forum
Development Planning	<input type="checkbox"/> Tourism Forum <input type="checkbox"/> Business Forum <input type="checkbox"/> Housing Forum

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.5 PUBLIC MEETINGS

The AbaQulusi Municipality prides itself on public participation within its municipality. It is imperative that the public is involved in all municipal processes and decision making, achieving transparency and an all-inclusive society. 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. Structure used to involve the public of municipal affairs include:

- Council Meetings (Public is invited)
- IDP Representative Forums
- IDP/Budget Roadshows/Izimbizo
- Ward Committee Meetings
- Meetings with Amakhosi
- Meeting with Business
- Media Releases
- Website Releases

Amakhosi are also invited to Council meetings.

The AbaQulusi Municipality embarked on its 2017/2018 IDP/Budget Roadshows as per the schedule below:

Table 11: Public Participation Schedule

WARD	DATE	NO. OF PARTICIPANTS	WARD	DATE	NO. OF PARTICIPANTS
1	22 May 2019	49	12	19 May 2019	93
			16		
2	19 April 2019	95	18		
3			20		
4	16 May 2019	118	14	18 May 2019	177
5	17 May 2019	73	15		
6	20 May 2019		17	20 May 2019	158
7	23 April 2019		21		
8	22 May 2019	38	19	19 May 2019	63
9			22	19 May 2019	80
10	21 May 2019	110			
11	21 May 2019				
13	21 May 2019				

2.5.1 WARD COMMITTEES

The Ward Committees support the Ward Councilor who receives reports on development, participate in development planning processes, and facilitate wider community participation. To this end, the Municipality constantly strives to ensure that all Ward Committees function optimally with community information provision, convening of meetings, ward planning, service delivery, IDP formulation and performance feedback to communities.

The purpose of a ward committee is:

- to get better participation from the community to inform council decisions;
- to make sure that there is more effective communication between the Council and the community; and
- to assist the ward councilor with consultation and report-backs to the community.

Ward committees should be elected by the community they serve. A ward committee may not have more than 10 members and women should be well represented. The ward councilor serves on the ward committee and act as the chairperson. Although ward committees have no formal powers, they advise the ward councilor who makes specific submissions directly to the administration. These committees play a very important role in the development and annual revision of the Integrated Development Plan of the area.

Table below indicates representation for 22 wards of AbaQulusi

WARD NO.	SURNAME	FULL NAMES	REPRESENTING SECTOR
Ward Councillor: Cllr TZ Nkosi 072 946 6819			
1	Buthelezi	Nkosikhona	Women
	Nxumalo	Lungisani	Education
	Masuku	Mpheni	Traditional
	Mkhonza	Thokozani	Farm Workers
	Dlomo	Amos	Sports
	Sibiya	Bongani	Faith Based
	Mkhonza	Mbuso	Public Transport
	Buthelezi	Nozipho	Health & Social Dev.
	Khumalo	Sicelo	Youth
	Mncwango	Bonginkosi	Safety and Security
Ward Councillor: MM Ntuli 063 021 8558			
2	Mayise	Thabisile	Health & Social Dev.
	Dlamini	Millicent	Farm Workers
	Sithole	Phiwakahle	Women & Public Transport
	Nhlanzi	Philile	Education
	Dlongolo	Khulekani	Safety and Security
	Maduna	Siphelele	Youth & Senior Citizen
	Fakude	Senzile	Physical Challenged
	Nhlengethwa	Mcebiseni	Faith Based & Sports
	Nkosi	Fika	Business & Environment
	Buthelezi	Robert	Informal Traders
Ward Councillor: Cllr. S.N. Ndlela 073 427 1940			
3	Ndwandwe		Traditional Institutions
	Zulu	Joyce	Women
	Shabalala	Phumzile	Health
	Ndlovu	Isaac	Faith Based
	Zulu	Sfiso	Education
	Mathenjwa	Bongumusa	Transport
	Nkosi	Khonzeni	Phyically Challenged
	Buthelezi	Simphiwe	Bussiness
	Mtshali	Isaac	Youth
	Thango	Ntombikayise	Safety and Security
Ward Councillor Khumalo 082 504 0264			
4	Khumalo	Vusumuzi	Public Transport
	Khumalo	Melta	Safety and Security
	Zulu	Zandile	Environment & Tourism
	Zulu	Bhekithuba	Business
	Sangweni	Nkosinathi	Traditional Institutions
	Mbatha	Mandla	Sports
	Phakathi	Siyabonga	Education

WARD NO.	SURNAME	FULL NAMES	REPRESENTING SECTOR
	Kunene	Khosi	Youth
	Zulu	Thembile	Health & Social Dev.
	Mashazi	Mkhombeni	Farm Workers
Ward Councillor B. Ntombela 083 722 2166			
5	Ndwandwe	Khethiwe	Public Transport
	Xulu	Jabulisiwe	Education
	Ndwandwe	Sphelele	Youth
	Sangweni	Bheki	Agriculture
	Khumalo	Mbali	Traditional Institutions
	Mhlanga	Bongani	Sports
	Sithole	Ntombikhona	Health
	Mdlalose	Nelisiwe	Women
	Mbiko	Sarah	Social Development
	Mdladla	Hlaleleni	Safety and Security
Ward Councillor M.A Masondo 072 517 0748			
6	Nkosi	Muzikayifani	Physical Challenged
	Xulu	Lancelot	Faith Based
	Xulu	Mxolisi	Public Transport
	Buthlezi	Mdududuzi	Youth & Sport
	Zulu	Netty	Safety and Security
	Shabangu	Sigcino	Bussiness& Informal traders
	Mthethwa	Bonokwakhe	Education
	Mtetwa	Nomthandazo	Traditional Institutions
	Mazibuko	Hlengiwe	Women & Senior citizen
	Dlamini	Ntethelelo	Health & Social Dev.
Ward Councillor X.J Zungu 079 755 4665			
7	Ngubeni	Simon	Physical Challenged
	Mhlongo	Ntombenhle	Traditional Institutions
	Buthlezi	Nelisiwe	Public Transport
	Vacant		
	Sibiya	Lindiwe	Education
	Buthlezi	Thembelihle	Neglected/Remote Community
	Buthlezi	Steven	Safety and Security
	Ngcobo	Nomusa	Women
	Madlamalala	Fikile	Faith Based
	Qwabe	Joyce	Health & Social Dev.

Ward Councillor: M. Viktor 083 443 0870			
8	Qwabe	Melusi	Youth
	Zulu	Constance	Environment & Tourism
	Shabalala	Nonhlahla	Informal Traders
	Mtshali	Nonhlahla	Safety and Security
	Sikhakhane	Henry	Education
	Nkosi	Thembi	Public Transport
	Mnyandu	Mduduzi	Business
	Prinsloo	Leon	Rates Payers
	Cloete	Felicity	Health & Social Dev.
	Mhlongo	Zodwa	Women
Ward Councillor I.A De Kock 082 892 7878			
9	Khumalo	Thembisile	Health & Social Dev.
	VACANT		
	Lubbe	Willem	Senior Citizen
	Mgcina	Nombuso	Youth
	Zulu	Nonhlahla	Faith Based
	de Jager	Linda	Business
	Sithebe	Nompilo	Education
	Hercules	Beetoe	Environmental
	Delport	Victor Edward	Disabled
	Mgcina	Victoria	Women
Ward Councillor: D.P Mazibuko 073 840 2101			
10	Mbatha	Smangele	Youth
	Sibiya	Ntokozo	Transport
	Dube	Selby	Faith Based
	Mashinini	Yvonne	Health & Social Dev.
	Nkwanyana	Bongiwe	Safety And Security
	Buthlezi	Praise-God	Arts & Culture & Disability
	Vilakazi	Vusi	Business
	Mdlalose	Mthokozisi	Education
	Dlamini	Sipho	Environmental
	Sibiya	Beauty	Women
Ward Councillor: L.R Mhlongo 060 577 4954			
11	Mchunu	Jozi	Safety And Security
	Thwala	Simangele	Health & Social Dev.
	Mthembu	Nompumelelo	Rates Payers
	Ngobe	Nomsa	Senior Citizen
	Xaba	Aaron	Faith Based
	Kubheka	Dingindawo	Public Transport
	Khumalo	Thokozani	Women
	Thabede	Phumlani	Youth

	Mthembu	Samukelisiwe	Education Sector
	Zulu	Thoko	Business
Ward Councillor: M.M Kunene 082 718 0698			
12	Nene	Alpheus	Physically Challenged
	Zungu	Sholiphi	Women
	Kunene	Nkosinathi	Environment & Tourism
	Hadebe	Sifiso	Health & Social Dev.
	Mbuyisa	Nhlahla	Education
	Mntambo	Gqoni	Safety And Security
	Madela	Muzikayise	Sports
	Mazibuko	Linda	Transport
	Mazibuko	Sebenzile	Farm Workers
	Mkhize	Ntombizodwa	Traditional Institutions
Ward Councillor: A.P. Mbatha nkamana			
13	Mntambo	Qhamukile	Public Transport
	Ntuli	Ntombiyezizwe	Traditional Institutions
	Mbatha	Nakwa	Women
	Ntuli	Nomali	Faith Based
	Buthelezi	Sibongile	Health & Social Dev.
	Buthelezi	Mthokozisi	Disability
	Mbokazi	Zandile	Education & Youth
	Khanyile	Hendry	Business
	Bophela	Themba	Safety And Security
	Buthelezi	Fikile	Environment & Tourism
Ward Councillor N.S Mgidi 060 337 1194			
14	Ndlovu	Duduzile	Women
	Maphanga	Jessica	Faith Based
	Ndebele	Mzwandile	Youth
	Kunene	Makhosi	Physical Challenged
	Nyoka	Thembisile	Education
	Ximba	Bonisiwe	Traditional
	Mndaweni	Eric	Business
	Khumalo	Ntombifuthi	Safety And Security
	Khumalo	Agnes	Public Transport
	Sthole	Zipho	Health & Social Dev.
Ward Councillor: N.B Manana 083 422 6585			
15	Moloi	Ncamisile	Transport
	Ndlovu	Mavis	Physical Challenged
	Mncube	Nombuso	Senior Citizen
	Mazibuko	Douglaas	Traditional Institutions
	Zungu	Mxolisi	Sports
	Mbatha	Njabulo	Environment & Tourism

	Zwane	Velaphi	Education
	Mdlalose	Yvonne	Informal Traders
	Buthlezi	Mzwandile	Youth
	Mlambo	Thembi	Farm Workers
Ward			
Councillor: N.A Kunene 082 849 6296			
16	Dlamini	Bongani	Transport
	Ndaba	Nonkululeko	Traditional Institutions
	Langa	Xolani	Business
	Mthethwa	Thulisile	Women
	Nxumalo	Nelisiwe	Youth
	Mtshali	Sibusiso	Safety And Security
	Sikhakhane	Thembisile	Physical Challenged
	Nkosi	Thulani	Education
	Mhlongo	Neli	Health & Social Dev.
	Dhlamini	Elizabeth	Faith Based
Ward			
Councillor: T.A Khumalo 083 665 3857			
17	Ntuli	Bonginkosi	Safety and Security
	Mtetwa	Themba	Mchinswane
	Vacant		
	Sangweni	Jabulani	Education
	Khumalo	Andile	Business
	Ngwenya	Nkululeko	Public Transport
	Molefe	Nkosinathi	Youth
	Nkabinde	Ntombikayise	Faith Based
	Pondombi	Thulisile	Traditional
	Dlongolo	Hleziphi	Health & Social Dev.
Ward			
Councillor: TI Zungu 063 053 5891			
18	Khumalo	Nobuhle	Health & Social Dev.
	Sithole	Jabulani	Public Transport
	Mtshali	Philisiwe	Youth
	Kheswa	Staff	Women
	Gumbi	Mbali	Faith Based
	Nkwanyana	Cyprian Thokozani	Education
	Dlamini	Mziwakhe	Safety and Security
	Mdlalose	Sibongile	Business
	Dlamini	Senzeni	Senior Citizen
	Khumalo	Ncamisile	Informal Traders
Ward			
Councillor: M.A Mazibuko 084 837 1671			
19	Dlamini	Mhlanguleni	Physical Challenged
	Jiyane	Clementine	Women

	Ntshangase	Mdeliseni	Sports
	Mhlongo	Prisca	Education
	Mthethwa	Ntombenhle	Public Transport
	Nomthandazo	Mbatha	Youth
	Nkwanyana	Mafiki	Environment & Tourism
	Shongwe	Siphiwe	Traditional
	Khumalo	Sindisiwe	Safety And Security
	Mtshali	Sithembile	Professional
Ward Councillor: Z.H Nxumalo 082 471 8857			
20	Manquthu	Thembisile	Health & Social Dev.
	Ndlovu	Dumisani	Safety And Security
	Khumalo	Sibongile	Education Environment & Tourism
	Khumalo	Mduduzi	Senior Citizen
	Xaba	Alpheus	Physical Challenged
	Vilakazi	Thulile	Informal Traders
	Xaba	Aaron	Faith Based
	Mathebula	Shadrack	Roads & Public Transport
	Mkhonza	Buyisile	Women
	Zulu	Philisiwe	Youth
Ward Councillor: NC Mkhwanazi 079 151 4202			
21	Zondo	Nontobeko	Health & Social Dev.
	Ntuli	Lindiwe	Public Transport
	Hlophe	Nobahle	Community Based Organisation
	Sithole	Bonisiwe Reginah	Environmental
	Mavimbela	Thabile	Sport And Recreation
	Shoba	Zamile Cynthia	Women
	Ntuli	Mandla	Youth
	Mkhwanazi	Nkosinathi	Traditional
	Gule	Nkosinathi	Faith Based
	Madide	Skhumbuzo	Education
Ward Councillor: L. Dube 078 615 1949			
22	Sibiya	Mandla	Safety And Security
	Zwane	Mondli	Sports
	Mkhize	Lindiwe Precious	Youth
	Makhoba	Andries	Physical Challenged
	Ntombela	Pocia	Business
	Nkosi	Siphiwe	Women
	Sibiya	Princess	Health & Social Dev.
	Zwane	Zipho	Education
	Xaba	Prisca	Environment & Tourism

The table below provides information on the establishment of ward committees and their representation:

WARD	COMMITTEE ESTABLISHED	COMMITTEE FUNCTIONING EFFECTIVELY
1	Yes	Yes
2	Yes	Yes
3	Yes	Yes
4	Yes	Yes
5	Yes	Yes
6	Yes	Yes
7	Yes	Yes
8	Yes	Yes
9	Yes	Yes
10	Yes	Yes
11	Yes	Yes
12	Yes	Yes
13	Yes	Yes
14	Yes	Yes
15	Yes	Yes
16	Yes	Yes
17	Yes	Yes
18	Yes	No
19	Yes	Yes
20	Yes	Yes
21	Yes	Yes
22	Yes	No

Communication dissemination methods include the following:

Internal communication flow:

- Communication between internal departments through staff circulars.
- Communication between committees, entities, affiliates, partners and staff.
- Cost reduction efforts by using notice boards

External communication flow:

- Traditional media: newspapers, radio, local newspaper.
- Electronic media: AbaQulusi website
- Social media: Facebook

2.6 IDP PARTICIPATION AND ALIGNMENT

Table 12 IDP Application and Alignment

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

COMPONENT D: CORPORATE GOVERNANCE

2.7 RISK MANAGEMENT

Section 62 (1) of the MFMA states that, the accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the resources of the municipality are used effectively, efficiently and economically and that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control.

The risk management function fall under Internal Audit in the Office of the Municipal Manager.

Risk management is as much about identifying opportunities as avoiding or mitigating losses. It is a logical and systematic process of establishing the context, identifying, analysing, evaluating, treating, monitoring and communicating risks associated with any activity, function or process, in a way that enables an organization to minimize losses and maximize opportunities. The drive for local government transformation with limited resources has tended to force municipalities into taking a less conservative

Ongoing local government reforms have provided a broad administrative framework for further improvements to occur. These include more stringent corporate governance requirements, greater flexibility and a focus on results and accountability. Risk management trends and components already overlap with those of internal auditing, performance management, programmer and project management, financial management, change management, customer care, communication, etc. and require incremental inclusion in current and future plans of the entire organization. The management of risk by implication is a managerial function, even so individual sections, departments and directorates differ in their exposure and reaction to risks and thus departments, sections and individuals form a vital part of the overall risk management process within the Municipality.

AbaQulusi Municipality strives, so far, successfully to be amongst the leaders in local government. In our continuously changing governance environment, it is imperative that Council remains updated on key changes and challenges and how these affect the operation of business in today's environment. This will not be achieved without an effective, efficient, soundly funded and managed risk strategy that seeks to maximize its impact on the organization with minimum resources at its disposal. National Treasury Public Sector Risk Management Framework affirms that —no organization has a luxury of functioning in a risk-free environment and public institutions are especially vulnerable to risk associated with fulfilling their mandates.

In 2018/2019 financial year, the AbaQulusi Local Municipality had faced numerous challenges such as quarterly reporting on the implementation of mitigation measures, non-functionality of risk management committee and embedding risk management activities to become a standard item to all MANCO meetings. The table below indicates the top five risks within the Municipality:

Table 13 Municipal top five risks

TOP FIVE MUNICIPAL RISKS			
RISK NO	RISK CATEGORY	RISK DESCRIPTION	RISK BACKGROUND
01	Water and sanitation	Inability to provide potable water and sanitation	<ul style="list-style-type: none"> *Ageing infrastructure *illegal connation *unmated water supply *theft of water mater *lack of plant and equipment *lack of funding *lac of consumers education in water conservation *drought *lack of infrastructure upgrade *Non-payment of service provider *Lack of sector plan *changes in legislation *Non finalisation of WSP agreement *Trade effluent *Acid mine drainage *shortage of backup critical equipment
02	Electricity provision	Inability to provide safe, effective and reliable electricity	<ul style="list-style-type: none"> * Ageing infrastructure *illegal connation *tampering *theft of equipment *Lack of plant and equipment *Lack of funding *Lack of consumer in education *Lack of staff training *shortage of staff *Non-payment of service provider *Lack of insurance cover of critical assets *Non availability of electricity assets and inventories *Lack of infrastructure upgrade *Lack of sector plans *Poor maintenance of infrastructure
03	Road and storm water maintenance	Inability to construct and maintain road and water drainage	<ul style="list-style-type: none"> *Unavailability of plant *Unavailability of materials *scarcity of water *Cutting of unbudgeted roads

TOP FIVE MUNICIPAL RISKS			
RISK NO	RISK CATEGORY	RISK DESCRIPTION	RISK BACKGROUND
			<ul style="list-style-type: none"> *cutting new unregistered roads resulting in erosion *Lack of community awareness on drainage system *Drain not coupling with runoff *Lack of skilled team leader
04	Billing and collation	Weakened revenue	<ul style="list-style-type: none"> *Lack of data cleansing *limited staff *Poor collation of revenue *vending machine failure *high rate of indigent *illegal and tampering electricity maters *Lack of encroachment fees *incorrect land use management leading to illegal connation services *Lack of rental fees
05	Supply chain management	Ineffective supply chain management process	<ul style="list-style-type: none"> *Lack of maintenance minimum and maximum stocking level Non-payment to creditors *lack of reconciling manual requisition and store module *under/overstated of stores items *Non capturing of received stores items *incorrect specification from user dept *Non approval of requisition *Lack of decentralisation of SCM process *collusion between SCM official 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

TOP FIVE MUNICIPAL RISKS			
RISK NO	RISK CATEGORY	RISK DESCRIPTION	RISK BACKGROUND
			*Lack of vetting service providers

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
- Employees and Councils Code of Conduct

The municipality had established the Risk Management Committee during 2018/2019 financial year, but however due to high staff turnover on senior management level that had compromise the functionality of the committee.

2.8 ANTI-CORRUPTION AND FRAUD

Council is committed to sound financial management and the maintenance of a healthy economic base. Although the statutory requirement for the contribution to statutory funds will disappear with the possible repealing of the KwaZulu-Natal and Local Authorities Ordinance No 25 of 1974, Council will put in place policies, which will maintain sufficient contributions to similar funds established in terms of GRAP. Financial management policies and procedures for the entire municipality will be implemented.

The municipality has developed and adopted fraud and corruption policy which is reviewed on an annual basis. A dedicated line has been created for reporting fraud and corruption.

The Municipality had adopted risk management related policies on its Council meeting dated 29 October 2016 and they are due for review. The aforementioned documents is/must be read in collaboration with numerous other legislative provisions in the combat against corrupt and/or fraudulent conduct and/or related practices. The Anti-Fraud and Corruption Policy applies to all Councillors and municipal staff, which encompasses that the aforementioned must at all times act honestly, with integrity and safeguard the municipal resources for which they may be responsible and/or accountable.

Whilst this Policy contains a strategy aligned with that of the former Department: Provincial and Local Government Strategy on promoting good governance and accountability, the AbaQulusi Anti-Fraud and Anti-Corruption Policy on its own was presented to Council for adoption. It is of this reason to sensitize Councillors through the workshops and trainings in order to communicate its documented as a zero-tolerance approach to corrupt and or fraudulent conducted related practices by councillors, municipal staff and/ or external parties.

The Council have appointed the Forensic Investigation firm to investigate specific areas on procurement processes, *inter alia* non-compliance with legislative provisions governing Supply Chain Management processes and financial management.

From a preventative approach, it is envisaged that all departments will be subjected to comprehensive fraud risk reviews, resulting in individual fraud prevention plans per directorate and sub-directorate, which will be monitored and reviewed on an annual basis to assess compliance in order to harvest a culture of accountability. However, any initiative to promote accountability, good corporate governance and the eradication of corrupt and/or fraudulent practices in whatever form needs to be supported by all role players, with the tone given by the top, with a zero-tolerance approach.

There is high shortage of staff in Internal Audit unit and risk management section and in the interim, the unit utilized the services of external consultants on a co-sourcing basis to implement the annual audit plan. Serious consideration is, however, now being given to build and capacitate the unit by means of advertising the vacant positions for both internal audit and risk management section in order to fill them with suitably qualified candidates to effectively drive the fraud detection, prevention and eradication measures within the Council.

2.9 AUDIT COMMITTEE

Section 166 of the MFMA, requires every Municipality to establish and maintain an Audit Committee, as an independent appraisal function.

Section 166: (1) Each municipality and each municipal entity must have an audit committee, subject to subsection (6).

(2) An audit committee is an independent advisory body which must— (a) advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality, or the board of directors, the accounting officer and the management staff of the municipal entity, on matters relating to:

- (i) Internal financial control and internal audits*
- (ii) Risk management*
- (iii) Accounting policies*
- (iv) The adequacy, reliability and accuracy of financial reporting and information*
- (v) Performance management*
- (vi) Effective governance*
- (vii) Compliance with this Act, the annual Division of Revenue Act and any other applicable legislation*
- (viii) Performance evaluation*
- (ix) Any other issues referred to it by the municipality or municipal entity*

Experience has shown that a properly constituted Audit Committee can make an effective and valuable contribution to the process by which an organization is directed and controlled.

The overall objectives of the Audit and Performance Audit Committee (APAC) are to ensure that management has created and maintained an effective control environment in the organization and that management demonstrates and stimulates the necessary respect for the AbaQulusi Municipality's systems, policies and procedures and for the internal control structure.

The AbaQulusi Audit Committee is well established and functioning as required. An updated Committee Charter has also been developed and approved by Council. All the members of the Audit Committee are also members of the Performance Audit Committee. The APAC meets quarterly.

2.9.1 MEMBERSHIP

The following table indicates the members of the APAC:

	NAME OF REPRESENTATIVE	CAPACITY
1.	B Van Der Merwe	Chairperson
2.	Khumalo NE	Member
3.	Botshiwe U	Member
4.	Ndaba SP	Member

The APAC executed all of their delegated functions for the 2018/19 financial and a report is attached on the Audit Committee Report:

2.10 INTERNAL AUDITING

In terms of Section 165 (1) of the MFMA, each municipality must have an Internal Audit Unit. Section 165 (2) of the Act, gives guidance on what is expected of the internal audit unit with regard to responsibility, functions and reporting requirements.

Section 165 (1) of the MFMA states that:

- (1) Each municipality and each municipal entity must have an internal audit unit*
- (2) The internal audit unit of a municipality or municipal entity must*
 - (a) Prepare a Risk-Based Audit Plan and an internal audit program for each financial year*
 - (b) Advise the accounting officer and report to the audit committee on the implication of the internal audit plan and matters relating to-*
 - (i) internal control*
 - (ii) internal audit*
 - (iii) accounting procedures and practices*
 - (iv) risk and risk management*
 - (v) performance management*
 - (vi) loss control*
 - (vii) compliance with this Act, the Division of Revenue Act and any other applicable legislation*
 - (c) perform such other duties as may be assigned to it by the accounting officer”*

The AbaQulusi Municipality’s Internal Audit Activity (IAA) is capacitated to provide independent, objective assurance and consulting services. Independence is maintained by being accountable to the Accounting Officer administratively and by functionally reporting to the Audit Committee, these reporting lines are clearly stated in the AbaQulusi Internal Audit Charter.

The IAA strives to provide value-added service to the Municipality providing workable and sustainable solutions. The AbaQulusi Municipality has an in-house IAA has Internal Audit Manager in -house who performs some of the duties and the municipality outsource some of the Internal Audit Functions from a consulting firm, Shakaman, they work together with Internal Audit Manager to execute duties in terms of Section 165 (1) of the MFMA

2.10.1 INTERNAL AUDIT FUNCTIONS

Below are the functions of the Internal Audit Unit that were performed during the financial year under review:

AUDIT AREA	YEAR 1 2018/2019	YEAR 2 2019/2020	YEAR 3 2020/2021
COMPLIANCE WITH LEGISLATION			
Municipal Finance Management Act (MFMA)	X	X	X
Division of Revenue Act (DoRA);	X	X	X
Municipal Systems Act	X	X	X
Municipal Structures Act.	X	X	X
RISK MANAGEMENT			
Risk Management i.e. Policy, Plan and Implementation;	X	X	X
Fraud Prevention i.e. Policy, Plan and Implementation	X	X	X
Establishment and functioning of Risk Committee	X	X	X
Code of Ethics	X	X	X
Disaster Recovery Planning	X	X	X
Business Continuity Management	X	X	X
Disaster Response Planning	X	X	X
Succession Planning	X	X	X
Delegation framework, including all staff.	X	X	X
INTERIM AND ANNUAL FINANCIAL STATEMENTS			
Review of Interim and Annual Financial Statements.	X	X	X
BANKING AND CASH MANAGEMENT			
Investments	X	X	X
Bank and Cash Management	X	X	X
Bank Reconciliations	X	X	X
Petty Cash	X	X	X
HUMAN RESOURCE			
Recruitment and Appointments	X	X	X
Terminations	X	X	X
Leave Administration	X	X	X
Record Keeping			X
Overtime Management	X	X	X
Employment Equity and Transformation			X
Training and Development		X	
PAYROLL			
Payroll management	X	X	X
Subsistence and travel allowances	X	X	X
Councillors Allowances			X
SUPPLY CHAIN MANAGEMENT			
Ordering	X	X	X
Tender process (Demand, Acquisition, Logistics, Disposal and Risk Management)	X	X	X
Receiving process	X	X	X

AUDIT AREA	YEAR 1	YEAR 2	YEAR 3
	2018/2019	2019/2020	2020/2021
Invoicing and reconciliation	X	X	X
Contract management	X	X	X
Creditor (Including payments)	X	X	X
Inventory Management (Stores)	X	X	X
Declaration of interest	X	X	X
LOSS CONTROL			
Identification, recording, investigation and follow up of action plan		X	X
PERFORMANCE MANAGEMENT SYSTEM (PMS)			
Quarterly audit of performance of information	X	X	X
Review of entire PMS process for alignment to the Integrated Development Plan and SMART principles	X	X	X
TECHNICAL SECTION			
Electrical			X
Roads and Maintenance			X
Mechanical Workshop			X
Waste Management			X
Water and Sanitation			X
FIXED ASSET MANAGEMENT			
Fixed Asset Register	X	X	X
Reconciliation	X	X	X
Fleet Management	X	X	X
BILLING AND REVENUE			
Rates		X	X
Electricity		X	X
Refuse		X	X
Traffic		X	X
Building Plans		X	X
Landfill site		X	X
Indigent management		X	X
CORPORATE SERVICES			
Review of the retention and recruitment policy	X	X	
Effectiveness of Occupational Health and Safety Committee, including the effect of HIV/AIDS and TB on the municipal workforce	X	X	
Records Management			X
Roles and responsibilities of Human Resource and Payroll Department	X	X	
OFFICE OF THE MUNICIPAL MANAGER			
Back to Basics	X	X	
Review strategy of engaging the various relevant provincial government departments to work with the municipality		X	
Review the effectiveness of management committee meetings		X	X

AUDIT AREA	YEAR 1	YEAR 2	YEAR 3
	2018/2019	2019/2020	2020/2021
Effective functioning of Risk Management, Internal Audit and Performance Management Audit Committee.		X	
Review performance of Audit Committee, Performance Management Audit Committee and Municipal Public Accounts Committee		X	X
Community Participation and Strategies		X	
INFORMATION TECHNOLOGY (IT) GENERAL CONTROLS			
IT Policies		X	
Security Management		X	
Computer Operations		X	
User Accounts Management		X	
IT Disaster Recovery Plan		X	
Physical Security and Environmental Control		X	
Change Management		X	
Information Security		X	
MSCOA		X	
KEY CONTROL CHECKLIST			
Monitoring and implementation of status of records review		X	
FOLLOW UP			
Follow up on previous Internal Audit Reports: <ul style="list-style-type: none"> Hiring of halls, revenue from business licenses, informal traders Solid waste Ageing Infrastructure Audit Training and development Traffic fines and recovery 	X#		
Follow up on Auditor General Management Report	X#	X#	X#

2.11 BY-LAWS AND POLICIES

Section 11 of the MSA gives a Council the executive and legislative authority to pass and implement by-laws and policies. Below is a list of all the by-laws developed and reviewed during the financial year:

		Adopted Yes/No
1.	Property Rates	Yes
2.	Pollution Control	Yes
3.	Pounds	Yes
4.	Public Roads	Yes
5.	Public Amenities	Yes
6.	Tariff Policy	Yes
7.	Street Trading	Yes
8.	Storm Water Management	Yes
9.	Property Encroachment	Yes
10.	Keeping of Animals	Yes
11.	Water Bylaw	Yes
12.	Environmental	Yes
13.	Cemetery and Crematoria	Yes
14.	Financial	Yes
15.	Fire Fighting	Yes
16.	Traffic Bylaw	Yes
17.	Building regulation	Yes
18.	Outdoor Advertising	Yes

Below is a list of all the policies developed and reviewed during the financial year:

POLICY DEVELOPED/ REVIEWED			DATE ADOPTED
1.	Credit Control and Debt Collection	Reviewed	03 June 2019
2.	Cash Management and Investment	Reviewed	03 June 2019
3.	Borrowing Policy	Reviewed	03 June 2019
4.	Supply Chain Management	Reviewed	03 June 2019
5.	Disposal of assets.	Reviewed	03 June 2019
6.	Indigent Policy	Reviewed	03 June 2019
7.	Performance Management Framework	Reviewed	03 June 2019
8.	Policies dealing with Infrastructure Investment	Reviewed	03 June 2019
9.	HR Policies	Reviewed	01 August 2019
10.	Cost Containment	Reviewed	03 June 2019
11.	Infrastructure Policy	Reviewed	03 June 2019
12.	Virement	Reviewed	03 June 2019

2.12 COMMUNICATION

Local government has a legal obligation and a political responsibility to ensure regular and effective communication with the community. The Constitution of the Republic of South Africa, 1996 and other statutory enactments all impose an obligation on local government and require high levels of transparency, accountability, openness, participatory democracy and direct communication with the communities to improve the lives of all.

Good customer care is clearly of fundamental importance to any organisation. A successful communication links the people to the municipality's programme for the year, below is a communication checklist of the compliance to the communication requirements:

TOPIC	DISCRIPTION	DATE	TARGET GROUP	NO. OF PEOPLE
Housing Consumer Education	Housing Public Meetings	On-going	Community	
Code of Conduct	The promotion of the Code of Conduct for employees by means of posters	On-going campaign	Employees	

Additional Communication channels utilized

CHANNEL	YES/NO
SMS system	Yes
Call system	Yes
Facebook	Yes
Flyers	Yes

2.13 WEBSITE

Municipalities are required to develop and maintain a functional website that displays relevant information as per the requirements of Section 75 of the MFMA and S21A and B of the MSA as amended.

The website should serve as a mechanism to promote accountability and transparency to communities and therefore information posted should be accurate and timeously updated.

The municipal website is a key communication mechanism in terms of service offering, information sharing and public participation. It is a communication tool that should allow easy and convenient access to relevant information. The municipal website should serve as an integral part of the municipality's communication strategy.

The table below gives an indication about the information and documents that are published on our website.

DISCRIPTION OF INFORMATION AND OR DOCUMENT	YES/NO
Municipal Contact Details (Section 14 Of The Promotion Of Access To Information Act)	
Full Council details	No
Contact details of the Municipal Manager	Yes
Contact details of the CFO	No
Physical address of the Municipality	Yes
Postal address of the Municipality	Yes
Financial Information (Sections 53, 75, 79 and 81(1) of the MFMA)	
Draft Budget	Yes
Final Budget	Yes
Adjusted Budget	Yes
Asset Management Policy	Yes
Customer Care, Credit Control & Debt Collection Policy	Yes
Indigent Policy	Yes
Investment & Cash Management Policy	Yes
Rates Policy	Yes
Supply Chain Management Policy	Yes
Tariff Policy	Yes
Virement Policy	Yes
Travel and Subsistence Policy	Yes
SDBIP	Yes
INTEGRATED DEVELOPMENT PLAN AND PUBLIC PARTICIPATION (SECTION 25(4)(B) OF THE MSA AND SECTION 21(1)(B) OF THE MFMA)	
Reviewed IDP	Yes
IDP Process Plan	Yes
SUPPLY CHAIN MANAGEMENT (SECTIONS 14(2), 33, 37 &75(1)(E)&(F) AND 120(6)(B)OF THE MFMA AND SECTION 18(A) OF THE NATIONAL SCM REGULATION)	
SCM contracts above R30 000	Yes

DISCRIPTION OF INFORMATION AND OR DOCUMENT	YES/NO
Section 37 of the MFMA (Unsolicited Bids/Contracts)	Yes
Public invitations for formal price quotations	Yes
REPORTS (SECTIONS 52(D), 71, 72 &75(1)(C) AND 129(3) OF THE MFMA)	
Annual Report	Yes
Oversight Reports	Yes
Mid-year Budget and Performance Assessment	Yes
Quarterly Reports	Yes
Performance Management (Section 75(1)(d) of the MFMA)	
Performance agreements for employees appointed as per Section 57 of the MSA	Yes

CHAPTER 3 SERVICE DELIVERY PERFORMANCE

PART I

Key service delivery at AbaQulusi during 2018/19 is indicated in the Annual Performance Report 2018/19 and briefly achievements can be summarised as follows:

Table 17: Key Service delivery

	INTERVENTION	WARD
1.	Road construction	4,12,19,20,22
2.	Basic level of Sanitation	All wards
3.	Basic level of water	All wards
4.	Basic level to electricity	All wards
5.	Access of electricity – new households	8
6.	Maintenance of electrical network	All wards
7.	Maintenance of community halls	All wards
8.	Fencing of cemetery	16
9.	Construction of crèches	18
10.	Refuse removal	1,6,7,8,9,10,11,13,18,20

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.

3.1 WATER SUPPLY

Interesting fact of this service

Piped water inside dwelling

89 ranking by piped water inside dwelling and 38.8% of households have access to this service

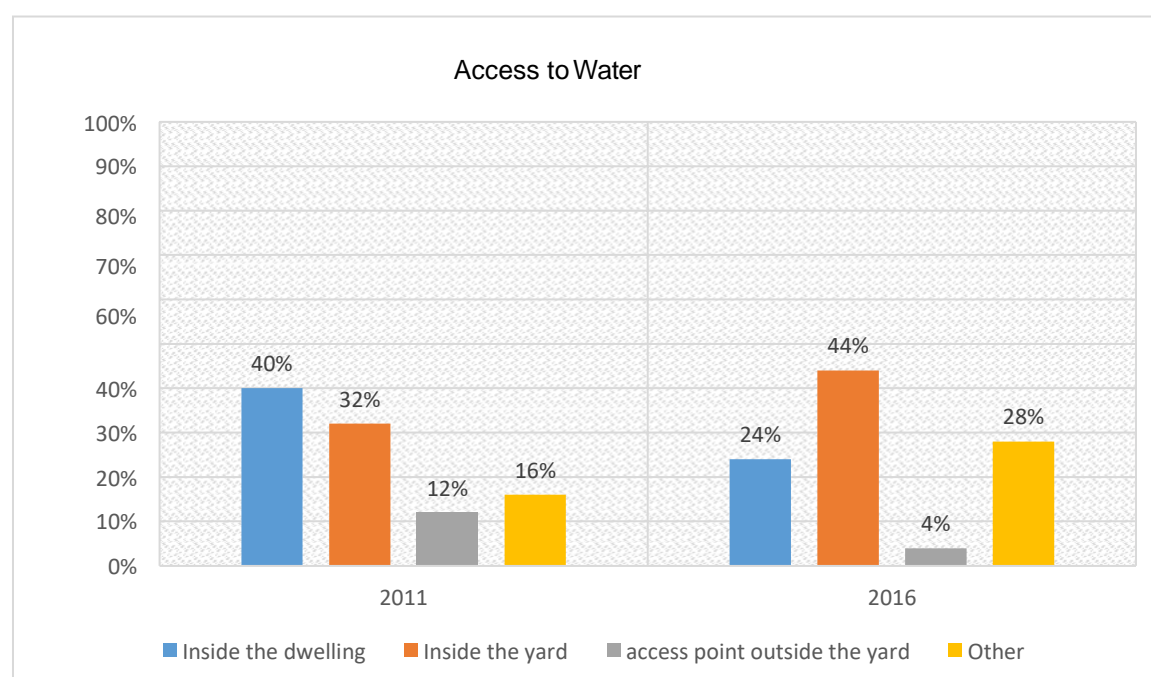
Water and sanitation services fall under the powers and functions of the Zululand District Municipality and is the core function of Zululand District Municipality. The Municipality is constantly engaged in discussions with Zululand District Municipality as a Water Service Authority to get information on progress regarding this function. The district's primary objective is to extend potable water and sanitation services throughout the district by eliminating the backlogs and also to maintain and ensure sustainability of the existing water and sanitation infrastructure.

Zululand District Water Services has developed a Water Services Development Framework since it is responsible for water and sanitation services delivery in the district. This was done in terms of the powers and functions stipulated in the Municipal Structures Act No.117 of 1998; Chapter 5. The main objective of the municipality is to ensure the quality of drinking water in the region is improved in as far as the blue and green drop is concerned.

Water supply infrastructure in AbaQulusi Municipality varies between areas reflecting the impact of separate development and urban bias of the past planning and development practices. However, the situation has improved tremendously since 2001 with the number of households with piped water inside dwelling has increased from 7166 (2001) to 13 385(2007) and 17237(2011), while households obtaining water from springs and streams have decreased. These households remain exposed to waterborne diseases such as cholera.

The table below indicate access to water in AbaQulusi

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

The responsibility for the delivery of water in AbaQulusi is shared between Zululand District and AbaQulusi Municipality. Zululand district provides water in the rural areas while AbaQulusi is in charge of water in the urban areas. 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. There is minimal capacity left in most of the bulk water supply systems with the situation fast reaching critical level in eMondlo. The capacity for the above six municipal plants is as follows:

- Klipfontein (13) mega litres per day and 3 mega litres reserves
- Bloemveld (7.5) mega litres per day,
- eMondlo (7.5) mega litres per day
- Hlobane (7.5), mega litres per day
- Coronation (1.5) and
- Louwsburg (1.1) mega litres per day

The rural areas are primarily served by boreholes. However, the District is presently implementing three major rural water schemes in the AbaQulusi, namely:

- Emondlo-Hlahlindlela Water Scheme.
- Coronation Bulk Water Scheme
- Khambi Regional Water Supply Scheme.

3.2 WASTE WATER

104 ranking by flush toilet connected to sewerage and 40.9 households are connected to flush toilet

The table below shows that AbaQulusi Municipality is not well provided with sanitation facilities. According to Statistics South Africa, the situation in terms of access to flush toilets remains the same as in 2001. However, there is a marked increase (from 5% in 2001 to 22% in 2007) in the number of people with ventilated pit latrines. This indicates a clear focus on rural sanitation and progress made in addressing sanitation backlog in these areas.

Access to Sanitation

Access to Sanitation	Census 2011	Community Survey 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%)

The main responsibility of the municipality is

- to ensure that the residents of AbaQulusi receive purified water,
- and areas that are not serviced with piped water are supplied with water via tankers.
- repair burst water pipes, water meters and replace old asbestos pipes.

The municipality is striving to achieve the blue drop requirements as regulated by the Department of Water Affairs.

3.2.1 CHALLENGES

Challenges on waste water are indicated in the table below:

DESCRIPTION	ACTION TO BE TAKEN
Ageing infrastructure	Budgetary provision must be made and additional funding sourced to replace ageing infrastructure
Operational budget constraints	Budgetary provision and external funding
Shortage of resources	
Inadequate professionals	Employment of professionals

3.3 ELECTRICITY

Local Government holds executive authority over electricity reticulation in accordance with the Constitution. Furthermore, the Electricity Regulating Act makes provision for the establishment of the National Energy Regulator that sets specific standards and guidelines concerning the distribution of Electricity Distribution Licenses. This places a responsibility on municipalities to ensure the provision of electricity services to communities in a sustainable manner for economic and social support. The Municipality provided electricity to all its township such as Coronation, Hlobane, Vaalbank, Bhekuzulu, Vryheid and Lakeside and Bhekumthetho. The rest of all other areas in rural wards are services by Eskom.

The table below indicates that approximately 72% of the households in AbaQulusi have access to electricity. This marks an increase from 49% recorded in 2007 to 72% in 2011. The number of households using candles for lighting has also decreased from 49% in 2007 to 26% in 2011. The use of paraffin as a source of energy for lighting has also decreased, which is a major safety concern in most rural areas and informal settlements. The municipality is currently providing 50k/w free basic electricity to about 3101 households. 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.

Access to Electricity

Access to Electricity	Census	Community Survey
	2011	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%)

131 ranking by electricity for lighting, 72.1% use electricity for lighting

3.3.1 HIGHLIGHTS

HIGHLIGHTS	DESCRIPTION
Load - shedding	The municipality use geyser relay system and therefore does not load- shed in town, this is extended to other areas

The table below specifies the service delivery levels for the year:

HOUSEHOLDS		
DESCRIPTION	2017/18	2018/19
	ACTUAL	ACTUAL
	NO.	NO.
<u>Energy:</u> (above minimum level)		
Electricity (at least min. service level)	2461	2474
Electricity - prepaid (min. service level)	15992	16023
<i>Minimum Service Level and Above sub-total</i>	18453	18497

3.3.2 CHALLENGES

DESCRIPTION	ACTION TO BE TAKEN
Ageing infrastructure	Budgetary provision must be made and additional funding sourced to replace ageing infrastructure
Electricity losses	Replace ageing infrastructure

3.4 WASTE MANAGEMENT

119 ranking by weekly refuse removal, 41.5 households have access

3.4.1 Solid waste management

As indicated in the table below a large portion of the municipal population does not receive or are not offered proper solid waste services (i.e. not collected by the municipality, burnt in pit, bury in vicinity, no removal). The number of households receiving refuse removal service once a week has decreased from 36% in 2001 to 32% in 2007 and has now increased to 42% in 2011, indicating a small improvement, however, this is still not acceptable and has had a very negative impact on development and the environment itself.

Table Access to Refuse Service

ACCESS TO REFUSE SERVICE	CENSUS	CENSUS	CENSUS
	2001	2007	2011
Removed by local authority/private company at least once a week	13 264 (36%)	12 921 (32%)	17985 (42%)
Removed by local authority/private company less often	345 (1%)	2 657 (7%)	434(1%)
Communal refuse dump	171 (0%)	799 (2%)	511(1%)
Own refuse	18 218 (49%)	14 821 (37%)	20764 (48%)
No rubbish disposal	5062 (14%)	8 668 (22%)	2728(6%)
Other	1 (0%)	0 (0%)	878(2%)
Total	37 061	39 866	43290

The municipality collects refuse in urban areas only, e.g. Vryheid, eMondlo, Coronation, Hlobane, Vaalbank, Bhhekuzulu, Nkongolwane and Louwsburg. Only 42% of households had an average basic level of service, (removal by municipality once per week).

In terms of the National standard for the weekly Refuse Collection, AbaQulusi Municipality follows the National standards and National Environmental Management Act 107. AbaQulusi Municipality is responsible for waste separation at source, cleansing the streets, collection and disposal at the registered AbaQulusi Landfill site.

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 Municipality needs to extend the refuse removal services to the rural areas as well. The Municipality should have transfer stations in areas where illegal dumpsites have been closed.

In terms of the National standard for the weekly Refuse Collection, AbaQulusi Municipality is in compliance with the National standards and National Environmental Management Act 107. AbaQulusi Municipality is responsible for waste separation at source, cleansing the streets, collection and disposal at the registered AbaQulusi Landfill site. The following actions have been initiated and implemented to meet the National standard for the weekly refuse collection:

- 1) Bulk containers - AbaQulusi Municipality is currently using bulk containers (Skips) distributed in various locations in Vryheid town, industrial areas, business areas, townships, schools and community centres.
- 2) Collection vehicles - The collection of waste is private.
- 3) Health and Safety – All waste is properly stored in the plastic which prevents the odour as waste is collected once a week in residential areas and daily in town.

- 4) Communication – Monthly meetings are conducted with the Service providers, National and provincial Department: Environmental Affairs, and internal stakeholders. Weekly meeting with the street sweepers.
- 5) To deal with illegal dumps communication between the Municipality and community was undertaken and there has been improvement.
- 6) Recycling station – (Drop-off, transfer station and collection of recyclable waste) is currently not in operational as the Landfill site is under construction/rehabilitation.

Street Cleaning

Street cleaning is done in town, Vryheid and daily by training and well equipped personal. Street cleaning has improved because a new reporting system whereby a template has been designed to identify challenges faced by the cleaners on their working environment. No municipal recycling is taking place at the moment.

Waste collection

Waste is collected by the private companies on behalf of the municipality. They collect daily in towns and once a week in residential areas.

Recycling

Recycling station – (Drop-off, transfer station and collection of recyclable waste) is currently not in operational as the Landfill site is under construction/rehabilitation.

Disposal

Waste is disposed at a registered landfill site in Vryheid.

Landfill site

The site is licenced and has an Environmental Authorisation to operate.

3.4.2 HIGHLIGHTS

HIGHLIGHT	DESCRIPTION
Refuse removal provided in all urban wards	

3.4.3 CHALLENGES

DESCRIPTION	ACTION TO BE TAKEN
Refuse removal is not extended to rural wards	The municipality needs to make considerations to extend possible service in future

3.5 HOUSING

The Housing Unit is responsible for some of the biggest and the most significant capital projects and yet it is the smallest unit within the Development Planning Department.

The Human Settlements Section is responsible for the development and implementation of the Housing Sector Plan. The work of the Human Settlements section is aligned to various national, provincial and municipal policies and plans which guide the planning and implementation of the various Human Settlements projects. These policies and plans include but are not limited to

(a) The Kwa-Zulu Natal Master Spatial Plan (MSP): it sets out the vision for human settlements investment within the province and provides a framework to guide where human settlements investment should be prioritised both at a provincial and municipal level. The MSP was formulated to address the need for a master spatial plan to guide human settlements investment and it identified focus areas for Human Settlements within the province. It also indicated that at least 70% of all discretionary spending (projects) needs to be located within these focus areas. Vryheid which is one of the main towns within Abaqulusi, is located within the provincially identified focus areas and will contribute to the housing delivery targets identified in the MSP).

(b) The Zululand District Growth and Development Plan (ZDGDP) identifies a number of strategic goals and objectives for Sustainable Human Settlement. These include but are not limited to promotion of spatial concentrations so as to provide adequate levels of service and infrastructure to the population in a cost-effective manner.

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

The majority of the population in Abaqulusi Municipality is indigent; this has 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 R88, 000,
- Free 6kl of water per month,

- Free refuse,
- These allocations are per the national government policy guidelines,
- The total cost for these Free Basic Services amounts to R 16 919 365

COMPONENT B: ROAD TRANSPORT

3.7 ROADS

The section is responsible for the construction and maintenance of roads infrastructure, laying and cleaning of storm-water drainage, construction and maintenance of walk ways, kerbing and drive-ways. AbaQulusi Municipality consists of rural areas which are far behind in terms of roads infrastructure and the main aim of the municipality is to provide roads to all households of AbaQulusi Municipality.

Integrated development plan document is the main source of development priority, roads are prioritised in terms of usage of the road and number of beneficiaries of the particular road infrastructure.

The municipality managed to provide access to number of households by construction of gravel roads thus providing access to public transport to those communities with the help of Municipal Infrastructure Grant. During the construction of these roads there were job opportunities provided to the community members where projects took place thus alleviating poverty. Most of service providers completed their projects within the specified period resulted to spending 100% on the municipal infrastructure grant allocation. 00

The municipal roads infrastructure passed their life span due to heavy trucks driving through town and bursting of water pipes underneath roads are contributing to the deteriorating of roads infrastructure, despite.

3.7.1 HIGHLIGHTS

Status of the gravel road

Total Gravel roads (km)	New Gravel Roads constructed (km)	Gravel roads upgraded to Tar/paving (km)	Gravel roads maintained-blading (km)
693.62	6.7	0	279.4

The status of the tarred roads within the Municipality as per June 2018 is presented in the following table.

Status of the tarred road

Total Tar roads (km)	New Tar Roads constructed (km)	Existing tar roads re-tarred (km)	Existing tar roads re-sheeted (km)	Tar roads maintained -Pothole patched (m²)
145.52	0	0	0	14 521.64

3.7.2 CHALLENGES

DESCRIPTION	ACTION IN PLACE
Ageing road infrastructure	Source funding to rehabilitate roads
Lack of maintenance funding	Budgetary provision must be made for resealing and maintenance of roads and stormwater

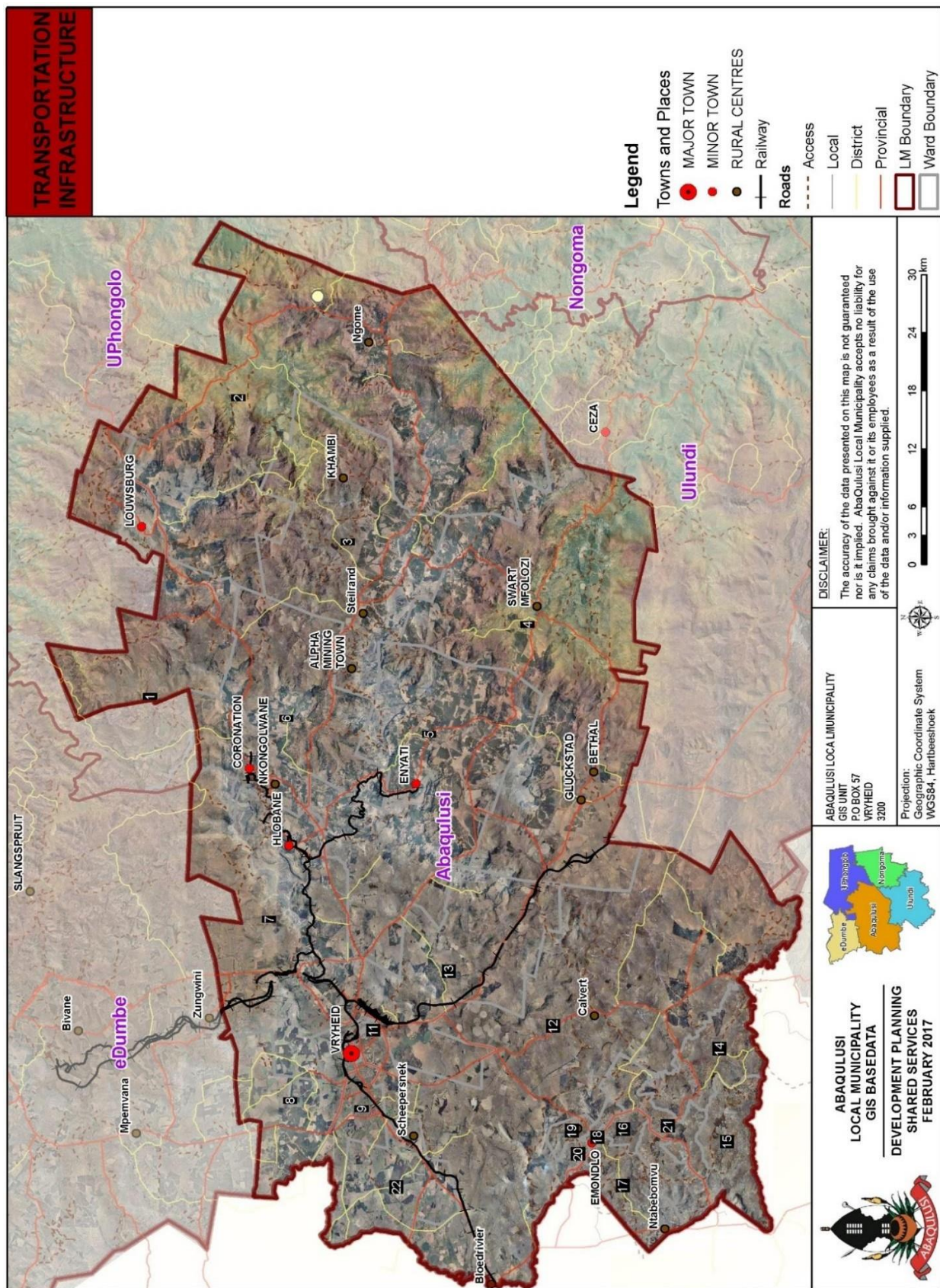
3.8 TRANSPORT

3.8.1 RAIL TRANSPORT

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, it branches off to the west to Hlobane.

3.8.2 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 (PSED, 2007), and the potential link with Dube Trade Port. The Map below indicates the Transport Network that exist within the AbaQulusi Municipality.



3.9 WASTE WATER(STORM WATER DRAINAGE)

The storm-water drainage is constructed in conjunction with roads in the areas, the main challenge experienced in urban areas is dumping in the drainage system which cause blockages and flooding of houses. The municipality have program to educate communities about the danger and risk of dumping everywhere. Communities are encouraged to take out their refuse on days when the refuse truck is collecting refuse in their area, they are discouraged to dump into the drainage sytem.

There were people employed under expended public work program to assist in storm-water drainage cleaning in various areas of the municipality.

Table: Status of Storm water in AbaQulusi Municipality

STORM-WATER INFRASTRUCTURE (METERS)				
	Total Storm-water measures	New storm-water measures	Storm-water measure upgraded	Storm-water measures cleaned
Year end 2018/19	15000	150	0	14 140.50

The table below specify challenges during the reporting period

CHALLENGES	ACTION TO BE TAKEN
Inadequate staff	Filling of vacant positions
Shortage of equipment to clean storm water drainage	Purchase or hire equipment

COMPONENT C: PLANNING AND LOCAL ECONOMIC DEVELOPMENT

3.10 PLANNING

3.10.1 INTRODUCTION TO TOWN PLANNING AND BUILDING CONTROL

The Municipality provides a full spectrum of town planning and building control services within its administrative area. The Division Town Planning and Building Control also includes a compliance component which is responsible for the enforcement of the regulations relating to municipal planning and building control, as well as environmental issues in general, air quality and noise control.

The Spatial Land Use and Management Act (SPLUMA) and the Land Use Planning Act (LUPA), together with the Municipal By-Law on Land Use Planning and the National Building Regulations serve as the legislative framework for all land use planning and development.

Land use planning and decision making within the Municipality is guided by the Spatial Development Framework (SDF) which is the spatial articulation of the IDP and is reviewed annually. The specific land use parameters and development rules within the Municipality are set out in the AbaQulusi Integrated Zoning Scheme Regulations. All building plans are considered in consultation with Infrastructure Services. Inputs on development initiatives, particularly in rural areas, is also requested from various district and provincial authorities before decisions are made.

Land use planning applications are also advertised in the local press and on the municipal website for public consideration and input. It is noted that in terms of current legislation, land use planning is a municipal competency, including the appeal process.

3.10.2 HIGHLIGHTS: TOWN PLANNING AND BUILDING CONTROL

The table below indicates highlights for the year

HIGHLIGHTS	DESCRIPTION
AbaQulusi wall-to-wall Scheme – Urban Component	Finalization of Draft Scheme Clauses and Maps with comments received the public consultation and PSC Meeting. Urban Component of the

	Scheme Clauses and Maps to be submitted to Council for approval and adoption.
Shoba Township Establishment – Portion 5 of the Farm Welgevonden No. 287	Project is currently in the pre-application phase in Terms of SPLUMA
Compliance of NBR timeframes	The building plans must be approved within 30 days if its less than 500sqm if its more than 500sqm, its 60 days. The municipality has been able to get the building plans approved within the NBR timeframes

3.10.3 CHALLENGES

The table below specifies challenges for the year

CHALLENGES	ACTION TO BE TAKEN
Municipal Planning Registrar to be appointed in terms of SPLUMA	Position to be prioritized in the 2019/2020 budget
No peace officers within the Planning Office to ensure enforcements of Planning By-laws	Peace Officer Training to be conducted for the Planning staff. As interim measure to allow an official from the public safety dept. to assist on a full-time basis
Appointment of a legal person that is well versed with the planning laws and to take legal action against contraveners in terms of obtaining demolition order, court interdicts, etc.	That municipal legal team go for training on planning laws or an external legal adviser be appointed be appointed.
Appeals Authority requires further training	Technical Advisers be appointed to assist the Appeal Authority is take decisions that are compliant with all the relevant laws
Illegal developments without submission of building plans	More staff to be appointed to help identify illegal structures as we are short staffed.
Outdated filing system	New filing system
Fines cannot be issued; peace officer training is needed	Peace officer training

3.10.4 STATISTICS: TOWN PLANNING AND BUILDING CONTROL

The table below specifies the service delivery levels for the year

APPLICATION FOR LAND -USE DEVELOPMENT						
DETAIL	SPLUMA APPLICATIONS		CONSENT APPLICATIONS		BUILDING PLANS ASSESSED	
	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19
Submitted	13	29	21	29	41	65
Approved	5	19	19	24	28	58
Not Approved	1	/	1	4	9	7
Pending	8	5	1	1	4	/
Lapsed/ Withdrawn	/	5	/	/	/	/

TYPE OF SERVICE	2017/18	2018/19
Building plans application processed	54	62
Total surface (m2)	8127,06	9349,88
Approximate value (Rand)	R52 825 890.00	R60 774 220.00
Land use applications processed		

3.11 LOCAL ECONOMIC DEVELOPMENT

Local Economic Development is an approach towards economic development which allows and encourages local people to work together to achieve sustainable economic growth and development thereby bringing economic benefits and improved quality of life for all residents in a local municipal area.

As a programme, LED is intended to maximise the economic potential of all municipal localities throughout the country and, to enhance the resilience of the macro-economic growth through increased local economic growth, employment creation and development initiatives within the context of sustainable development. The “local” in economic development points to the fact that the political jurisdiction at a local level is often the most appropriate place for economic intervention as it carries alongside it the accountability and legitimacy of a democratically elected body.

3.11.1 INTRODUCTION TO LOCAL ECONOMIC DEVELOPMENT

The unit amongst others is responsible for the following:

SMME Development

- Capacity building
- Formation of cooperatives

Agriculture

- Poverty alleviation
- Promotion and development of cooperatives

Tourism

- Promotion of local tourism
- Development of local SMMEs
- Development of accommodation sector

CHALLENGE	ACTION TO BE TAKEN
LED does not have Budget	Prioritise budget allocation for LED

COMPONENT D: COMMUNITY AND SOCIAL SERVICES

3.12 LIBRARY AND MUSEUM

AbaQulusi Municipality is proud to have four public libraries and that meet the needs of the different communities. The main library is Vryheid Public Library. All libraries are equipped with free computers and internet access except BhekuZulu Library for the creation of documents and research purposes. Many community members make use of the library to access the internet and do work, to read newspapers and to page through the latest magazines.

Library Services are fully funded by Provincial Library Services (DCAS) and national government. Although library staff is on the municipal payroll, the Municipal Replacement Funding (MRF) and conditional grant cover salaries and benefits.

3.12.1 HIGHLIGHTS: LIBRARY SERVICES

The table below specifies the highlights for the year:

HIGHLIGHTS	DESCRIPTION
Basic Computer training	The municipality provide basic computer training to its community

CHALLENGE	ACTION TO BE TAKEN
Accessibility of library services in remote areas	Engage Department of Arts and Culture for consideration to extend service to remote areas

The table below specifies the service statistics for the year:

TYPE OF SERVICE	2017/18	2018/19
Library members	Vryheid library: 5723	Vryheid Library 6263 Bhhekuzulu Library 245 Mondlo Library 2628 Total 9133
Books circulated	Vryheid library: 41714	Vryheid Library 333378 Bhhekuzulu Library 2070 Mondlo Library 2510 Total 37958
Exhibitions held	<ul style="list-style-type: none"> • reflection on international, national and local trends • 12 monthly displays were done successfully. 	<ul style="list-style-type: none"> • reflection on international, national and local trends monthly • displays as part of educational awareness, 12
Internet users	350 community members completed their computer training	690 community members completed their computer training as part of
Children's' programmes	4 holidays programmes done during school holidays	4 holidays programmes done during school holidays
Visits by school groups	14 schools visited for library orientation	32 schools visited for library orientation

MUSEUM

AbaQulusi municipality has one main museum which serves as the quarters of the history of Vryheid. The museum is named after Lucas Meijer in his honour as the first and the last president of the new republic which is the republic that was formed between 1884 -1888 within the jurisdiction of AbaQulusi. The role of the museum is the collection of the heritage and cultural items that are unique, significant and which reflect our cultural diversity.

The main role of the museum is to promote and advance awareness about the character and the importance of the museum in social development of the community of AbaQulusi. Lucas Meijer museum manages collections of artefacts or works of art. This includes dealing with the acquisition, care and display of items with the aim of informing and educating the public. It's essential for museums, galleries, and heritage and tourism attractions to develop collaborative relationships, share collections and disseminate information with the aim to construct innovative and creative exhibitions that appeal to a wide cross-section of the general public. Developmental programmes and projects implemented by the museum are as follows:

1. Exhibition – daily visit by tourist, researchers and scholars.

2. History lessons / sessions
3. Donation of historical precious items
4. Research- Local history
5. Lucas Meijer Museum Day Celebration

The table below indicates challenges for the reporting period

CHALLENGE	ACTION TO BE TAKEN
Lucas Meijer museum still needs a transformation in order to incorporate the history of the Nguni linguistic groups.	AbaQulusi Municipality and Provincial museums services are currently conducting a research on tribes and indigenous people who settled in Vryheid.

3.13 CEMETERIES AND CREMATORIALS

A cemetery or graveyard is a place where the remains of deceased people are buried or otherwise interred. The cemetery yards are maintained daily by the staff and burial take place at any day as requested by the family. The burial is between 7:30am - 4:00pm daily.

The AbaQulusi Municipality does not provide cremation. Currently the municipality has 6 cemeteries, located in Vryheid, 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. Poor maintenance and budget constraints have also hindered and compounded to the issues surrounding the cemeteries. According to the Zululand District Cemetery Plan, the status of cemeteries within AbaQulusi 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 up to 2020.
- **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 15 years. A further 5 ha would be required up to 2020 (refer graphs below). 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 hectares for extension and planning principles are essential for the cemetery to be registered. The obtainable land suggests that the lifespan of this cemetery will reach 2020 and beyond considering the current death rate
- **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 1 ha should be sufficient up to 2020.
- **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.
- **Gluckstadt:** The cemetery is situated behind the Lutheran Church in Gluckstadt and has space for approximately 500 graves. The life expectancy of this cemetery is in excess of 5 years. The cemetery can be extended to the north, east and south.
- **Hlahlindlela:** A total area of about 7.5 ha will be required for the development of cemeteries up to 2020 in this tribal area. The cemeteries should be positioned, taking in consideration the development nodes as identified in the IDP in consultation with the traditional leaders.
- **Khambi:** The land area required for the development of cemeteries in Khambi and Khambi extension up to 2020 is 3, 5 ha and 2, 5 ha respectively. The cemeteries should be positioned, taking into consideration the development nodes as identified in the ZDM IDP in consultation with the traditional leaders.
- A need for a new sub-regional cemetery has been identified, and a search for appropriate land has been initiated. Other critical issues in respect of cemeteries include the following:
 - Need to investigate feasibility of cremation and recycling of graves considering religious and cultural differences.
 - All existing cemeteries need fencing.
 - Need to provide water and sanitation in all cemeteries.

3.13.1 HIGHLIGHTS

HIGHLIGHTS	DESCRIPTION
Identified new land for extension of cemeteries	Processes to identify land for cemeteries is ongoing
Regular maintenance of cemeteries	Cemeteries are maintained regularly

3.13.2 CHALLENGES

The table below specifies the challenges for the year:

DESCRIPTION	ACTION TO ADDRESS
Limited space	Extension of cemeteries is required

3.13.3 SERVICE STATISTICS FOR CEMETERIES

The table below specifies the service delivery levels for the year:

TYPE OF SERVICE	2018/19
Pauper Burial	44

3.13.4 CAPITAL: CEMETERIES

There were no capital projects undertaken for the 2018/19 financial year and land acquisition processes is looked into and consideration will be made once finalized.

COMPONENT E: ENVIRONMENTAL PROTECTION

Although environmental protection and management vests primarily with the Provincial Department of Environmental Affairs and Development Planning, certain environmental functions are the responsibility of the Municipality. These include air and noise pollution, biodiversity and landscape management, and coastal protection.

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.

COMPONENT F: HEALTH

The AbaQulusi Municipality has one public hospital and 12 clinics servicing the population of 211 060 people. An application of the planning standard (5000 households per clinic) for the provision of clinics reveals a backlog of about 24 clinics for AbaQulusi Municipality area of jurisdiction (Data Source: ZDM Health Sector Plan {2004}).

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 has set-up a fully functional Local AIDS Council, which are well 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.

COMPONENT G: SECURITY AND SAFETY

3.17 SAFETY AND SECURITY

This component includes: traffic; law enforcement; fire and disaster management. Municipality is eager to ensure a safe environment for the public, personnel and councilors. The Municipality therefore makes use of private security firms to ensure the safety of the personnel and councilors, as well as members of the public that visit municipal offices.

3.17.1 INTRODUCTION TO TRAFFIC SERVICES

The Municipality renders a comprehensive traffic service including traffic law enforcement, road markings, road traffic signs, law enforcement in general and a shared disaster management in conjunction with the Zululand District Municipality.

The endeavor to educate and create a culture of compliance and willingness to obey to traffic law, rules and regulations and operate on the legal mandate of NRTA 93/96 and NLTA 5/2009. Operational activities *inter alia* include roadblocks, high visibility, random vehicle checkpoints, execution of traffic related warrants and traffic laws and policing of municipal by-laws.

Traffic also partner with other law enforcement agencies, like the SAPS, RTI, Magistrate Court and Provincial Traffic Services to minimize road deaths and other crime related problems.

Several awareness campaigns regarding road safety and fire protection are conducted throughout the year.

The table below specifies the highlights for the year:

HIGHLIGHT	DESCRIPTION
Services is provided after hours	The municipality has extended its service beyond normal working hours

The table below indicates challenges for the year:

CHALLENGE	ACTION TO BE TAKEN
Office to provide other functions within the section	Funding application to CoGTA

The table below indicates specify service delivery for the year:

DETAILS	2017/18	2018/19
Motor vehicle licenses processed	582	1200
Learner driver licenses processed	1252	1112
Driver licenses processed	963	1200
Driver licenses issued	952	1522
Fines issued for traffic offenses	122 500	250 000
R-value of fines collected	1 252 520	2 66 600
Roadblocks held	9	8
Complaints attended to by Traffic Officers	12	8
Number of officers in the field on an average day	17	14
Number of officers on duty on an average day	14	14

3.17.2 DRIVING LICENCE TESTING CENTRE, VEHICLE AND MOTOR LICENCING

The co-function of the centre is to provide an effective system for the following functions. Application for learners and driving licensing test, PrDP, Instructors certificate, Learners and driving licensing bookings, renewals of driving licensing cards, applications for vehicle road worthy test is currently suspended and converting of foreign driving licenses as per the National Road Traffic Act 93 of 1996 which is a computerised system.

3.17.3 MOTOR LICENSING BEREAU

The co-function of the centre is to register motor vehicles and licence renewals, application for change of motor vehicles details, special and temporal permits and change of ownership. This is done with all approved fees determined by the Department of Transport, 8.5 % of the daily takings are given to the Municipality.

3.17.4 POLICE

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

- Vryheid
- eMondlo
- Gluckstadt
- Louwsburg
- Driefontein
- 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 renders services in disaster risk management, however, the operations of this unit are limited by the shortage of both financial and human resources

3.17.5 CRIME PREVENTION

This is the attempt to reduce and deter crime and criminals. It is applied specifically to the efforts made by all spheres of government to reduce crime, enforce the law and maintain criminal justice. Traffic Officers are Peace Officers according to the Criminal Procedure Act 51 of 1977 to assist in crime prevention during their normal duties. Monthly meeting is held with the South African Police Services and Community Policing Forum.

3.17.6 SECURITY

The co-function of security services is to provide proper security for all Municipal buildings, equipment, staff and consumers to reduce theft and risks. The Municipality has appointed Qomukufa Security. This service provider is expected to provide security solutions to the Municipality to minimise theft of Municipal assets.

3.18 DISASTER MANAGEMENT

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 is in possession of Disaster Management Sector Plan which is to be reviewed annually.

Highlights on disaster management are indicated on the table below

HIGHLIGHTS	DESCRIPTION
Response to incidents timeously	The municipality is able to provide quick response in time
	Conduct risk assessment in time
Awareness campaign on disaster management	The municipality educates the community on disaster and this has positive impact on disasters

CHALLENGE	ACTION TO BE TAKEN
Shortage of staff	Prioritisation to fill vacant positions

COMPONENT H: SPORT AND RECREATION

3.19 SPORT AND RECREATION

In terms of our mandate we make facilities, such as sport fields, available to the broader community. The Municipality is responsible for development of the facilities and the upgrade thereof whilst the sport clubs leases the facilities and agreed upon, must maintain it.

The Municipality develops and maintains recreational parks and halls. This places an enormous financial burden on the Municipality, with its limited staff capacity and finances.

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

1. Sports and Recreation
2. Arts and culture
3. Historical, Heritage & Museum Services
4. Educational Programmes and Library Services

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

1. Zululand Ultra Marathon
2. AbaQulusi municipality mayoral cup tournament
3. Zululand district Municipality Mayoral Cup Tournament
4. Golden games (local, district, provincial and national competitions)
5. Indigenous games (local, district, provincial and national competitions)
6. 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 Council. 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.

The Municipality is also responsible for maintaining community parks throughout the area

3.19.1 HIGHLIGHTS

HIGHLIGHTS	DESCRIPTION
Hosting of talent search event	The municipality was able to host a successful event and recognized at district and provincial level uMbele wethu

3.19.2 CHALLENGES

CHALLENGE	ACTION TO BE TAKEN
Vandalism of halls by irresponsible citizens	Strengthen security and full provision of caretaker
Very low tariffs affect revenue generation, thus hinder developments within our facilities	

3.19.3 SERVICE DELIVERY LEVEL STATISTICS

The table below specifies the service delivery levels for the year:

TYPE OF SERVICE	2017/18	2018/19
Community parks		
Number of parks with play park equipment	1	1
Number of wards with community parks	5	5
Sport field		
Number of wards with sport fields	22	22
R-value collected from utilization of sport fields		

PERFORMANCE REPORT PART II





FORWARD BY THE MAYOR

The year
under review
marked a lot
of political

and administrative changes. It was began well with the due planning processes undertaken well towards the end of 2017/18. This included timeous planning and approval of all strategic documents i.e. IDP, SDBIP and Budget. Upon successful planning processes the municipality focused on ensuring close monitoring of all strategic issues as indicated under circular 13 of the Local Government Municipal Finance Management Act 56 of 2003.

Scorecard was used as tool to monitor and evaluate performance of the municipality on quarterly basis. AbaQulusi committed to improving lives of its community and to achieve its vision on becoming the economic hub of Zululand by 2035.

The biggest challenge was to ensure stability in the institution during 2018/19. The municipality was put under administration in terms of section 139(a) of the Constitution of the Republic of South Africa, 1996. Over and above challenges

it is well to note performance in terms of the 6(six) National Key Performance Areas as follows and achieving Local Government Object in terms of section 152(1) and Development duties of municipalities and 153 of the Constitution of the Republic of South Africa, 1996.

Performance highlights:

- Public Participation Process was undertaken successfully in all wards from 24 April 2019 to 20 May 2019 with the purpose to inform, engage and consult AbaQulusi community to participate in the affairs of the municipality
- Indigent support to qualifying community members
- Provision of the basic level of services
- Job creation of 60(sixty) appointments through EPWP
- Increase in revenue collection at 92%
- Hosting of Sports events
- Crime awareness campaigns where performance far exceeded target

- Environmental awareness campaign, where performance far exceeded target

The Year ahead:

This Annual Report serves as a record of activities undertaken on the previous year and accounting mechanism to communities on the institution's achievements and challenges, as well as the mitigation and remedial measures implemented to address the latter. While it reflects that progress has been made in service delivery, there are undeniably challenges. To strengthen and streamline the institution and its operations to enable the institution to expand service delivery to the residents of AbaQulusi.

Cllr. MC Maphisa
Acting Mayor

The following interventions will be prioritised in the 2019/20 financial year but not limited as planned performance is indicated in the 2019/20 SDBIP.

- Filling of strategic vacant positions on senior management and levels below senior management
- Improving financial viability and management

Finally, I would like to express my sincere gratitude to all Councillors, officials, and the residents of AbaQulusi for their dedication, support and co-operation during the year 2018/19

REMARKS BY THE ACTING MUNICIPAL MANAGER



AbaQulusi wish to present this Annual Performance Report 2018/2019 to AbaQulusi community in terms of section 46 of the Local Government Municipal Systems Act.

This report covers the performance information from 01 July 2018 to 30 June 2019 and focuses on the implementation of the Service Delivery Budget and Implementation Plan (SDBIP), in relation to the objectives as encapsulated in the Municipality's Integrated Development and Plan (IDP).

Overwhelming majority of the residents voted for the current governing party thereby expressing their satisfaction with the level and quality of services provided by the Municipality.

however, the Integrated Development Plan (IDP) of the Municipality bears testimony to the

Municipality's acknowledgement that all is not done, yet. It clearly articulates the social, economic and infrastructural needs AbaQulusi community for the next two years of the IDP and beyond. The participation of the members of the local community in the planning processes and governance structures of the municipality is an imperative for the success of this Municipality.

It also important that note indicate some of the milestones during year as indicated by acting mayor, despite of all challenges. The municipality concluded its first six months of the financial year without full senior management team with resignations of Executive Director under Technical Services Department and Community Services Departments and this was set-back on service delivery issues. Without the full complement on management team some of the planned targets were therefore affected.

Over and above the municipality remains committed to respond to the expectations of the residents and local business fraternity by providing access to quality and affordable basic services whilst doing our utmost to maintain and improve on the existing levels of infrastructure investment.

Acting Municipal Manager

SP Dlamini

1. INTRODUCTION AND LEGISLATIVE REQUIREMENTS

This Annual Performance Report has been compiled in compliance with the requirements of section 46 (1) of the Local Government: Municipal Systems Act, 2000; which stipulates as follows:

- (1) A municipality must prepare for each financial year a performance report reflecting—*
- (a) the performance of the Municipality and each external service provider during that financial year;*
 - (b) a comparison of the performance referred to in paragraph (a) with targets set for performance in the previous financial year; and*
 - (c) measures taken to improve performance.*

In addition, Regulation 7 (1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that “A Municipality’s Performance Management System entails a framework that describes and represents how the municipality’s cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players.” Performance management is not only relevant to the organisation as a whole, but also to the individuals employed in the organisation as well as the external service providers and the Municipal Entities. This framework, *inter alia*,

- (1) Basic Service Delivery
- (2) Transformation and Development;
- (3) Social and Local Economic Development;
- (4) Municipal Financial

reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance.

The format of the report will reflect the Municipality’s Key Performance Indicators (KPI) per Municipal Key Performance Area. Each Key Municipal KPA have number of Municipal Key Focus Areas (KFA’s) which was deliberately designed by the Abaqulusi Municipality to focus its development initiatives in a more coherent and organised manner.

This report will also endeavour to report to Council the Municipality’s performance in terms of the five (5) National Government’s Strategic Key Performance Areas for local government, which are Municipal Institutional

- Viability and Management and (5) Good Governance and Public Participation and (6) Cross –cutting interventions

2. PERFORMANCE MANAGEMENT OVERVIEW AND PROCESS

The Municipal Planning and Performance Management Regulations stipulate that a municipality's Performance Management System (PMS) must entail a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role-players. AbaQulusi developed its PMS Policy framework which seeks to ensure that a functional and improved performance. The following processes were undertaken during 2018/19:

- Departments were assisted to review their SDBIP in line with key strategic documents
- PMS unit provided support on SDBIP adjustment
- Support provided on performance reporting to Technical and Community Services departments
- Quarterly Departmental PMS reports submitted to Internal Audit,
- Audit Committee, ExCom and Council;
- In-year Section 72 report process
- Auditing of performance information
- Annual report process

Legislative Reporting requirements indicated in the table below were complied with.

FREQUENCY AND NATURE OF REPORT	MANDATE	RECIPIENTS
Monthly reporting on actual revenue targets and spending against budget no later than 10 working days after the end of each month	Section 71 of the MFMA	National Treasury
Quarterly progress reports		Municipal Manager Executive Mayor Audit Committee National Treasury
Mid – year performance assessment (assessment and report due by 25 January of each year)	Section 72 of the MFMA Section 13(2) (a) of the Municipal Planning and Performance Regulation of 2001	Municipal Manager Executive Mayor Audit Committee National Treasury Council Audit Committee National Treasury

3. PERFORMANCE SUMMARY ON KEY PERFORMANCE AREAS

3.1 Organisational Scorecard

The organisational performance is evaluated by means of Organisational scorecard (Top Layer SDBIP) at organisational level and through the Service Delivery Budget Implementation Plan (SDBIP) at departmental levels.

The SDBIP is a plan that converts the IDP and budget into measurable criteria on how, where and when the strategies, objectives and normal business process of the municipality is implemented. It also allocates responsibility to directorates to deliver the services in terms of the IDP and Budget.

The MFMA Circular No.13 prescribes that:

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

The SDBIP were prepared as described in the paragraphs below and approved by the Mayor.

The details of how the municipality performed in each key performance indicator is articulated in the SDBIP Scorecard "Annexure A" The overall assessment of actual performance against targets set for the Key Performance Indicators

Performance under each National Key Performance Area is depicted on the table "Key Performance Area Performance" on page 98

3.1.1 ORGANISATIONAL SCORECARD (TOP LAYER SDBIP)

Background to Organisational Scorecard

The Municipal Scorecard **Annexure “A”** approach reflects the 6 national government KPA's which are

- (a) Basic Service Delivery and Infrastructure Development
- (b) Municipal Transformation and Institutional Development
- (c) Financial Viability and Management
- (d) Local Economic Development and Social Development
- (e) Good Governance and Community Participation
- (f) Cross Cutting Interventions

and local priorities which enables a wider assessment of how the municipality is performing. The performance report is based on measures included within the Municipal Scorecard. This incorporates 48 focus areas selected from the IDP and implemented through the SDBIP which was approved by the mayor on the 21st of June 2018.

Periodic monitoring was undertaken on quarterly basis through submission of quarterly performance reports to Executive Committee and Council and the all other structures indicated under performance management overview process on page 07 of this report. The criteria used reflect factors such as previous performance levels and comparative performance.

The Scorecard was reviewed after the mid-term performance assessment held on the 18th of January 2019. Adjustment of the SDBIP was undertaken in line with the adjustment Budget and was approved by Council on the 28th of February 2019.

- *Actual Performance is colour coded as follows:*
 - **Green** – Performance meets target, and indicated as **target met**
 - **Red** – performance does not meet, target the target set was not met /is not 100%

In relation to the 2017/2018 year end performance results, the final position shows:

- *Out of 133 (one hundred and thirty –three targets) set 84 (eighty - four) were met and 49 (fourty-nine)were not met giving 63%(sixty –three) performance*
- *In 2018/19 year end results the final position shows: performance results, the final position shows:*

Out of 108 targets set 51(fifty-one) were met and 57(fifty -seven) were not met giving 47 %(forty - seven) percent performance

Summary performance results for all priority measures included in the municipal scorecard Annexure “A” and has been summarised in the table below, a comparison with the previous financial year (2017/18) is also made

Key Performance Area Performance

	PREVIOUS YEAR 2017/18				CURRENT YEAR 2018/19			
National Key Performance Area	Total Targets	Targets met	Targets not met	% Percentage	Total Targets	Targets met	Targets not met	% Percentage
Basic Service Delivery and Infrastructure Development	32	23	9	72%	24	5	19	21%
Municipal Transformation & Institutional Development	24	19	5	79%	22	14	8	64%
Financial Viability and Management	15	12	3	80%	15	10	5	67%
Good Governance and Public Participation	22	12	10	54%	18	9	9	50%
Social and Local Economic Development	28	10	18	36%	19	9	10	47%
Cross Cutting Interventions	12	8	4	67%	10	4	6	40%
TOTAL	133	84	49	63%	108	51	57	47%

- In 2018/2019 performance has regressed by 16% when compared with 2017/2018.

4. PERFORMANCE HIGHLIGHTS ON EACH KEY PERFORMANCE AREA

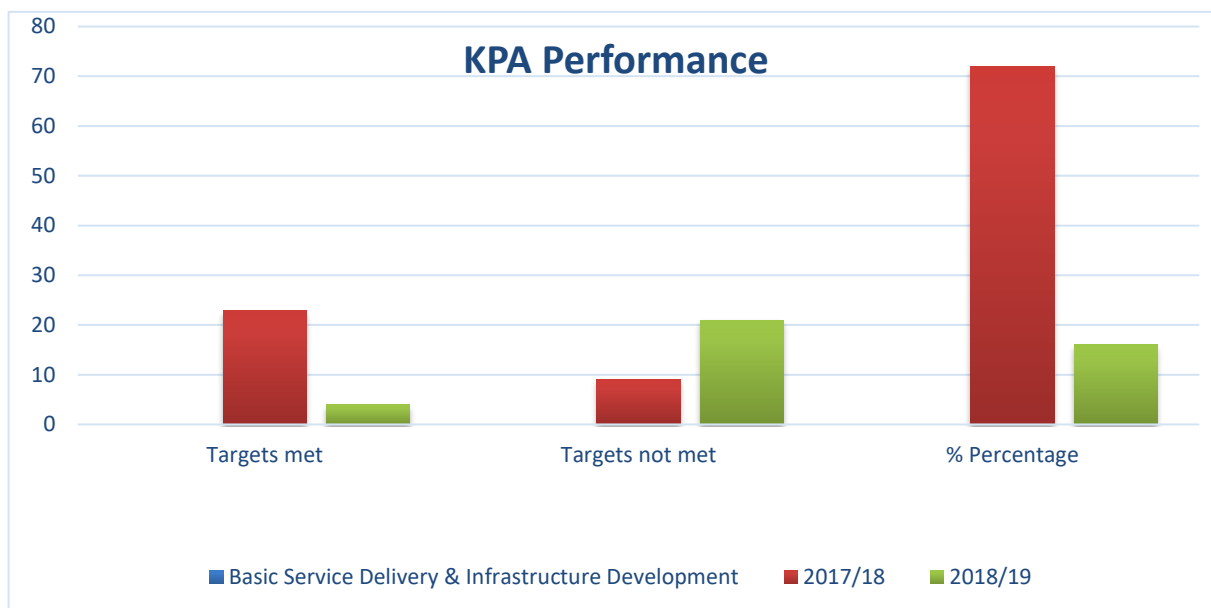
This section indicates, in more detail, the performance of the municipality for the financial year under each performance area and makes reference to the supporting documentation, including the Municipal Scorecard. Each performance area is narrated in details, challenges are indicated and measures taken to improve performance as follows:

4.1 Basic Service Delivery

The overall score for this KPA is 21% for 2018/2019 down by 51% from 2017/2018

The regression under this KPA was as result of project implementation delays which was experienced during the year. Most of the Infrastructure projects were not met and some could not commence. Structural challenges were indicated in some projects. Some of the contractors fail to perform as per set targets. Capacity constraints was also experiences with the resignation of the Executive Director Technical Services in 2018. Details on each key performance indicators performance under this KPA is indicated on the organisational scorecard, annexure “A”

	Targets met	Targets not met	% Percentage
Basic Service Delivery & Infrastructure Development			
2017/18	23	9	72%
2018/19	5	19	21%



4.1.2 Challenges

- Storm damage delayed the works and the contractor had cashflow problems for the Construction of Ezingadini Causeway
- Work stoppages were experienced due to community unrest to reposition the project - Louwsburg Taxi Rank
- The municipality experience Financial constraints and some project could not be implemented
- Procurement processes delays

4.1.3 Measures Taken to improve Performance

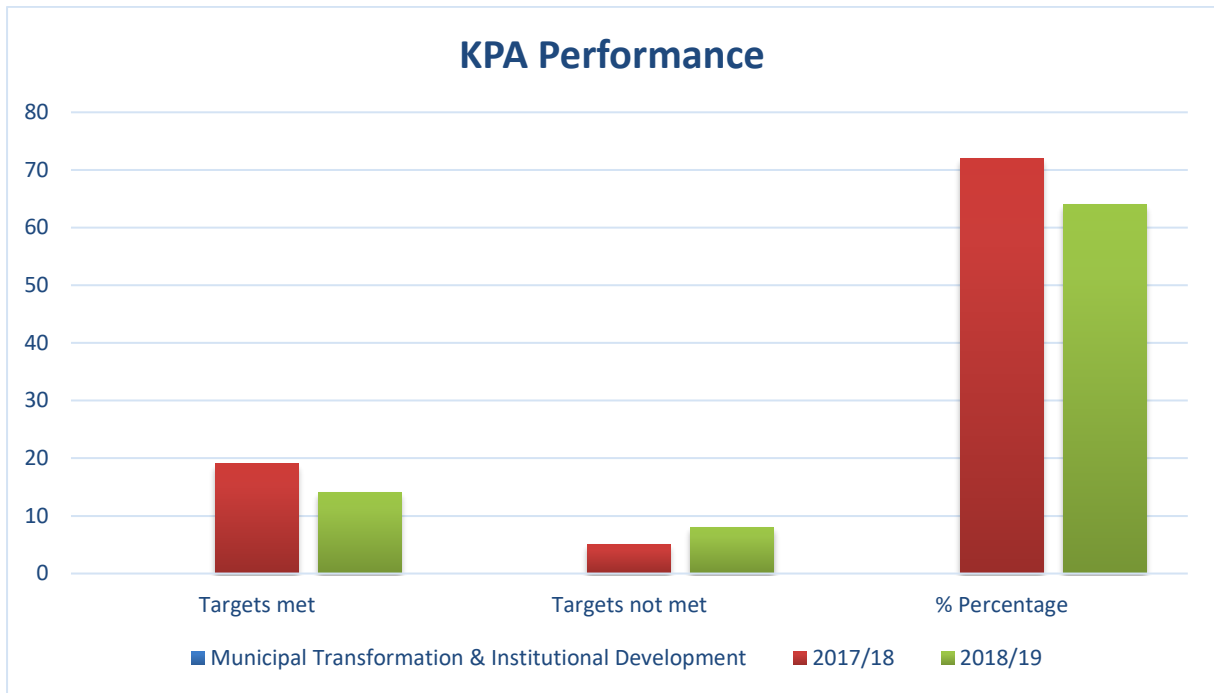
- Poor performing contractors issued with warning letter
- Improved project planning, procurement processes commenced before end financial year 2018/19 to allow for successful project implementation

4.2 Municipal Institutional Development and Transformation

The overall score for the KPA is 64% for 2018/19, down by 15% from 2017/2018.

Most of the KPIs were not met due to delay in Council approval, policies were submitted to Council for approval by 31 May 2019 however the meeting had no quorum.

	Targets met	Targets not met	% Percentage
Municipal Transformation & Institutional Development			
2017/18	19	5	72%
2018/19	14	8	64%



4.2.1 Performance Highlights for 2018/2019

- Completion of Job description for all Departments

4.2.2 Challenges

- Most of the targets that required council approval upon completion were not adopted in time i.e. Municipal Policies

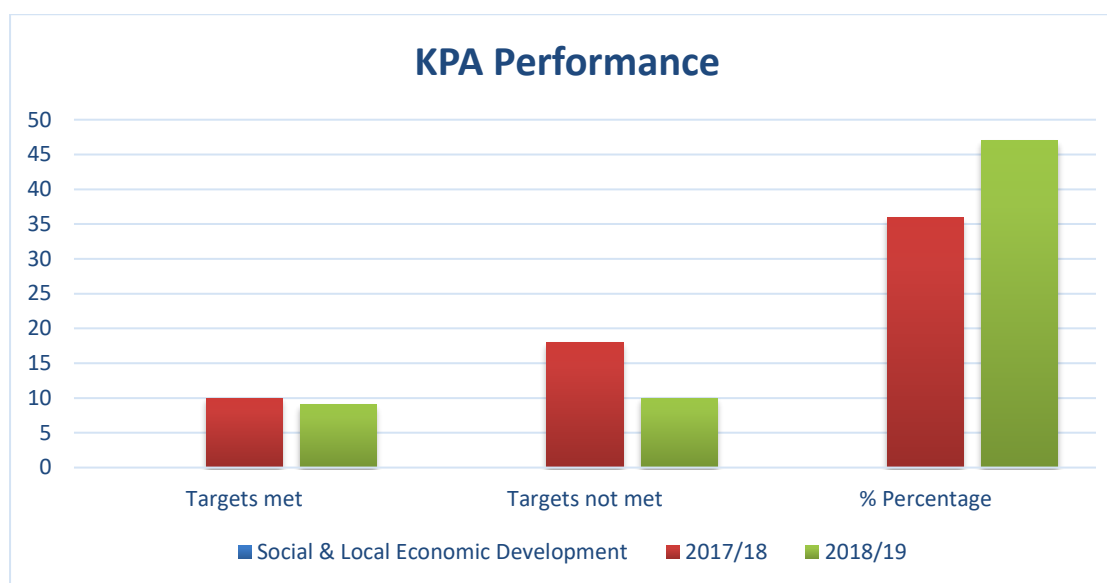
4.2.3 Measures Taken to improve Performance

- A special council meeting was called and adoption of policies were undertaken on the 3rd of June 2019.

4.3 Social & Local Economic Development

- The overall score for the KPA is 47% for 2018/2019, up by 11% from 2017/2018.

Social & Local Economic Development	Targets met	Targets not met	% Percentage
2017/18	10	18	36%
2018/19	9	10	47%



4.3.1 Challenges

- Most of the targets under this KPA was reported as not met due to financial constraints which affected in the performance of the municipality on key issues i.e. agriculture, SMME development and job creation, tourism

4.3.2 Measures Taken to improve Performance

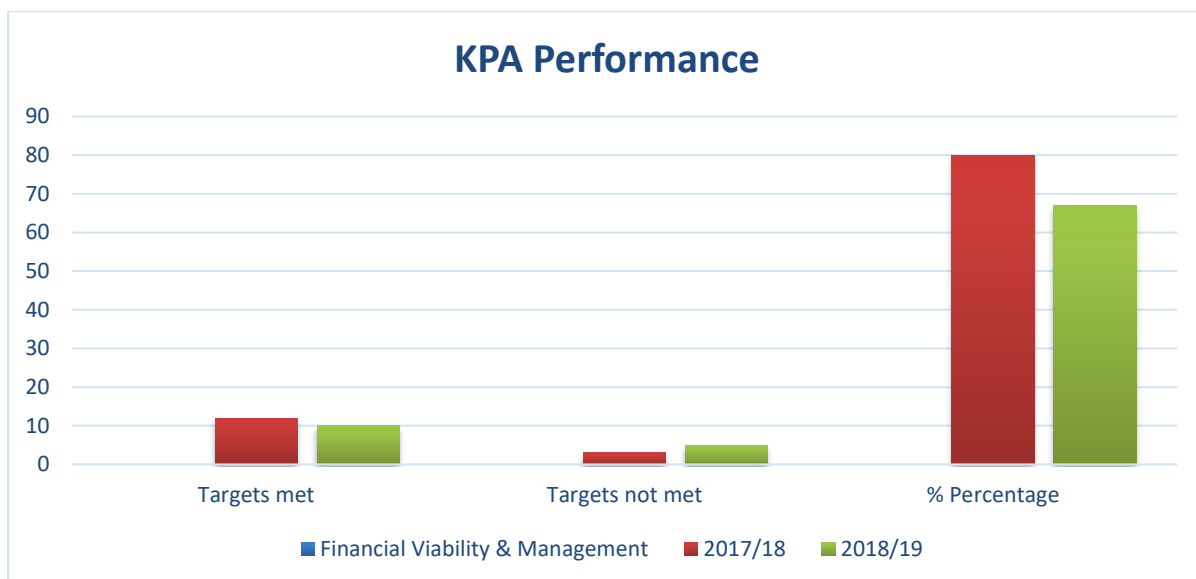
- The municipality will source additional funding from external stakeholders

4.4 Municipal Financial Viability and Management

The overall score for the KPA is 67% for 2018/2019, down by 13% from 2017/2018

Details on how each KPI performed is indicated in the organisational scorecard.

Financial Viability & Management	Targets met	Targets not met	% percentage
2017/18	12	3	80%
2018/19	10	5	67%



4.4.1 Performance Highlights for 2018/19

The municipality increased collection rate to 92%

4.4.2 Challenges

Legislative requirement to adopt Municipal Budget by 30 May 2019 was not met, causing non-compliance with MFMA 56 of 2003 requirements

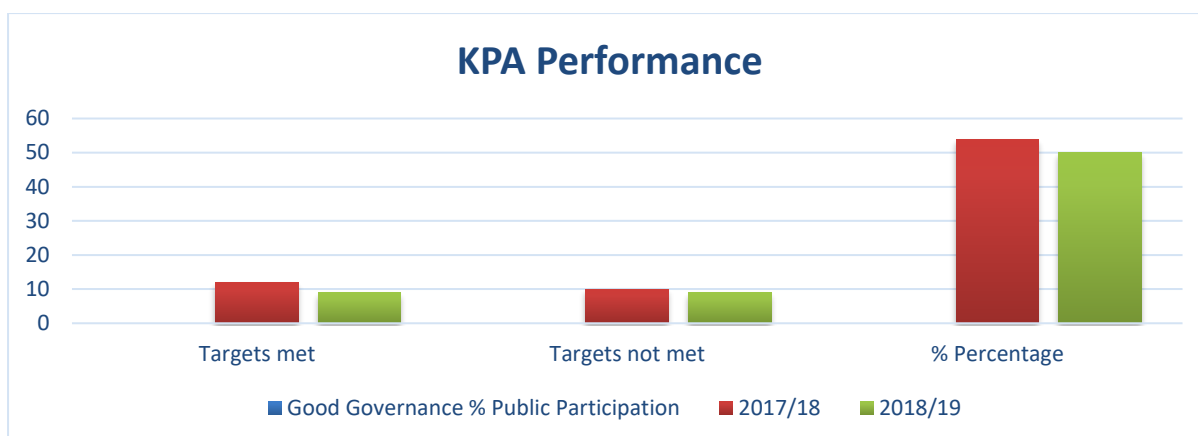
4.4.3 Measures Taken to improve Performance

A special council meeting was held on the 3rd of June 2019 and 2019/20 Budget was adopted

4.5 Good Governance and Public Participation

- The overall score for the KPA is 50% for 2018/2019, down by 4% from 2017/2018.

Good Governance Participation	%	Public	Targets met	Targets not met	% Percentage
2017/18			12	10	54%
2018/19			9	9	50%



4.5.1 Challenges

- KPIs under Batho Pele were not met due to capacity constraints

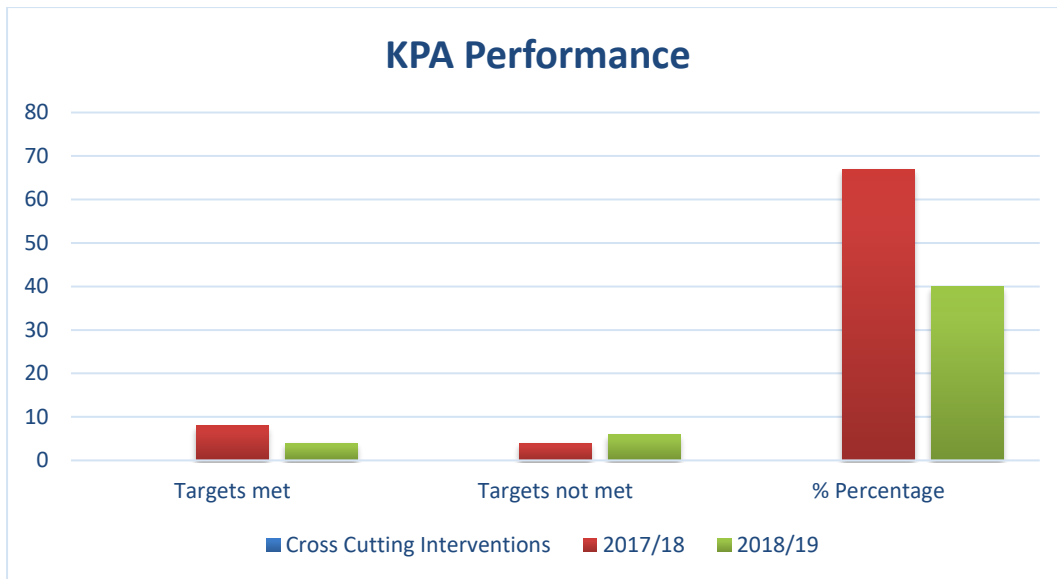
4.5.2 Measures Taken to improve Performance

- Limited capacity utilised and support from Office of the Premier is coordinate to ensure that targets are met in 2019/20

4.6 Cross-Cutting Interventions

- The overall score for the KPA is 40% for 2018/2019, down by 27% from 2017/2018.

Cross Cutting Interventions	Targets met	Targets not met	% Percentage
2017/18	8	4	67%
2018/19	4	6	40%



4.6.1 Challenges

Completion of wall to wall scheme

- The Department encountered challenges and delays in securing dates and venues to undertake public participation process

4.6.2 Measures Taken to improve Performance

- Completion of Wall to wall scheme: Phase 6 will be completed by end of July 2019

5. KEY AREAS TO NOTE

5.1 Improving Performance

This section highlights key areas for improving of performance, even in the cases where the targets have been met or not met. No major improvement for the current period. One KPA indicate improvement as compared to the previous year (2017/18) namely Local Economic Development and Social Development. This KPA was 36% in 2017/18 and is 47% in 2018/19 showing 11% increase.

The following issues have impact on municipal performance at a certain level.

- Governance structure stability is very crucial in the overall performance of the municipality and must always enable timeous decision making to avoid poor performance and taking remedial action in time.
- Vacancy on key Strategic positions position i.e. Director Technical Services and Director Community Services had a negative impact on service deliver, a regression on performance of this KPA by 56% is a concern
- Prioritisation on filling strategic position to facilitate decision making and improving performance in respective key performance areas
- Performance driven culture to be instilled at all levels

5.2 Deteriorating Performance

Five KPAs indicate deteriorating performance and with only Local Economic Development and Social Development improved as compared to previous year with 11%. One of the biggest challenges was lack of adherence to time-frames in terms of the PMS Standard Operating Procedures compromising effect of all due processes to enable a functional, reliable and compliant performance management

6. ASSESSMENT OF SERVICE PROVIDERS

The monitoring of the service provider performance is ensured through the signing of the Service Level Agreement. It is currently being done by user department levels. The end user department is providing monthly reports to the SCM unit as well. Service providers who fail to perform are reported to SCM and the necessary action is taken including the termination of the contract or cancellation of an order.

The service providers are assessed as follows:

<i>Assessment Key</i>	
Good (G)	<i>The service has been provided at acceptable standards and within the time frames stipulated in the SLA/Contract</i>
Satisfactory (S)	<i>The service has been provided at acceptable standards and outside of the timeframes stipulated in the SLA/Contract</i>
Poor (P)	<i>The service has been provided below acceptable standards</i>

7. CONCLUSION

Year 2018/19 was not a good in performance a regression on key performance areas is an indication of prevailing challenges which required leadership to ensure that the focus is achieving goals as set out in the IDP.

The participation of the members of the local community in the planning processes and governance Structures of the municipality is an imperative for the success of this Municipality and should serve as motivation to make a difference to the community of AbaQulusi. The municipality commits to addressing challenges and a better performance in 2019/20.

Annexure “A”
2018/19 Organisational Scorecard

CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Like every other municipality, the AbaQulusi municipality does acknowledge that there is critical position that need to be filled in order to ensure smooth operations of the Municipality. The Municipality currently has a total number of 442 employees who are permanent.

DESCRIPTION	2017/18	2018/19	EMPLOYEES	VACANCIES NO.	VACANCIES %
	APPROVED POSTS	APPROVED POSTS			
Water and Sanitation	296	201	113	89	55%
Electricity	89	92	44	48	52%
Development Planning & Housing	37	26	15	11	42%
Technical administration	3	4	2	2	50%
Museum	4	2	0	2	100%
Library	35	27	21	6	22%
Public Safety	107	75	33	42	56%
Community Development	32	26	9	17	65%
Parks and Garden	37	23	6	17	73%
Corporate Services	49	59	37	23	38%
Financial Services	100	61	39	22	36%
Office of the Municipal Manager	23	15	10	5	33%
Solid Waste	73	35	23	12	34%
Public Safety	63	83	34	49	38%
Roads & Stormwater	64	68	40	28	41%
Vehicle Registration	6	11	4	7	63%
Data Processing	8	4	2	2	50%
Cemeteries	32	16	9	7	43%
TOTAL	1058	745	407	389	37%

VACANCIES

DESIGNATION	VACANCY RATE		
	TOTAL APPROVED POSTS	VACANCIES NO.	VACANCIES %
Municipal Manager	1	0	0%
CFO	1	0	0%
Other S54/56 Managers	4	2	50%
Technical Services	365	167	45%
Development Planning	26	11	42%
Community Services	199	110	55%
Corporate Services	59	25	42%
Office of the Municipal Manager	15	5	33%
Financial Services	61	22	36%

TURN OVER

DETAILS	TOTAL APPOINTMENTS AS OF BEGINNING OF FINANCIAL YEAR	TERMINATIONS DURING FINANCIAL YEAR	TURN – OVER RATE
2016/17	9	10	75%
2017/18	20	23	86.95%
2018/19	29	38	76.31%

The table below indicates the current status of Senior Management positions in the municipality:

Table 2 Status of Municipal Senior management

POSITION	STATUS	POSITION	STATUS
S54-Municipal Manager	Filled	Manager: Revenue	Filled
S56-Director: Technical Services	Vacant	Manager: SCM	Filled
S56-Director: CFO	Filled	Manager: Expenditure	Filled
S56-Director: Community Services	Vacant	Manager: Social Services	Filled
S56-Director: Corporate Services	Filled	Manager: Public Safety	Filled
S56-Director: Development Planning	Filled	Manager: Environmental Services	Filled
Manager: Office of the MM	Filled	Manager: Council Support & General Admin	Filled
Manager: IDP/PMS	Filled	Manager: General Admin	Filled
Manager: Internal Audit	Filled	Manager: HR Development	Filled
Manager: PMU	Filled	Manager: HR Management	Filled
Manager: Roads and Storm water	Filled	Manager: Town Planning	Filled
Manager: Water	Filled	Manager: LED	Vacant
Manager: Electrical	Filled	Manager: Housing	Vacant
Manager: Financial Planning	Filled	Manager: ICT	Filled
Manager; Fleet	Filled	Manager: Legal Services	Filled

CRITICAL POSITIONS

The administrative structure consists of five departments which report directly to the Municipal Manager, namely, Development Planning &, Corporate Services, Technical Services, Community Service, and Finance. The Head of Department, as indicated below, reports directly to the Municipal Manager. The units established at a lower level that report directly to the Municipal Manager are as follows:

- Internal Audit
- Chief Operations Officer
- Communication & IGR
- Political Offices Bearers Executive Units
- IDP & PMS

The municipality is in compliance with Section 156 of the Constitution of the Republic of South Africa, 1996.

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

4.2 POLICIES AND PLANS

Policies and plans provide guidance for fair and consistent staff treatment and a consistent approach to the managing of staff.

The table below shows the HR policies and plans that are approved

	NAME OF POLICY	DEVELOPED	REVIEWED	DATE ADOPTED BY COUNCIL
1.	Human Resources Policy Manual		✓	01 August 2019
2.	Employment Equity Plan		✓	28 February 2019
3.	Job Evaluation Policy	✓		30 August 2018

4.3 INJURIES, SICKNESS AND SUSPENSIONS

An occupational injury is a personal injury, disease or death resulting from an occupational accident. Compensation claims for such occupational injuries are calculated according to the seriousness of the injury/disease and can be costly to a municipality. Occupational injury will influence the loss of man hours and therefore financial and productivity performance.

No injury can be reported for the reporting period as indicated in the table below

NUMBER AND COST OF INJURIES ON DUTY					
TYPE OF INJURY	INJURY LEAVE TAKEN DAYS	EMPLOYEES USING INJURY LEAVE NO.	PROPORTION EMPLOYEES USING SICK LEAVE %	AVERAGE INJURY LEAVE PER EMPLOYEE	TOTAL ESTIMATED COST
0	0	0	0%	0	0

NUMBER OF SICKNESSES ON DUTY				
TOTAL SICK LEAVE	PROPORTION OF SICK LEAVE WITHOUT MEDICAL CERTIFICATE	EMPLOYEES USING SICK LEAVE NO.	TOTAL EMPLOYEES IN POST	AVERAGE SICK LEAVE PER EMPLOYEES
2083	158	258	412	8

4.4 SUSPENSIONS

The table below indicates suspension during 2018/19

NUMBER AND PERIOD SUSPENSIONS					
POSITION	NATURE OF ALLEGED MISCONDUCT	DATE OF SUSPENSIONS	DETAILS OF DISCIPLINARY ACTION TAKEN	FINALISED/ NOT FINALISED	DATE FINALISED
S028092	Fraud	24/01/2019	Suspended	Resigned	12/04/2019
S026048	Gross Insubordination	7/02/2019	Suspended	Finalised	24/04/2019
S027309	Misuse of pool vehicle	4/01/2019	Suspended	Finalised	31/01/2019
S021156	Assault	14/08/2018	Suspended	Finalised	9/01/2019
S021205	Illegal strike	6/09/2018	Suspended	Finalised	12/12/2018
S021150	Illegal strike	6/09/2018	Suspended	Finalised	12/12/2018
S021231	Misuse of pool vehicle	12/02/2019	Suspended	Finalised	24/04/2019
S021236	Sexual Harassment	12/02/2019	Suspended	Finalised	17/04/2018
S024322	Gross Insubordination	21/09/2018	Suspended	Resigned	16/07/2019
S021151	Illegal Strike	06/09/2018	Suspended	Finalised	12/12/2018
S029302	Illegal strike	06/09/2018	Suspended	Finalised	12/12/2018
S021412	Illegal Strike	06/09/2018	Suspended	Finalised	12/12/2018
S028014	Illegal Strike	06/09/2018	Suspended	Finalised	12/12/2018
S029301	Illegal Strike	06/09/2018	Suspended	Finalised	12/12/2018

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

4.5 SKILLS DEVELOPMENT AND TRAINING

INTRODUCTION

Human Resources Development is a division of the municipality, which is charged with the responsibility of ensuring that both employees and prospective employees are properly capacitated to meet the mandate of the Local Municipality.

Again, HRD is a melting pot of ideas and sharpening of strategies of all employees by increasing their capacity to meet challenges and to develop macro perspectives while thinking strategically beyond the confines of their immediate line functions. It is through training and capacity development where employees are able to match their skill levels in synchrony with the Integrated Development Plan which has been, and will continue being, a primary guiding document of this municipality.

TRAINING OF COUNCILLORS

TRAINING PROGRAMMEE	NUMBER OF COUNCILLORS TRAINED	INSTITUTION	DURATION
Human Settlement	33	Department Human Settlement	02 days

TRAINING OF STAFF

No staff training undertaken during the reporting period due to budgetary constraints experienced.

4.6 PERFORMANCE REWARDS

The Annual Performance for Senior has not been undertaken yet for 2018/19 and staff below Senior Management is not yet evaluated on performance therefore no performance rewards paid to staff

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

4.7 EMPLOYEE EXPENDITURE

Section 66 of the MSA states that the accounting officer of a municipality must report to the Council on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits. This is in line with the requirements of the Public Service Regulations, (2002), as well as National Treasury Budget and Reporting Regulations SA22 and SA23.

Below is employee expenditure for the reporting period

EMPLOYEE EXPENDITURE 2016/17 – 2018/19			
PERIOD	BUDGET	ACTUAL	% PERCENTAGE
2017/18	131 628 000	157 190 884	29%
2018/19	158 768 000	142 525 952	24%

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

INFORMATION TECHNOLOGY (IT)

Additional controls were implemented as per the IT Policy as well as mitigating procedures and security procedures were implemented in order to prevent security breaches. A number of weaknesses were identified and attended to and management is encouraged to ensure that these processes/procedures are enforced for the safety of the municipal IT infrastructure. It is further recommended that the municipality should consider setting up a robust IT Steering Committee. IT controls, policies and procedures should be supported and enforced by management to ensure security of the IT infrastructure and the information stored.

It is furthermore recommended that management ensures not only staff but management attends cyber security and IT policy workshops to get a clear understanding of the severe risks they put themselves and the municipality in when making decisions that override cyber security procedures and protocols as this can in turn be a severe risk by the municipality management and could cause loss of information or data.

It is also further advised that all systems using Wi-Fi are secured and not publicly available as this presents a severe risk to the infrastructure and its internal functions and that IT staff should be supported and engaged to generate solutions to problems and that IT staff should engage management of risks beyond their control and therefore make decisions that would lower the risks and not increase the risks. As it is important for management to understand the risks, because solutions are based on the risks. It is noted that IT is also in need of staff to bolster and cope with the work, and therefore recommended that IT staff are employed as per the organogram.

GENERAL ADMINISTRATION

This section normally comprises of General Administration Section and Council Support, it is actually responsible for the entire general administration of the whole Municipality including providing secretarial services to Council and all Committees, it is comprehend the cleaning function, building maintenance and also renders a comprehensive registry function on behalf of the whole Municipality.

In all functional areas as mentioned there is Council Support division which is the most challenging division and a heartbeat of every municipality prospect;

DESCRIPTION OF ACTIVITY

The services provided by the sub-directorate are as follows:

- General Administration
- Secretariat

HIGHLIGHTS

Highlights are indicated below

HIGHLIGHTS	DESCRIPTION
functional registry	functional registry has been installed in the Human Resources Department as required by the KZN Archives and Records Services Act and its regulations.

CHALLENGES

Challenges are indicated in the table below

CHALLENGE	ACTION TO BE TAKEN
inadequate office accommodation	Source funding to build new offices
The budget for facilities management is insufficient to address the needs identified as far as maintenance of buildings is concerned.	Prioritisation to be considered to maintain buildings and facilities

COUNCIL SUPPORT

The Municipality is comprised of 44 elected Councillors representing 22 wards. From the 44 seats the Inkatha Freedom Party 18 seats Democratic Alliance three (3) seats Economic Freedom Fighters one (1) seat and the African National Congress (ANC) they have got 22 seats.

Basically, the Municipal Council operates as a Collective System with a Mayor and Executive Committee appointed by Council. The members of the Executive Committee are constitutional delegated as full time Councillors. There are other Municipal Committee which are legitimately established in terms of Section 79 of the Municipal Structures Act 117 of 1998, Council is assisted by portfolio committees to perform or exercise any duties or tasks as delegated by Council.

- Corporate Services

- Community Services
- Technical Services
- Finance
- Development Planning

Apart from Portfolio Committees Council after elections, further established in terms of legislative prescripts the following committees:

- Local Labour Forum
- Municipal Public Accounts Committee (MPAC)
- Training Committee

Portfolio Committees Members are indicated under chapter 2 and were appointed in September 2016, they meet every month as per schedule approved by Council. If a special need arises, the chairperson calls for a special meeting to be convened.

CHAPTER 5 – FINANCIAL PERFORMANCE

COMPONENT A: STATEMENT OF FINANCIAL PERFORMANCE

This chapter provides details regarding the financial performance of the Municipality for the 2018/19 financial year. 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 were transferred from low- to high priority programmes so as to maintain sound financial stewardship.

The budget for the 2018/19 MTREF period was based on the realisation that no, or limited, scope for additional externally- or internally-funded revenue growth existed and was further reiterated in National Treasury guidelines (circular 51) - *"...over the next few years, government must deliver more services – and deliver them more efficiently – within a tight resource envelope. Achieving this objective requires a new way of working: the budget has been reprioritised so that money is moved from low-priority programmes to high-priority programmes. Municipalities are encouraged to adopt similar stances on these issues. This is particularly important in the run-up to the local government elections. Mayors and Councils need to remain focused on the effective delivery of core municipal services...."*

The 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. 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 2018/19 MTREF can be summarised as follows:

- The ongoing difficulties in the local economy
- Ageing water, roads and electricity infrastructure
- The need to prioritise projects and expenditure within the existing resources available.
- The increased cost of bulk electricity due to tariff increases from ESKOM. This is placing pressure on the budget as the tariff the municipality has been allowed to charge is less than the bulk cost meaning there are less funds available for maintenance.

5.1 INTRODUCTION TO FINANCIAL STATEMENTS

The Financial Services Department experienced a very difficult period during the year under review. There is still a lack of Human Resources. The employment of staff has continued to be problematic during this period, with the Finance Department really under pressure due to a critical shortage of staff.

5.2 GRANTS PERFORMANCE

There was an amount of R30,6 million spent on fixed assets incurred to date which was mainly funded from Municipal Infrastructure Grant (MIG) and Department of Energy (DOE) grant funding. This represents under spending when compared to budget.

5.3 ASSET MANAGEMENT

An amount of R8,8 million which equates to 1,5% of the expenditure budget was spent on repairs and maintenance of municipal assets

5.4 FINANCIAL RATIOS

RATIO ANALYSIS

The following ratios were considered:

Asset test ratio

Financial year	Current assets	Current liabilities	Acid test ratio
2016/17	98,229,660	137,558,885	0.71
2017/18	135,455,695	153,571,424	0.88
2018/19	151,979,735	169,827,569	0.89

The Assets ratio is calculated as a municipality's current assets minus inventory divided by current liabilities. The accepted Acid test ratio is considered to be 1:1

CURRENT ASSETS RATIO

Financial year	Current assets	Current liabilities	Current assets ratio
2016/17	106,751,585	137,558,873	0.78

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.5 SOURCES OF FINANCE

Anticipated Revenue

The municipality expects to receive the following grants in the year 2019/20 financial year.

Grant	Amount
Equitable Share	R 145 195 000
Municipal Infrastructure Grant	R 37 135 000
Financial Management Grant	R 2 235 000
Electrification Grant	R 9 600 000

5.6 CASHFLOW

The cashflow of the municipality increased from R11,9 million at the beginning of the financial year to R17,8 million by 30 June 2019

5.7 MUNICIPAL INVESTMENT

The municipality holds a portfolio of investments to the value of R 5, 5 million, as well as a positive bank balance of R 17,8 million. Consumer deposits of R 11,8 million which should be funded from investments and the current bank account.

5.8 GRAP COMPLIANCE

The Annual Financial Statements for 2018/2019 were prepared in the GRAP format and submitted to the Auditor-General on the 31st of August 2019. The municipality was audited and the audit outcome was unqualified opinion

Annexure “A”

Organisational Scorecard 2018/19

Annexure “B”

ANNUAL FINANCIAL STATEMENTS 2018/19 AFS

CHAPTER 6
COMPONENT A: AUDITOR GENERAL OPINION OF FINANCIAL

Annexure “C”

AUDIT REPORT 2018/19

Annexure “D”

AUDIT ACTION PLAN

Annexure “E”

AUDIT COMMITTEE REPORT

Annexure “F”

OVERSIGHT REPORT

To be available by March 2020