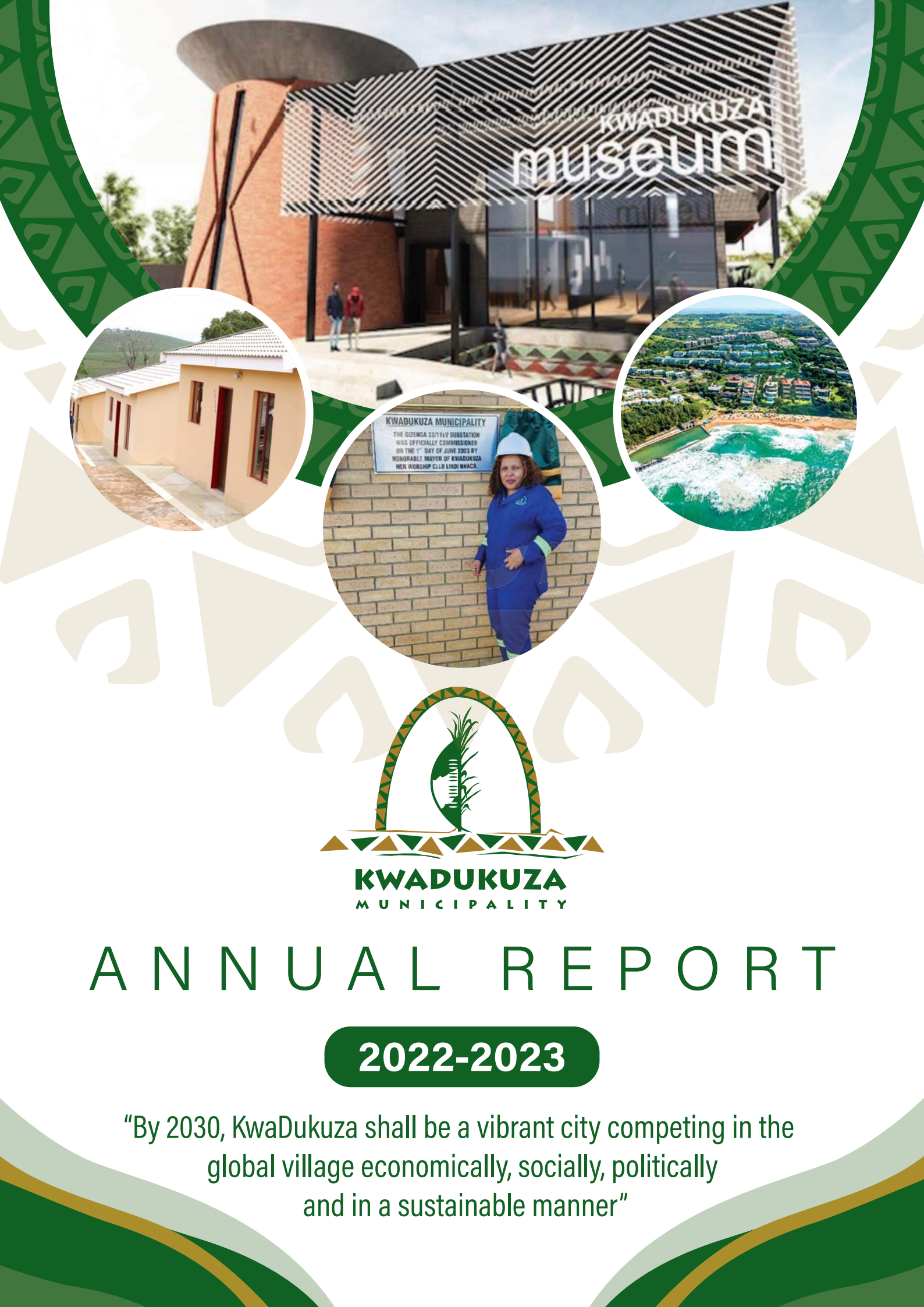




# ANNUAL REPORT

**2022-2023**

"By 2030, KwaDukuza shall be a vibrant city competing in the global village economically, socially, politically and in a sustainable manner"

# VISION

“By 2030, KwaDukuza shall be a vibrant city competing in the global village economically, socially, politically and in a sustainable manner”.

# MISSION

The mission of KwaDukuza Municipality is to achieve the highest economic status through:

- Driving local economic development;
- Delivering a high standard of essential services;
- Encourage public participation; and
- Overcoming debt and achieving cost recovery on services provided.





# TRIBUTE TO THE LATE CLLR TV NTULI: DEPUTY MAYOR OF KWADUKUZA MUNICIPALITY & COUNCIL MEMBER, CLLR S DLADLA

BY HER WORKSHIP THE MAYOR

*On behalf of the entire KwaDukuza Council...*

Death robbed us of the life of our Deputy Mayor, Cllr Ntuli in March 2023 who was a dedicated and skilful leader of the African National Congress (ANC) with huge experience in politics and local government. Losing a leader of such a great stature was a blow not only to his family, the leadership of the ANC and KDM council but to the entire community of KwaDukuza. He was a tried and tested leader with unparalleled experience in negotiating and wisdom which brought about hope at times of despair. We remember him as a tireless leader of the people, whose political career took off at a very prime age. He began his political activism at the age of fifteen (15) after joining Umkhonto weSizwe (MK) where he received advanced military combat training and political education in the MK led by General Gizenga Mpanza.



It must be also pointed out that he worked closely with General Gizenga Mpanza and other senior leaders in the ANC during apartheid times, he contributed immensely to the political work of the ANC and would later be elected to senior positions including his cap role as Treasurer of the ANC. Cllr Ntuli was amongst the longest-serving councillors in KwaDukuza with a remarkable track record. He joined the KwaDukuza Municipal Council in the year 2000, as a Ward Councillor for three terms and PR Councillor for two terms. Cllr Ntuli served as the chairperson for Infrastructure and Technical services portfolio committee. He has also served on the KwaDukuza oversight committees for Economic Development and Planning, and Finance. We remember him as a humble soul and a dedicated servant of the people who led without fear. We are also grateful that the ANC and his family afforded us the opportunity to spend part of his life in service to the people. He left behind his unfinished lifework which calls upon all of us to pick up the spear and continue the fight for a better future for our people of KwaDukuza.

.....

In October 2022, we were all deeply saddened and shocked by the news of the unexpected passing of Cllr. Sikhumbuzo Dladla of the African Christian Democratic Party (ACDP), who tragically lost his life along with his wife in a horrific car accident. It was on October 16, 2022, the mayor expressed her condolences in response to this devastating incident. "We mourn the loss of a remarkable individual. This morning, I woke up to the heart-breaking news of Cllr. Dladla's untimely passing in a tragic road accident that also claimed the life of his wife. These are incredibly sombre moments for the family and a profound loss for the KwaDukuza community, considering the invaluable role Dladla played at ensuring stability within the council and in facilitating the efficient delivering services to the people. He will always be remembered as a kind and courageous advocate for our cause. Our deepest sympathies go out to the Dladla family, friends, colleagues, and community during this difficult time of losing two loved ones at once."



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# GENERAL INFORMATION

## KWADUKUZA MUNICIPALITY: LOCAL GOVERNMENT

P O Box 72  
KwaDukuza  
4450

14 Chief Albert Luthuli Street  
Civic Building, KwaDukuza  
4450

Website: [www.kwadukuza.gov.za](http://www.kwadukuza.gov.za)

E-mail: [municipalmanager@kwadukuza.gov.za](mailto:municipalmanager@kwadukuza.gov.za)

## ABBREVIATIONS

|               |                                                       |
|---------------|-------------------------------------------------------|
| AFS           | Annual Financial Statements                           |
| AGSA          | Auditor General South Africa                          |
| AMR           | Automatic Meter Reader                                |
| AR            | Annual Report                                         |
| APR           | Annual Performance Report                             |
| AIDS          | Acquired immune deficiency syndrome                   |
| AUDCOM        | Audit Committee                                       |
| BU            | Business Unit                                         |
| BAC           | Bid Adjudication Committee                            |
| BEC           | Bid Evaluation Committee                              |
| BSC           | Bid Specification Committee                           |
| CLO           | Community Liaison Officer                             |
| CSS           | Customer Satisfaction Survey                          |
| CSV/COMM SERV | Community Services and Public Amenities Business Unit |

|       |                                                               |
|-------|---------------------------------------------------------------|
| Cllr  | Councillor                                                    |
| COGTA | Department of Co-operative Governance and Traditional Affairs |
| CIDB  | Construction Industry Development Board                       |
| DSD   | Department of Social Development                              |
| DOH   | Department of Housing                                         |
| DEFF  | Department of Environmental Forestry and Fisheries            |
| DMAF  | Municipal Disaster Management Advisory Forum                  |
| DM    | District Municipality                                         |
| DGDP  | District Growth Development Plan                              |
| DOE   | Department of Energy                                          |
| ES    | Electrical Services & Fleet Management                        |
| EPWP  | Expanded Public Works Programme                               |
| EDP   | Economic Development and Planning                             |



|       |                                                  |
|-------|--------------------------------------------------|
| EXCO  | Executive Committee                              |
| EEDBS | Enhanced Extended Discount Benefit Scheme        |
| EBU   | Electrical Services Business Unit                |
| FBU   | Finance Business Unit                            |
| GIS   | Geographic Information Systems                   |
| GRAP  | Generally Recognised Accounting Principles       |
| HIV   | Human Immunodeficiency Virus                     |
| HR    | Human Resources                                  |
| ICT   | Information, Communication Technology            |
| IDP   | Integrated Development Plan                      |
| IDPRF | Integrated Development Plan Representative Forum |
| IGR   | Intergovernmental Relations                      |
| IT    | Information Technology                           |
| KZN   | KwaZulu Natal                                    |
| KPA   | Key Performance Area                             |
| KPI   | Key Performance Indicator                        |
| KDM   | KwaDukuza Municipality                           |
| LED   | Local Economic Development                       |
| LPU   | Large power user                                 |
| LPA   | Local Public Administration                      |
| LR    | Labour Relations                                 |
| MANCO | Management Committee                             |
| MSA   | Municipal Systems Act 2000                       |
| MIG   | Municipal Infrastructure Grant                   |
| MFMA  | Municipal Finance Management Act                 |
| MPAC  | Municipal Public Accounts Committee              |
| MPCC  | Multi Purpose Community Centre                   |
| MEC   | Member of Executive                              |
| MSCOA | Municipal Standard Chart of Accounts             |
| MPPR  | Municipal Planning and Performance Regulations   |

|          |                                                 |
|----------|-------------------------------------------------|
| MTREF    | Medium Term Revenue & Expenditure Framework     |
| NDP      | National Development Plan                       |
| NGP      | New Growth Path                                 |
| NYDA     | National Youth Development Agency               |
| OHS      | Occupational Health & safety                    |
| ORG      | Organisational                                  |
| OSS      | Operation Sukuma Sakhe                          |
| PAC      | Performance Audit Committee                     |
| PPPF     | Preferential Procurement Policy Framework       |
| POE      | Portfolio of evidence                           |
| POPI ACT | Protection of Personal Information Act          |
| Q        | Quarter                                         |
| PMU      | Project Management Unit                         |
| PME      | Performance, Monitoring and Evaluation          |
| PMS      | Performance Management System                   |
| PGDS     | Provincial Growth and Development Strategy      |
| PDMC     | Provincial Disaster Management Centre           |
| RMC      | Risk Management Committee                       |
| SCM      | Supply Chain Management                         |
| SASSA    | South African Social Security Agency            |
| SDBIP    | Service Delivery and Budget Implementation Plan |
| SETA     | Sector Education and Training Authority         |
| SDG      | Sustainable Development Goals                   |
| SMME'S   | Small Medium Micro Enterprises                  |
| SPLUMA   | Spatial Land Use Management Act                 |
| TRU's    | Temporary Residential Units                     |
| WSP      | Workplace Skills Plan                           |
| WULA     | Water Use License Application                   |
| YES      | Youth Employment Services                       |



# 01

COMPONENT A: Mayor's Foreword  
COMPONENT B: Executive Summary



Councillor Octavia Lindile Nhaca  
Mayor of KwaDukuza Municipality,



# MAYOR'S FOREWORD

**Foreword, By Her Worship, The Mayor of KwaDukuza, Cllr. Lindile Nhaca into the 2022/2023 Annual Report.**

The 2022-2023 financial year has been a year filled with challenges coupled with its fair share of successes.

## GLOBAL OUTLOOK

The global recovery post-covid-19 remains terribly slow and has worsened because of the Russia-Ukraine War. Domestically, the escalating repo-rates, the rising standard of living and load-shedding has become a major threat to jobs, food security, and the survival of businesses and state institutions. KwaDukuza continues to cushion the poor during these difficult economic times which are also compounded by the increased ESKOM tariffs of charges and other commodities which have consequently contributed to the heightened standard of living. KwaDukuza has also been exposed to high climate risks with the changing patterns as a result of heat stress, drought and floods. The degenerative impact of climate change over the past years has proven to be a serious threat to social security, the economy, and livelihoods.

## COMPACT OF MAYORS

As one of the municipalities in the forefront of dealing with climate challenges in South Africa, I am proud to announce that KwaDukuza is the first secondary city in Africa to have achieved four badges of complying with the Compact of Mayors and this makes us stand head and shoulders above other South Africa municipalities and we continue to report globally on our efforts of

promoting climate change and energy efficiency.

## IMPACT OF THE DISASTER AND THE MUNICIPAL DISASTER RECOVERY GRANT

You will recall that KwaDukuza experienced one of the greatest disasters of all times and with the trail of devastation of the April 2022 floods, the municipality had to change its priorities over and above basic services towards prioritizing the saving of lives that were impacted. We also had to ensure that the economy comes back to life again. Indeed, the disaster has been one of the biggest social and economic crises in our living memory – and the year 2022 proved to be the worst year in our economic history as it did not only change the landscape of our municipality but also undermined years of progress and our efforts of building a sustainable future for our people.

Up to this day, we continue to recover from the effects of the disaster, and it is in such instance that we were accorded an amount of R109 million in 2022 and subsequently R1,2 billion in 2023 to implement over four hundred (400) projects which includes roads, stormwater, and bridges.

We singularly wish to appreciate governments efforts in classifying KwaZulu-Natal under a state of disaster during 2022. This classification enabled KwaDukuza to tap into various sources of funding to provide aid to victims and to restore critical infrastructure.

Thanks to the goodwill of council and our dedicated officials who worked with state organs which afforded KwaDukuza this historic opportunity. We have a sense of hope and prospects for a better future for our people as we yearn to build a more prosperous society that may thrive with decent infrastructure, expand our economies, and further contribute to improving livelihoods. I wish to assure the people of KwaDukuza that we will be spending the allocated grants by 30 June 2024 and in doing so, we will appreciate the support of stakeholders and residence.

## MESSAGE OF CONDOLENCES

It was during this period of interest that we encountered the sad passing of our deputy mayor, Cllr. T.V. Ntuli and several dedicated officials from within the workforce. I once again wish to extend my deepest condolences to the KwaDukuza family and to families, friends, and relatives of the departed. Let us continue to celebrate their lives and may their light illuminate our path in the difficult days which may lie ahead.

## ENERGY LOSS

During the year in question, the municipality experience excessive electricity challenges, coupled with energy losses which continue to be our biggest threat to our financial viability. Such challenges have led council to intensify its response by beefing up the staff complement of the electrical business unit, and we also launched the Gizenga Substation in Groutville which is a 33/11kV substation. This facility will surely loosen the pressure on the network and assure stability in the supply of electricity across several areas of KwaDukuza. These drastic reforms have stabilised most parts of our areas of supply and in the past few months we have dealt with the following matters to ensure that we attain 100% energy stability:

1. Assured that council approved the Non-Revenue Electricity Strategy within the financial year. The strategy is costed and ready to be implemented.
2. The Electricity Business Unit in collaboration with the Finance Business Unit, have identified faulty meters, which are currently being replaced and consumption being monitored.
3. The Electricity Business Unit is also focusing on the meter audit which is being conducted by our internal staff and contractors.

In the upcoming financial year, we will allocate over R9 million for the implementation of the adopted council strategy on energy losses. Further to this, we have submitted the funding proposal of R10 million for the implementation of the energy loss strategy before the consideration of the SWISS government agency, SECO. The Electricity Business Unit has been given a target to collect an additional R50 million to R100 million from the energy loss reduction programme. This will translate to a percentage decrease of energy loss in the next financial year. Energy loss reduction is everybody's business, and that decent infrastructure remains the cornerstone of our economy.

## FINANCIAL VIABILITY

KwaDukuza once again retained its pole position as the most financially viable and stable municipality in the province of KwaZulu-Natal and we attained the 7th position countrywide as reported by Ratings Africa. This accolade is an expression that we are able to manage the public purse prudently and diligently.

## SENZALULA CAMPAIGN

In the current financial year, we launched the Senzalula Campaign, which seeks to promote business processes through the deployment of technology. As a dual programme, Senzalula will be composed of the SCADA System that seeks to connect our main sub-stations and lines with its control room. This will enable remote monitoring of the electricity grid to help reduce the impact of load shedding. Secondly, the Ease of Doing Business Systems and Tools Project involves the digitization of applications for building plans, town planning, outdoor advertisement, electricity connections, informal trading, and business license.

## HOUSING DELIVERY

I am amongst six other mayors in the province to have signed the implementation protocol on housing. The signing of this agreement means that KwaDukuza retains its position and powers as a high-capacity municipality with a level-2 accreditation to perform functions which are within the competency of the provincial and national government department of human settlements. We attribute this accreditation to consistency and hard work in delivering housing projects.

## KWADUKUZA MUSEUM

We look forward to launching the KwaDukuza Museum in the second quarter of the financial year which is along King Shaka Street. It will incorporate the first Tourism Office in the Northern Area and will play a strategic role in marketing KwaDukuza as a tourism destination and in promoting our inner land tourism products.

On the same note, we have prioritised the upgrades into the KwaDukuza Taxi Rank which is the biggest taxi rank within our jurisdiction which services several communities in KwaDukuza and beyond. It is against this background that in this final draft budget we have allocated R6 million that is funded from our internal budget in order to commence with phase one of the project. We have also allocated R2 million towards the Ballito Taxi Rank to provide commuter shelters and upgrades to ablution facilities.

We are looking forward to the new financial year believing that the challenges encountered during the year of interest will become a thing of the past. Surely, in the upcoming financial year KwaDukuza will become a fully-fledged construction site and we are adamant that during this year our people will be able to see tangible progress in terms of the disaster recovery, the implementation of the SCADA system and we trust that new projects will be unlocked that will cushion our people towards economic prosperity.



# EXECUTIVE SUMMARY

## ALIGNMENT TO THE PROVINCIAL GROWTH AND DEVELOPMENT STRATEGY (PGDS)

The KwaZulu-Natal Provincial Growth and Development Strategy (PGDS) has the purpose for the provision of strategic direction for development and planning in the Province. The following six provincial priorities that address several developmental challenges related to economic and social needs of the province provide the focus of the PGDS:

- Strengthening governance and service delivery;
- Integrating investments in community infrastructure;

- Sustainable economic development and job creation;
- Developing human capability;
- Developing a comprehensive response to HIV/Aids; and
- Fighting poverty and protecting vulnerable groups in society

The Provincial Administration of KwaZulu-Natal has developed a strategic plan with overarching objectives and clear outcomes to be achieved in the medium term. The vision in the strategic plan is "By 2035, the Province of KwaZulu-Natal should have maximized its position as a gateway to Southern Africa, as well as its human and natural resources, so creating a healthy, safe and sustainable living environment".

The strategic plan sets out seven (7) strategic goals that determine policy direction and key interventions required to achieve the objectives and these are indicated in the table below:

**TABLE 1 : PGDS STRATEGIES**

| NO. | PGDS STRATEGIES GOAL            | ALIGNMENT THEREOF                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|-----|---------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1   | Inclusive economic growth       | Promote radical socio-economic transformation agenda to address inequality, unemployment, and poverty                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 2   | Human Resources Development     | Create and promote a culture of enhanced service delivery, innovation and excellence through capable cadres of local government.                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 3   | Human and Community Development | Build the capacity and systems for the 4th Industrial Revolution and the integrated e-government services. Create and promote a culture of enhanced service delivery, innovation and excellence through capable cadres of local government.                                                                                                                                                                                                                                                                                                                 |
| 4   | Strategic Infrastructure        | Expand and maintain the provision of quality basic services and the integrated human settlements.                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| 5   | Responses to Climate Change     | Develop comprehensive response to rapid urbanisation, low carbon development and environment sustainability.                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 6   | Governance and policy           | Build the capacity and systems for the 4th Industrial Revolution and the integrated e-government services;<br>Create and promote a culture of enhanced service delivery, innovation and excellence through capable cadres of local government;<br>Improve good governance, audit outcomes and consequence management;<br>Strengthen public participation, complaints management system and accountability;<br>Ensure mainstreaming and meaningful participation of vulnerable groups (i.e., Youth, women, disabled people) in all developmental programmes; |
| 7   | Spatial Equity                  | Develop comprehensive response to rapid urbanisation, low carbon development and environment sustainability. Expand and maintain the provision of quality basic services and the integrated human settlements.                                                                                                                                                                                                                                                                                                                                              |

## ACHIEVEMENT OF STRATEGIC OBJECTIVES IN THE INTEGRATED DEVELOPMENT PLAN (IDP)

KwaDukuza Municipality IDP serves as a strategic guide during the term of office of the current councillors. It is based on the issues articulated by the stakeholders and is aligned with the national and provincial development imperatives such as the National Development Plan (NDP) and the Provincial Growth and Development Strategy (PGDS). Its objectives are as follows:

- To guide decision making in respect of service delivery and public sector investment.
- To inform budgets and service delivery programs of various government departments and service agencies.
- To co-ordinate the activities of various service delivery agencies within KwaDukuza Municipality area of jurisdiction.
- To engage communities and other key interested and affected parties in municipal affairs, particularly continuous integrated development process.
- To position the municipality to make a meaningful contribution towards meeting the district and provincial development targets and priorities.

KwaDukuza Municipality strategic focus is influenced by the Sustainable Development Goals (SDG), NDP, PGDS, District Growth Development Plan (DGDP), KwaDukuza Municipal Development Goals and municipal vision which is aimed at optimum utilisation of available resources and potentials to create an enabling environment and sustainable development which promote quality of life for all while capitalizing on our competitive advantages. The following table shows the KZN PGDS Strategic Framework.

**TABLE 2 : KZN PGDS STRATEGIC FRAMEWORK**

| KDM GOALS                                                                                                                                                      | DGDS-GOALS | PGDS- GOALS | NDP - GOALS | SDG – GOALS                 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-------------|-------------|-----------------------------|
| <b>Goal 1:</b> Improve good governance, audit outcomes and consequence management.                                                                             | 6          | 6           | 3, 8        | 16                          |
| <b>Goal 2:</b> Strengthen public participation, complaint management system and accountability.                                                                |            | 3           | 4           | 16                          |
| <b>Goal 3:</b> Promote radical socio-economic transformation agenda to address inequality, unemployment and poverty.                                           | 1, 3, 5,   | 1, 7        | 1, 2, 3, 4  | 1, 2, 5, 6, 7, 8, 9, 10, 11 |
| <b>Goal 4:</b> Create and promote a culture of enhanced service delivery, innovation, and excellence through capable cadres of local government.               |            | 2, 3, 4     | 3, 4, 7     | 4, 5, 6, 9                  |
| <b>Goal 5:</b> Enhance municipal financial sustainability.                                                                                                     |            |             | 3, 8        |                             |
| <b>Goal 6:</b> Develop comprehensive response to rapid urbanization, low carbon development and environment sustainability.                                    | 4          | 5           | 2           | 13, 14, 15                  |
| <b>Goal 7:</b> Expand and maintain the provision of quality basic services and the integrated human settlements.                                               | 5          |             | 2, 3, 4, 7  | 6, 7, 11                    |
| <b>Goal 8:</b> Ensure mainstreaming and meaningful participation of vulnerable groups (i.e., youth, women, and disabled people) in all development programmes. |            | 3           | 4, 5        | 4, 5, 8, 10, 16             |
| <b>Goal 9:</b> Create a safer and crime free municipal area through community-public private partnerships.                                                     | 5          |             | 7           | 11, 16                      |
| <b>Goal 10:</b> Build the capacity and systems for the 4 <sup>th</sup> Industrial Revolution and the integrated E-government services.                         |            | 2, 3, 4     | 5, 7        | 4                           |

## **PARTICIPATION IN THE IDP PROCESS**

### **(A) PUBLIC PARTICIPATION CONTEXT**

In terms of the provisions of Chapter 4 of the Municipal Systems Act (Act 32 of 2000), a municipality must encourage and create conditions for the local community to participate in the affairs of the municipality, including the preparation, implementation, and review of its Integrated Development Plan. Accordingly, KwaDukuza Municipality has maintained its commitment to a participatory process of IDP review whereby the community would play a meaningful role.

There are four major functions that can be aligned with the public participation process vis-à-vis:

- Needs identification.
- Identification of appropriateness of proposed solutions.
- Community ownership and buy-in; and
- Empowerment.

### **(B) MECHANISMS FOR PARTICIPATION**

The following mechanisms for participation were utilised:

#### **IDP STEERING COMMITTEE**

The Steering Committee is a technical working team consisting of Departmental Heads within the Municipality. This committee is chaired by the Municipal Manager and the IDP Unit is responsible for co-ordinating meetings. The invitation to attend the working sessions is usually extended to middle managers. These are all the representatives who are involved in the preparation of technical reports and information, formulation of recommendations as well as to prepare any other pertinent documents during the compilation of the IDP processes. IDP Steering Committee meets every Monday in the form of Manco and Extended Manco where all issues related to the IDP are attended to.

#### **IDP REPRESENTATIVE FORUM (IDPRF)**

This forum represents all stakeholders and remains as an inclusive structure as much as possible. Efforts are continuously made to bring additional organisations into the IDPRF and to ensure their continued participation throughout the process. The IDP Representative Forum is constituted as part of the preparation phase of the IDP and continues its functions throughout the annual IDP Review process. The composition of this IDPRF is not limited to following:

- Councillors
- Ward Committee representatives
- Senior Municipal officials
- Ratepayers Associations
- National and Provincial Departments regional representatives
- Non-Governmental Organizations
- Parastatal organizations
- Business Organisations

The main functions of the IDPRF includes the following.

- Representing the interest of the Municipality's constituency in the IDP process.
- Providing an organizational mechanism for discussion, negotiation, and decision making between the stakeholders inclusive of municipal government.
- Ensuring communication between all the stakeholder representatives inclusive of municipal government.
- Monitoring the performance of the planning and implementation process.

#### **WARD COMMITTEES AND COMMUNITY DEVELOPMENT WORKERS**

Ward Committees and Ward Councilors are formal structures established as per the provisions of the Municipal Structures Act. Accordingly, these structures are utilized as a link between the Municipality and Communities, for the purposes of obtaining information in pertaining to the IDP implementation.



## ADVERTISING PLATFORM USED IN PUBLISHING IDP/PMS/BUDGET ACTIVITIES

Local newspapers (i.e., North Coast Courier, Stanger Weekly, Xpress Times, Dolphin Coast Mail) were used interchangeably to publish and/or inform the local community of the progress on the IDP, PMS and Budget Processes. The table below represents the print media/newspapers, activities and dates published:

**TABLE 3 : ADVERTISING PLATFORM FOR KDM**

| Activity                                                                                                   | Month        | Advertising Platform                                          |
|------------------------------------------------------------------------------------------------------------|--------------|---------------------------------------------------------------|
| KwaDukuza draft IDP, PMS and Budget process plan 2022/23                                                   | Jul-21       | Municipal Website, social media platforms and local newspaper |
| Final IDP, PMS & Budget process plan 2022/23                                                               | Sep-21       | Municipal Website, social media platforms and local newspaper |
| Adoption of the DRAFT 2022/23 Integrated Development Plan and comments                                     | April- 2022  | Municipal Website, social media platforms and local newspaper |
| Mayoral Izimbizo/Roadshow for the presentation of the DRAFT BUDGET and IDP for the 2022/23 financial year. | April - 2022 | Municipal Website, social media platforms and local newspaper |

## MUNICIPAL CHALLENGES AND PROPOSED IDP INTERVENTIONS ON BASIC SERVICE DELIVERY

**TABLE 4 : CHALLENGES AND INTERVENTIONS ON BSD**

| NO.                                                                   | CHALLENGES/COMMUNITY NEEDS IDENTIFIED                                                                 | IDP INTERVENTIONS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-----------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>KPA -1: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT</b> |                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 1                                                                     | Lack of skills required by the municipality and local economy.                                        | <ul style="list-style-type: none"> <li>• Expedite efficient operational and relevant courses as offered by Chief Albert Luthuli Skills Centre and Umfolozi FET college;</li> <li>• Emphasis on scarce skills development utilizing both KDM's External and Internal Bursaries programs;</li> <li>• Co-ordinate and facilitate the placements of learners who are partaking in learnerships with various host employers;</li> <li>• Implement KDM's Internship programme by ensuring that each business unit essentially hosts a minimum of five (5) graduates per annum;</li> <li>• Facilitate and co-manage various government skills development initiatives such as tourism safety monitor etc.; and</li> <li>• See to the implementation of Council retention programme.</li> </ul> |
| 2                                                                     | Low figures of women appointed into managerial positions and non-compliance with equity targets.      | <ul style="list-style-type: none"> <li>• Adhere to the implementation of gazette Employment Equity Plan; • Embark on target recruitment so as to accomplish equity targets for less represented groups within Council including those from the coloured and white communities; • Provide a dedicated programme to develop and benefit women talent.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 3                                                                     | An abundance of overtime worked unproductivity and unsupervised municipal staff.                      | <ul style="list-style-type: none"> <li>• Introduce and implement shift systems with a view to curb overtime and enhance productivity;</li> <li>• Fast-track the filling of vacant, new and/or attrition posts.</li> <li>• Ensure compliance with the overtime management plan per BU as well as adherence to the Basic Conditions of Employment Act (BCEA); and</li> <li>• Cascade performance management to lower positions of Council.</li> </ul>                                                                                                                                                                                                                                                                                                                                     |
| 4                                                                     | Poor ICT network, support and continuous use of manual systems to process certain applications by BU. | <ul style="list-style-type: none"> <li>• Invest in the ICT network and off-site disaster recovery facility;</li> <li>• Strengthen the capacity of the ICT Unit by ensuring that critical posts are filled as well as improve general governance issues;</li> <li>• Ensure full implementation of EDP EDRMS and Planning Tracking System;</li> <li>• Support the introduction of electricity application system and SCADA System;</li> <li>• Establish panels to ensure that ICT equipment's and software are provided.</li> </ul>                                                                                                                                                                                                                                                       |

**TABLE 4 : CHALLENGES AND INTERVENTIONS ON BSD ...continued**

| NO.                                                                 | CHALLENGES/COMMUNITY NEEDS IDENTIFIED                                                                                                                            | IDP INTERVENTIONS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|---------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>KPA-2: FINANCIAL VIABILITY AND MANAGEMENT</b>                    |                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 1                                                                   | Limited revenue sources and poor collection of debts, which in turn leads to budgetary constraints that adversely impact the financing of various interventions. | <ul style="list-style-type: none"> <li>• Fast-track and ensure tight implementation of Council credit policy;</li> <li>• Concentrate on revenue enhancement projects led by various BU;</li> <li>• Curb Electrical/Energy Loss through implementing disconnections and continuous meter audits;</li> <li>• Embark on accounts data cleansing project;</li> <li>• Implement approved KwaDukuza Revenue Policy,</li> <li>• Ensure that the Debt and Revenue Enhancement Committee functions to its maximum; and</li> <li>• Implement Debt Incentive Scheme.</li> </ul> |
| 2                                                                   | Failure to deal with irregular expenditure and abuse of section 36 of the MFMA.                                                                                  | <ul style="list-style-type: none"> <li>• Fast-track the completion of award of section 78 (PPP) project for waste-collection;</li> <li>• Implement and enforce compliance with applicable legislation to avert irregular expenditure;</li> <li>• Reduce section 36 appointments through the establishment of a panel of service providers to attend to emergencies; and</li> <li>• Ensure that there is implementation of consequential management for non-compliance with Council policies and legislation.</li> </ul>                                              |
| <b>KPA-3: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT</b> |                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 1                                                                   | Poor public street lighting.                                                                                                                                     | <ul style="list-style-type: none"> <li>• Roll-out maintenance of streetlights using the panel of service providers and internal staff;</li> <li>• Roll-out retrofitting of existing streetlights with energy efficiency streetlights;</li> <li>• Installation of new energy efficiency streetlights within the boundaries of the municipality; and;</li> <li>• Implement ongoing Installation of high mast lights (Apollo lights).</li> </ul>                                                                                                                        |
| 2                                                                   | Poorly maintained roads.                                                                                                                                         | <ul style="list-style-type: none"> <li>• Hasten the implementation of pothole patching and road rehabilitation programme through panel of contractors servicing all clusters;</li> <li>• Engage in and expedite the rehabilitation of roads by both ILembe DM and Fibre optic contractors, through signed MOA and wayleave applications;</li> <li>• Upgrade roads from gravel to black-top; and</li> <li>• Utilization of internal capacity to re-gravel the gravel roads.</li> </ul>                                                                                |
| 3                                                                   | Shortage of low-cost and affordable housing.                                                                                                                     | <ul style="list-style-type: none"> <li>• Bring to completion all houses that are under construction and continue to mobilize the increment of Housing Development Grant;</li> <li>• Unclog the blocked projects for implementation i.e., Rocky Park, Driefontein;</li> <li>• Fast-track the appointment of Social Housing companies to unlock social housing projects within the municipality; and</li> <li>• Expedite the closure of old projects and issue of title deeds.</li> </ul>                                                                              |
| 4                                                                   | Poor waste collection services in the semi-urban areas and northern area of KwaDukuza.                                                                           | <ul style="list-style-type: none"> <li>• Finalize and implement the recommendations of section 78 study (PPP);</li> <li>• Provide additional skips;</li> <li>• Promote community waste management initiatives using utilizing programs i.e., CWP and Good Green Deeds;</li> <li>• Ensure public education on waste management and impact of illegal dumping; and</li> <li>• Extend the roll-out of recycling bins in the municipal's area of jurisdiction.</li> </ul>                                                                                                |
| 5                                                                   | Poor capital expenditure and negative impact on communities.                                                                                                     | <ul style="list-style-type: none"> <li>• Establish and use a panel of contractors to implement capital expenditure; and</li> <li>• Increase capacity to monitor performance of contractors.</li> <li>• Curb red tape and delays on SCM processes through forward planning.</li> </ul>                                                                                                                                                                                                                                                                                |

**TABLE 4 : CHALLENGES AND INTERVENTIONS ON BSD ...continued**

| NO.                                                    | CHALLENGES/COMMUNITY NEEDS IDENTIFIED                                                                                                                                                                   | IDP INTERVENTIONS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|--------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>KPA-4: GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b> |                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 1                                                      | Dysfunctional Ward Committees and lack of public meetings.                                                                                                                                              | <ul style="list-style-type: none"> <li>• Provide on-going support to Ward Committees to improve their performance through training and ward committee meetings,</li> <li>• Ensure that all Ward Councillors conduct their quarterly meetings with the members of the public;</li> <li>• Ensure that stakeholder forums i.e. (IDP Rep Forum, LED Forum, OSS/ War Rooms, Youth Forums, Gender and Disability, HIV-Aids Local Council etc.) are functioning properly and report to Council on quarterly basis; and</li> <li>• Strengthen the use of communication platforms (e.g. websites, social media and municipal publications) to communicate and receiving of feedback from the community.</li> </ul>                                                               |
| 2                                                      | Deal with the perception of corruption and stagnant audit outcomes.                                                                                                                                     | <ul style="list-style-type: none"> <li>• Build capacity of Internal Audit to provide on-going assurance services to Council;</li> <li>• Ensure that Anti-fraud hotline is working and known by the public;</li> <li>• Conduct ongoing staff and community awareness on fraud and corruption policies of Council;</li> <li>• Implement consequential management against those who breach Council policies and laws of the Republic of South Africa; and</li> <li>• Encourage the public to attend Council meetings and participate in Annual Oversight report processes.</li> </ul>                                                                                                                                                                                      |
| <b>KPA-5: LOCAL ECONOMIC DEVELOPMENT</b>               |                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 1                                                      | High unemployment rates amongst youth and women in KwaDukuza. Propensity of Local businesses to employ people from outside KwaDukuza.                                                                   | <ul style="list-style-type: none"> <li>• Expedite the establishment of NYDA District Office;</li> <li>• Expedite the establishment of YES Office within KwaDukuza;</li> <li>• Expedite and enter into social compact agreements with Investors/ Developers to prioritise appointment of KwaDukuza residents when there are job opportunities; and</li> <li>• Ensure that all projects adhere to EPWP principles and the implementation thereof.</li> </ul>                                                                                                                                                                                                                                                                                                              |
| 2                                                      | Untransformed economy and few business opportunities made available to local emerging businesses. This challenge has led to the formation of business forums which violently demand work opportunities. | <ul style="list-style-type: none"> <li>• Focus on the promotion of direct investment through minimizing development approval red-tape and provision of incentive (rates rebate);</li> <li>• Provide start-up support to SMMES/Cooperatives involved in the manufacturing sector;</li> <li>• Implement Nokukhanya Luthuli tourism prescript business plan;</li> <li>• Implement emerging contractor's development programme;</li> <li>• Promote and support SMMES that are involved in the innovation and technology business;</li> <li>• Promote green economy;</li> <li>• Implement Target Procurement and enforce meaningful sub-contracting in all municipal contracts exceeding R4 million in value; and</li> <li>• Review and adopt KwaDukuza LED Plan.</li> </ul> |
| 3                                                      | Increased crime which threatens community safety and investment to the area.                                                                                                                            | <ul style="list-style-type: none"> <li>• Partner with private sector and community based organizations for the installation of vehicle identification cameras;</li> <li>• Partner with private security companies and SAPS to fight crime by undertaking joint enforcement blitz and sharing crime intelligence;</li> <li>• Develop and adopt KwaDukuza Crime Strategy; KDM FINAL IDP 2022/23</li> <li>• Strengthen the functioning of Community Policing Forums;</li> <li>• Focus on targeting school crime awareness programs;</li> <li>• Ensure the implementation of Council by-laws; and</li> <li>• Improvement on the functioning of Council CCTV camera's project.</li> </ul>                                                                                    |

**TABLE 4 : CHALLENGES AND INTERVENTIONS ON BSD ...continued**

| NO.                                       | CHALLENGES/COMMUNITY NEEDS IDENTIFIED                                                                         | IDP INTERVENTIONS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-------------------------------------------|---------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>KPA-6: CROSS CUTTING INTERVENTIONS</b> |                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 1                                         | Delay in approving building plans and town planning applications.                                             | <ul style="list-style-type: none"> <li>• Finalize the implementation of Development and Building Plans application reforms with assistance of World Bank/Vuthela LED Programme;</li> <li>• Enter into SLA with all BUs ED who have a responsibility to comment on applications;</li> <li>• Ensure proper functioning of the Development Assessment Committee;</li> <li>• Attend to all public complaints regarding delays within 7 days of receiving such complaints.</li> <li>• Hasten the implementation of all EDRMS Modules and the introduction of Plan Tracking System; and</li> <li>• Continue to have sessions with professionals /agents on a quarterly basis to deal with issues of common interest.</li> </ul>                                                                                                                        |
| 2                                         | Poor enforcement of environmental laws and inadequate knowledge on climate change effects to our communities. | <ul style="list-style-type: none"> <li>• Increase staff members who are trained and designated as Environmental Management Inspectors by the MEC;</li> <li>• Provide on-going community awareness programmes on climate change and environmental management;</li> <li>• Implement approved KwaDukuza Green buildings guidelines and KwaDukuza Low Carbon Emission Strategy; and</li> <li>• Identify and implement community resilience projects;</li> <li>• Partner with Green Scorpions/ Department of Minerals Resources to enforce against illegal sand miners along Umvoti River;</li> <li>• Encourage mainstreaming of green/climate proof projects by all municipal business units; and</li> <li>• Provide support and guidance to internal departments to comply with applicable legislation when implementing their projects.</li> </ul> |





**MR. NJ MDAKANE**  
MUNICIPAL MANAGER

# MUNICIPAL MANAGER'S FOREWORD

The 2022/23 financial year was one in which the municipality faced many challenges however, with strong leadership and commitment, KwaDukuza Municipality proved to be resilient. Aside from focusing on the economic recovery from the COVID-19 pandemic and civil unrest in July 2021 that had untold impact on businesses. We then suffered a one in a 100-year flood in April and May 2022 that caused severe damage to infrastructure, loss of life, and resulted in the displacement of communities.

The floods resulted to loss of human life and infrastructural damages. As such, some parts of the KwaDukuza Municipal areas were experiencing access challenges due to road damages, power outages and water supply cut. Some residents were displaced due to floods and accommodated in temporary shelters.

Various interventions have been implemented to provide social relief and interim measures to provide access routes and urgent repair to infrastructural damages. A call for collaborative initiatives between Local and other levels of government was made to share resources and meet overwhelming needs of the residents as a result of the flood damages. The Municipality also provided social assistance to support the bereaved families.

The Municipality is going to incur an estimated cost of R1.3 billion in its operating budget both for the current and previous financial years mainly relating to the repair of its infrastructure assets which is financed by internal

funding and Disaster Management Grant received during 2021/2022 financial year.

The storm disaster resulted in a strain on the municipality's cash flow position given that there was no grant funding at first, nor any funds received from external stakeholders until we received an amount of R109 million followed by a further R1.2 billion transfer. In response to the storm disaster, the municipality embarked on the reprioritisation of its budget, whilst awaiting the outcome of the disaster management grant application.

The current adverse economic conditions have resulted in consumers defaulting on paying municipal accounts due to a reduction in their disposable income, retrenchments and unemployment. However, the collection rate was 95% as at the end of 2022/2023 financial year. which is within the National Treasury norm, of 95%. The following are some of the interventions being implemented which have resulted in the maintenance of the good collection rate:

- Telephonic or email follow ups on outstanding debt, however there is a need for establishment of a call center or interim employment of temporary staff, to ensure that follow ups are done regularly to all arrear debtors that are recorded on KDM financial system to optimize the revenue collection.
- Increased use of SMSs to notify debtors about collection campaigns and disconnections/blocking. All customers with cellphone numbers recorded on the billing system are sent SMS messages monthly to notify them of any amounts outstanding.

- Educating staff members about work streams that they perform regularly for consistent applications.
- Data cleansing and meter audit primarily to ensure correct billing thereby eliminating debtor queries. This is carried out on an ongoing basis.
- Credit Control utilises the debtors ageing report that is extracted from Munsoft financial system to identify monthly defaulters for follow up. The list is scrutinized and submitted to staff for contacting debtors.
- Disconnection of electricity meters on arrears debtors. Continuous enhancements and internal workshops are carried out to review and improve internal processes for a more effective approach. This has proven to be extremely effective.
- Accounts where a prepaid meter has been linked, that are outstanding for more than 30 days, are flagged automatically and instituted with a 40% partial block from purchasing prepaid electricity.

Amid the current economic conditions, the Municipality is still able to pay its creditors as and when payments are due and still maintains a healthy financial position.

## CAPITAL BUDGET REPRIORITIZATION:

The tabled capital budget had the following prioritizations:

- Contractual commitments,
- Trading Services and
- Economic Development.

The above reprioritization is aimed at ensuring that there is a reduction in distribution losses, a return to profitability for Trading Services and to increase the revenue base through catalytic projects as these projects have a direct impact on property prices and bring in new properties into the rate base, combined with the additional usage of municipal services.

Various committees continue to deal with major expenditure items, including the approval and budget allocation for these items. This is to ensure that:

- the budget is funded,
- there is focus on cost containment,
- there is focus on essential service delivery, and
- the budget is realistic considering the current economic conditions.

There is also a close monitoring of operating expenditure and implementation of austerity measures to reduce spending to ensure that the budget is sustainable and realistic. When the budget for 2023/24 MTREF was prepared, there was a budget cut that was applied to all controllable operating items (telephones, consumables, travelling, seminars and training, etc.) to improve cash balances. The budget for 2022/23 is balanced and fully funded, with revenue projections that are realistic.

Energy losses remain the biggest challenge to date. According to NERSA 2022-2023 guidelines, the acceptable benchmark for Energy Losses is between 6-12%. However, KwaDukuza Municipality is currently faced with a challenge on energy losses which are also affecting service delivery negatively. Electricity energy losses for the year 2022/2023 are still above the acceptable benchmark and would like to call upon all the stakeholders to work with us in trying to address this matter. The KwaDukuza Municipality will continue operating in the foreseeable future and remain financial stable.

Despite the many challenges faced, KwaDukuza Municipality has continued to strive for the attainment of its vision: ***"By 2023, KwaDukuza shall be a vibrant city competing in the global village economically, socially, politically and in a sustainable manner."***

On behalf of the KwaDukuza Municipality, I express my profound appreciation to the political leadership for the opportunity they have given us to serve the people of KwaDukuza. The staff of KwaDukuza Municipality continues to put in every effort to ensure the organisation implements its mandate effectively, and that individually and collectively we can contribute to making a difference in the quality of life in our communities.



**NHLANHLA MDAKANE**  
MUNICIPAL MANAGER

# EXECUTIVE SUMMARY

## A) PREVIOUS FINANCIAL YEARS AUDITOR GENERAL SOUTH AFRICA'S AUDIT OPINION

KwaDukuza Municipality received its 17<sup>th</sup> unqualified audit report for the 2021/22 financial year with emphasis on the following matters:

### "RESTATEMENT OF CORRESPONDING FIGURES

As disclosed in note 41 to the financial statements, the corresponding figures for 30 June 2021 were restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2022.

### MATERIAL IMPAIRMENTS – RECEIVABLES FROM EXCHANGE TRANSACTIONS

As disclosed in note 9 to the financial statements, the municipality recognised a provision for impairment of R65,91 million (2020-2021: R69,67 million) as the recoverability of these amounts was doubtful.

### MATERIAL IMPAIRMENTS – RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

As disclosed in note 10 to the financial statements, the municipality recognised a provision for impairment of R223,42 million (2020-2021: R212,56 million) as the recoverability of these amounts was doubtful.

### CONTINGENT LIABILITY

As disclosed in note 38 to the financial statements, the municipality entered into service level agreements with property developers to reimburse them for the cost of bulk electricity supplies. The reimbursements are dependent on the developers meeting future targets

as set out in the service level agreements. The timing and outcome of the reimbursement cannot currently be determined and no provision for any liability that may result has been made in the financial statements.

### MATERIAL LOSSES - ELECTRICITY

As disclosed in note 52 to the financial statements, material electricity losses of 171 753 233 kwh (2020-21: 153 728 734 kwh) amounting to R237,73 million (2020-21: R181,21 million) were incurred, which represents 24,83% (2020-21: 22,82%) of total electricity purchased against a national norm of between 6% to 12%. The losses were due to transmission or distribution losses and illegal connections."

## B) CURRENT FINANCIAL HEALTH OF THE MUNICIPALITY

It is of vital importance that the municipality has adequate sources of revenue, from both its own operations and intergovernmental transfers, to enable it to carry out its functions. The Division of Revenue Act (DORA) has laid out the level of funding from National Government that will be received for the 2022/2023 to 2024/2025 MTREF. The financial health of the municipality is discussed in further depth according to the below categories:

### • CASH/LIQUIDITY POSITION

Cash management is crucial for the short and long-term survival and good management of the organization. To assess the liquidity of the municipality, a current ratio will be used; this ratio expresses the current assets as a proportion to current liabilities. A current ratio of 2:1 and greater is healthy. KwaDukuza's audited current ratio for the 2022/2023 financial year is 1.49:1. One of the main reasons for a low current ratio, is the huge increase in unspent conditional Municipal disaster grants liability. The unspent conditional grants are cash backed in various bank accounts in cash and cash equivalents. Hence the municipality is in good financial health and can pay off its short-term debt.

It must be stressed that certain expenses and income are cyclical in nature and a reduction of this ratio is generally experienced in the first and second quarter of the financial year.

## • SUSTAINABILITY

The municipality must ensure that the budget is balanced, funded and credible. Revenue must exceed expenditure. Services provided at all levels should be affordable. However, subsidies need to be made available to the indigent households who cannot afford to pay for basic services. Total assets exceed the total liabilities of the municipality, and the municipality is a going concern.

## • ACCOUNTABILITY, TRANSPARENCY AND GOOD GOVERNANCE

The budget process and other financial decisions are open to public participation. It is critical that accurate information is produced within acceptable timeframes. KDM remains accountable to the community who provides the financial resources through either payment of rates and tariffs, or services. The actual in year outcomes are reported to the Finance Portfolio Committee, Budget Steering Committee and Council on a monthly and/or quarterly basis to ensure adequate oversight. These reports are published on the municipal website and subject to continuous engagements by Provincial Treasury.

## • EQUITY AND REDISTRIBUTION

KwaDukuza Municipality must treat people fairly and equitably when it comes to the provision of services, just as KwaDukuza Municipality expects to be treated equitably by the national and provincial government when it comes to inter-governmental transfers. KwaDukuza Municipality must ensure that redistribution is in line with the IDP. Detailed consultation occurs via various IDP and Budget platforms to ensure the budget is not only funded but also meets the needs of the community.

# C) REVENUE TREND BY SOURCE INCLUDING BORROWINGS.

Long term loans bear interest at 8.05% to 9.73%. The costs of borrowings have a definite impact on the budget.

It is expected that regular marginal increases in rates can be expected throughout 2023/2024 to 2024/2025 MTREF. Of the adopted capital budget for 2023/2024 of R 950,898,017, R30M Cost of borrowings has been provided for in the municipal budget in the Medium-Term Revenue and Expenditure Framework.

Kwa-Dukuza Municipality did not take up any new loans in the 2022/2023 financial year, however the municipality must honour all its loan obligations timeously. Failure to effect prompt payment will adversely affect the raising of future loans at favorable interest rates. Failure to pay any loan instalment will have severe repercussions and may jeopardize the municipality's credit rating. In addition to the timeous repayment of the loans, the municipality should adhere to the covenants stipulated in the loan agreements and the under-mentioned are some examples of typical covenant requirements:

- Furnish audited annual financial statements timeously.
- Reporting of material changes in the financial position of the municipality
- Material changes in the functions, power, and duties of the municipality

The municipality has developed a Borrowing Framework Policy and Guidelines. The objective of the policy is to limit interest rate and credit risk exposure; to maintain debt within specified limits; ensure adequacy for the repayment of debt and to ensure compliance with all Legislation and council policy governing borrowing of funds. The primary goal in the borrowing of funds is to leverage finance at the lowest possible interest rates at minimum risk, within the parameters of authorized borrowings.

The scope of the policy includes:

- Risk – The need to manage interest rate risk, credit risk exposure and to maintain debt within specified limits.
- Cost of Borrowings - should be structured to obtain the lowest possible interest rate, on the most advantageous terms and conditions.
- Prudence - Borrowings shall be made with care, skill, prudence, and diligence.
- Ownership - All loans must be in the name of KwaDukuza Municipality.

In accordance with the above, KwaDukuza has met all loan obligations and covenants in a timely manner.



## I) ASSESSMENT BY THE ACCOUNTING OFFICER ON ARREARS

TABLE 5: TOTAL DEBTORS AS OF 30 JUNE 2023 ARE MADE UP AS FOLLOWS:

| DESCRIPTION                                | TOTAL DEBT<br>R' | PROVISION FOR<br>IMPAIRMENT<br>R' | NET DEBT<br>R' |
|--------------------------------------------|------------------|-----------------------------------|----------------|
| Long term receivables                      | 2 670 135        | (2 215 105)                       | 455 030        |
| Current portion of long- term receivables  | 45 712           | -                                 | 45 712         |
| Receivables from Exchange Transactions     | 257 460 083      | (73 487 589)                      | 183 972 493    |
| Receivables from Non- Exchange Transaction | 391 741 470      | (229 521 783)                     | 162 219 687    |
| TOTAL                                      | 651 917 400      | (305 224 477)                     | 346 692 923    |

Total net debtors' amount to R346 692 923 as at 30 June 2023 (R290 579 172 for 2022). This represents a year on year increase of 19%.

The increase in debtors of approximately R56m over the reporting period is attributable to the following:

- Many accounts in arrears do not have conventional or prepaid meters due to bulk metering or being serviced by Eskom. We are unable to disconnect and there is no leverage to pressure debtors into settling their account or making an arrangement.
- Many of the handed over accounts are still being attended to and not yet resolved. This is a lengthy process.
- Trusts and unreported Deceased Estates continue to

be a challenge to locate parties liable for payment.

- Business and Households are still recovering from the effects of Covid-19 and natural disasters that affected properties and business in KZN. The pandemic placed a financial strain on individuals and business alike.
- Rising interest rates and cost of basic services have had a negative impact on household disposable income adding pressure on debtors to maintain payments.

Council will maintain efficient debt collection and credit control systems and procedures to further reduce the outstanding debt. The importance of this function is heightened when one considers the challenging economic climate facing the country.

## D) SHARING OF FUNCTIONS WITH SECTOR DEPARTMENTS PROJECT LIST 2022/2023

TABLE 6 : SHARING OF FUNCTIONS-SECTOR DEPTS PROJECT LIST

| PROGRAMME & PROJECT DESCRIPTION                    | LOCATION      | IMPLEMENTING AGENT | FUNDING SOURCE | BUDGET COMMITMENT (2022/23) |
|----------------------------------------------------|---------------|--------------------|----------------|-----------------------------|
| Etete Primary School                               | KDM (Ward 07) | KDM                | DOE            | R3 793 000                  |
| Etete Secondary School                             | KDM (Ward 07) | KDM                | DOE            | R3 891 000                  |
| Umhlali College                                    | KDM (Ward 22) | KDM                | DOE            | R1 801 000                  |
| Lindelani sewer upgrade                            | KDM (Ward 04) | DM                 | MIG            | R3 000 000                  |
| Driefontein Housing Bulk Sewer                     | KDM (Ward 21) | DM                 | MIG            | R28 000 000                 |
| Southern Regional Bulk Water and Sanitation Scheme | KDM (Ward 06) | DM                 | MIG            | R28 000 000                 |
| Darnall WWTW Upgrade and Reticulation              | KDM (Ward 02) | DM                 | MIG            | R5 000 000                  |
| KwaDukuza Regional Wastewater Works                | KDM (Ward 19) | DM                 | MIG            | R10 000 000                 |
| Upgrade of Frasers WWTW                            | KDM LM        | DM                 | MIG            | R2 500 000                  |
| RRAMS                                              | District Wide | DM                 | MIG            | R2 600 000                  |

## ESKOM – PROJECTS UNDERTAKEN

TABLE 7: TOTAL DEBTORS AS OF 30 JUNE 2023 ARE MADE UP AS FOLLOWS:

| PROJECT NAME                            | STATUS    | SCHEDULED COMPLETION DATE |
|-----------------------------------------|-----------|---------------------------|
| Driefontein - Dukuza SS                 | Pre - CRA | 2026                      |
| Driefontein 33/11 5MVA to 10MVA upgrade | ERA       | 2023                      |

## E) MUNICIPAL OVERVIEW

### 1.3.1 VISION

“By 2030, KwaDukuza shall be a vibrant city completing in the global village economically, socially, politically and in a sustainable manner.”

### 1.3.2 MISSION

To achieve this vision, the KwaDukuza Municipality will:

- Drive local economic development;
- Deliver a high standard of essential services;
- Encourage public participation; and
- Overcome debt and achieve cost recovery on services provided.

### 1.3.3 VALUES

Essentially the operations of KwaDukuza Municipality are informed by the Batho-Pele Principles which act as guidelines in respect of relations and interaction between the Municipality and its customers, the community of KwaDukuza Municipality and other stakeholders. Accordingly, the core values upon which the Municipality operates are as follows:

- Ethical behaviour
- Respect
- Honesty & Integrity
- Accountability to each other and the public
- Teamwork
- Initiative and Innovation
- Fiscal Responsibility
- Excellent Customer Service
- Hard work and Timelines

- Care & protection of resources
- Flexibility and cooperatives
- Compliance with all set regulations
- Loyalty
- Unity
- Efficiency
- Professionalism
- Cost Effectiveness
- Discipline
- Diligence
- Openness and Transparency
- Non-discriminatory

### 1.3.4 LEGISLATIVE AND OTHER MANDATES

#### 1.3.4.1 CONSTITUTIONAL MANDATES

The Constitution of the Republic of South Africa (1996) provides the national overarching framework for the work of all government departments in South Africa. Chapter 7 outlines the objectives and mandates in respect of local government. The following mandates for the municipality can be extracted from this:

- To establish municipalities consistent with national legislation;
- To support and strengthen the capacity of municipalities;
- To regulate the performance of municipalities in terms of their functions listed in schedules 4 and 5 of the Constitution;
- To intervene where there is non-fulfilment of legislative, executive or financial obligations; and
- To promote developmental local government.

### 1.3.4.2 LEGISLATIVE MANDATES

The White Paper on Local Government (1998) and the subsequent package of related legislation (outlined below) provide the national context for local governance across the country.

**TABLE 8: LEGISLATIVE MANDATES**

| NO. | LEGISLATION                                                                                                                                                                | MANDATE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A   | Local Government: Municipal Demarcation Act, 1998 (Act 27 of 1998)                                                                                                         | This Act provides for <ul style="list-style-type: none"> <li>• criteria and procedures for the determination of municipal boundaries by an independent authority.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| B   | Local Government: Municipal Structures Act, 1998 (Act 117 of 1998).                                                                                                        | This Act provides for <ul style="list-style-type: none"> <li>• the establishment of municipalities in accordance with the requirements relating to the categories and types of municipalities;</li> <li>• the establishment of criteria for determining the category of municipality to be established in the area;</li> <li>• a definition of the type of municipality that may be established within each category; • an appropriate division of functions and powers between categories of municipality; and</li> <li>• the regulation of the internal systems, structures and office bearers of municipalities.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| C   | Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)                                                                                                             | This Act provides for <ul style="list-style-type: none"> <li>• the core principals, mechanisms and processes that are necessary to enable municipalities to move progressively towards the social and economic upliftment of local communities;</li> <li>• ensuring universal access to essential services that are affordable to all;</li> <li>• defining the legal nature of a municipality, including the local community within the municipal area;</li> <li>• municipal powers and functions;</li> <li>• community participation;</li> <li>• the establishment of an enabling framework for the core processes of planning, performance management, resource mobilisation and organisational change;</li> <li>• a framework for local public administration and human resource development;</li> <li>• empowerment of the poor, ensuring that municipalities establish service tariffs and credit control policies that take their needs into account; and</li> <li>• investigations in relation to allegations of fraud, maladministration, corruption and/or failures to adhere to statutory obligations at a municipal level</li> </ul> |
| D   | Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA)                                                                                           | This Act provides for <ul style="list-style-type: none"> <li>• securing sound and sustainable management of the financial affairs of municipalities and other institutions in the local sphere of government; and</li> <li>• establishing treasury norms and standards for the local sphere of government.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| E   | Local Government: Municipal Property Rates Act, 2004 (Act 6 of 2004) as amended by the Local Government: Municipal Property Rates Amendment Act, 2014 (Act No. 29 of 2014) | This Act provides for <ul style="list-style-type: none"> <li>• securing sound and sustainable management of the financial affairs of municipalities;</li> <li>• the establishment of norms and standards against which the financial affairs can be monitored and measured;</li> <li>• regulating the power of a municipality to impose rates on a property;</li> <li>• excluding certain properties from rating, to make provision for municipalities to implement a transparent and fair system of exemptions;</li> <li>• introducing a rebate through rating policies; • making provision for fair and equitable valuation methods of properties; and</li> <li>• making provision for an 'objection and appeal' process. The Local Government: Municipal Property Rates Amendment Act, 2014 came into operation on 1 July 2015. The Act aims to provide for the various amendments, insertions and deletions in order to enhance proper reporting, compliance and implementation of the processes and procedures pertaining to the Act.</li> </ul>                                                                                           |

**TABLE 8: LEGISLATIVE MANDATES ...continued**

| NO. | LEGISLATION                                                         | MANDATE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-----|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| F   | Disaster Management Act, 2002 (Act 57 of 2002)                      | <p>This Act provides for</p> <ul style="list-style-type: none"> <li>• integration and co-ordinating disaster management policy, which focuses on preventing or reducing the risk of disasters mitigating the severity of disasters;</li> <li>• emergency preparedness, rapid and effective response to disasters and post-disaster recovery;</li> <li>• the establishment of national, provincial and municipal disaster management centres;</li> <li>• disaster management volunteers; and</li> <li>• matters incidental thereto</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| G   | Disaster Management Amendment Act, 2015 (Act 16 of 2015)            | <p>This Act provides for</p> <ul style="list-style-type: none"> <li>• clarification of the policy focus on rehabilitation and functioning of disaster management centres;</li> <li>• the alignment of the functions of the National Disaster Management Advisory Forum to accommodate the South African National Platform for Disaster Risk Reduction;</li> <li>• the South African National Defence Force, South African Police Service and any other organ of state to assist the disaster management structures; and</li> <li>• the strengthening of the disaster risk reporting systems in order to improve the country's ability to manage potential disasters.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| H   | Inter-governmental Relations Framework Act, 2005 (Act 13 of 2005)   | <p>The aim of this Act is</p> <ul style="list-style-type: none"> <li>• to establish a framework for national government, provincial governments and municipalities to promote and facilitate inter-governmental relationships; and</li> <li>• to provide mechanisms and procedures to facilitate the settlement of inter-governmental disputes</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| I   | Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013) | <p>This Act</p> <ul style="list-style-type: none"> <li>• provides for a framework for spatial planning and land use management in the republic</li> <li>• specifies the relationship between the spatial planning and the land use management system and other kinds of planning</li> <li>• the inclusive, developmental, equitable and efficient spatial planning at the different spheres of government</li> <li>• provides a framework for the monitoring, co-ordination and review of the spatial planning and land use management system</li> <li>• provides a framework for policies, principles, norms and standards for spatial development planning and land use management</li> <li>• addresses past spatial and regulatory imbalances</li> <li>• promotes greater consistency and uniformity in the application procedures and decision-making by authorities responsible for land use decision and development applications</li> <li>• provides for the establishment, functions and operations of Municipal Planning Tribunals</li> <li>• directs the facilitation and enforcement of land use and development measures.</li> </ul> |

## A) TRANSVERSAL LEGISLATION

A series of transversal administrative requirements impacts on the work of the Municipality across all its various functions, namely:

- Public Service Act, 1994 (Act 103 of 1994) and Public Service Regulations of 2000;
- Public Finance Management Act, 1999 (Act 1 of 1999) and National Treasury Regulations;
- Annual Division of Revenue Act;
- Skills Development Act, 1998 (Act 97 of 1998);
- Skills Levy Act, 1999 (Act 9 of 1999);
- Employment Equity Act, 1998 (Act 55 of 1998);
- Labour Relations Act, 1995 (Act 66 of 1995);
- Basic Conditions of Employment Act, 1997 (Act 75 of 1997);
- Occupational Health and Safety Act, 1993 (Act 85 of 1993);
- Municipal Electoral Act 2000, (Act 27 of 2000);
- Promotion of Access to Information Act 2000, (Act 2 of 2000).



## B) LOCAL GOVERNMENT POLICY MANDATES

The following provide the policy framework for local government:

- White Paper on Local Government, 1998;
- National Local Government Turn Around Strategy 2009;
- Local Government Anti-Corruption Strategy, 2006;
- Free Basic Services Policy, 2000/01;
- National Public Participation Framework, 2007; and
- National Back to Basics Strategy, 2014

### 1.3.4.3 DEMOGRAPHIC AND ECONOMIC PROFILE

The population of KwaDukuza Municipality has grown by 37.8 % since 2011 from 231 187 to 276 719 in 2016 (Statistics South Africa Census 2016). Furthermore, it has

been speculated that during peak seasons KwaDukuza's population reaches +/- 320 000 people owing to the presence of tourists in the area. KwaDukuza Municipality is one of the four KwaZulu-Natal Municipalities which has shown significant growth in the population between 2011 and 2016.

The main contributors to the KwaDukuza Municipality's local economy are agriculture, majority sugarcane farming and processing; light industry, including engineering, and manufacturing of paper and packaging; and tourism. The region boasts a number of seaside resorts and popular coastal towns for holiday making and recreation, including Ballito, Zinkwazi and Blythedale Beach. The economy of KwaDukuza Municipality is dominated by primary and secondary sectors with a smaller portion from the tertiary sector, meaning the economy has a good balance of sectors.

TABLE 9: STATS SA CENSUS DATA FOR 2011 AND 2016

|                                          | 2016           | 2011           |
|------------------------------------------|----------------|----------------|
| <b>Population</b>                        | <b>276 719</b> | <b>231 187</b> |
| <b>Age Structure</b>                     |                |                |
| Population under 15                      | 27.7%          | 29.0%          |
| Population 15 to 64                      | 67.4%          | 66.7%          |
| Population over 65                       | 4.9%           | 4.3%           |
| <b>Dependency Ratio</b>                  |                |                |
| Per 100 (15-64)                          | 48.4           | 50.0           |
| <b>Sex Ratio</b>                         |                |                |
| Males per 100 females                    | 97.5           | 97.5           |
| <b>Population Growth</b>                 |                |                |
| Per annum                                | 4.09%          | n/a            |
| <b>Labour Market</b>                     |                |                |
| Unemployment rate (official)             | n/a            | 25.0%          |
| Youth unemployment rate (official) 15-34 | n/a            | 30.8%          |
| <b>Education (aged 20 +)</b>             |                |                |
| No schooling                             | 6.8%           | 9.8%           |
| Matric                                   | 36.4%          | 28.4%          |
| Higher education                         | 8.5%           | 8.6%           |
| <b>Household Dynamics</b>                |                |                |
| Households                               | 91 284         | 70 284         |
| Average household size                   | 3.0            | 3.2            |
| Female headed households                 | 39.1%          | 36.7%          |
| Formal dwellings                         | 82.1%          | 80.9%          |
| Housing owned                            | 62.9%          | 41.5%          |
| <b>Household Dynamics</b>                |                |                |
| Flush toilet connected to sewerage       | 30.4%          | 33.7%          |
| Weekly refuse removal                    | 55.6%          | 60.7%          |
| Piped water inside dwelling              | 28.5%          | 33.6%          |
| Electricity for lighting                 | 94.6%          | 90.2%          |

# 02

## Political, Administrative Governance and Basic Service Delivery



## 2.1 COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

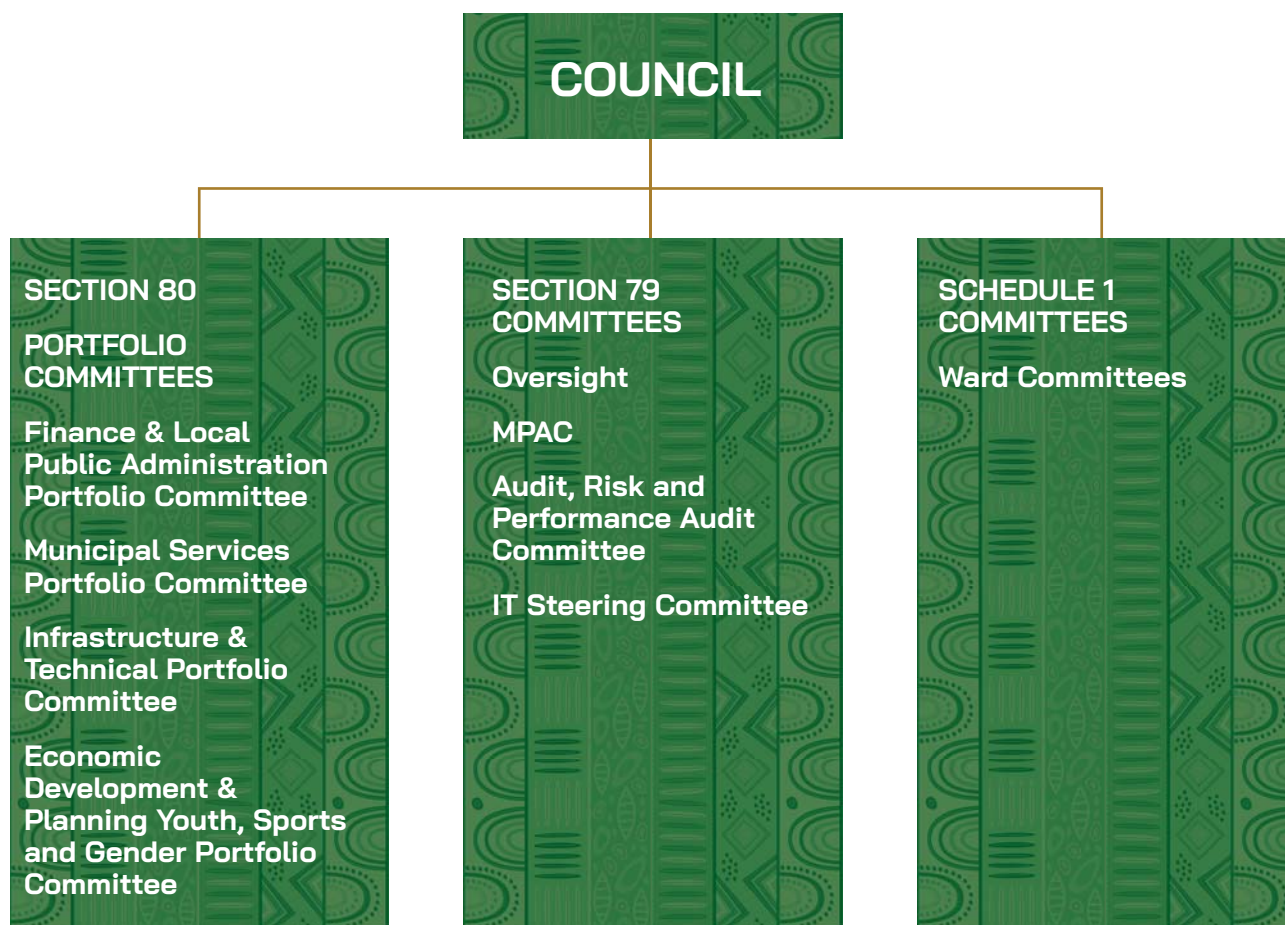
### 2.1.1 POLITICAL GOVERNANCE STRUCTURE

After the 2021 Local Government Elections, KwaDukuza Municipality's wards were increased from 29 to 30 wards while councilors increased from 57 seven to 59. KwaDukuza full Council meets monthly while the Executive Committee (EXCO) meets twice a month. Members of the public and media are also encouraged to attend some Council meetings. KwaDukuza Council's Portfolio Committees sets policies and provide guidance towards the implementation of all KwaDukuza Council's Service Delivery.

These portfolio committees are structured as per the national guidelines. Each Portfolio Committee meets once per month. Those committees research issues and find all the necessary facts before these issues are submitted for discussion in full council meetings. The portfolio committees deliberate on issues and then make recommendations to EXCO and the full Council, for the latter to take decisions. The four portfolio committees, as gazetted, are as follows:

- Finance & Local Public Administration Portfolio Committee.
- Economic Development, Planning, Special Programs and Youth Affairs.
- Municipal Services Portfolio Committee.
- Infrastructure and Technical Portfolio Committee

#### KDM GOVERNANCE FRAMEWORK DEPICTED AS FOLLOWS:



# THE POLITICAL STRUCTURE

## COUNCIL SITTINGS

The Council of KwaDukuza Municipality consists of 59 Councillors, 30 of whom were directly elected to serve on the Council. Membership of the Council is made up of: -

1. 29 African National Congress Councillors.
2. 4 Inkatha Freedom Party Councillors.
3. 9 Democratic Alliance Councillors.
4. 4 Economic Freedom Fighter Councillors.
5. 5 Independent Party Councillors.
6. 5 Actionsa Councillors
7. 1 ACDP Councillor
8. 1 AIC Councillor
9. 1 ATM Councillor

**TOTAL: 59 COUNCILLORS**

To ensure compliance with the legislative requirement the Council meets at least quarterly. However, to meet compliance requirements in relation to such issues as Budget approvals, mid-term Budget Reviews, Adjustments Budgets, IDP Reviews, Annual Report and Annual Report Oversight reviews, the Council effectively meets almost once every month. To optimise efficiency of operation the Council has reserved to itself decision making powers on certain critical and strategic matters - such as considering the results of the provincial government's monitoring of the Municipality, deciding whether to provide security for any of the Municipality's debt obligations and deciding to recover unauthorised, irregular, or fruitless and wasteful expenditure from the person liable for that expenditure. It has otherwise delegated to its Executive Committee power to exercise all powers of the Council in respect of matters not specifically excluded from delegation in terms of Section 160 (2) of the Constitution and Section 59 of the Systems Act.

To facilitate maximum participation by Councillors in the decision-making processes of the Council and its Committees, all Councillors are provided with copies of the agenda and minutes of all meetings of the Council, its Executive Committee, its Portfolio Committees and its Sub-Committees and Task Teams.

## EXECUTIVE COMMITTEE

KwaDukuza Municipality has established an Executive Committee consisting of 10 Councillors. Although the way the composition of the Executive Committees should be determined is not prescribed by legislation, when establishing the Executive Committee, the Council was mindful of the provisions of Section 160(8) of the

Constitution of the Republic of South Africa, which requires that: -

"Members of a Municipal Council are entitled to participate in its proceedings and those of its committees in a manner that: -

1. Allows parties and interests reflected within the Council to be fairly represented.
2. Is consistent with democracy; and
3. Maybe regulated by national legislation."

In keeping with the requirements of that Section of the Constitution, the Executive Committee was constituted based on proportional representation, giving the following membership: -

|                              |   |               |
|------------------------------|---|---------------|
| 1. African National Congress | = | 4 Councillors |
| 2. Inkatha Freedom Party     | = | 1 Councillor  |
| 3. Democratic Alliance       | = | 1 Councillor  |
| 4. Actionsa                  | = | 1 Councillor  |
| 5. Independent Alliance      | = | 1 Councillor  |
| 6. AIC                       | = | 1 Councillor  |
| 7. EFF                       | = | 1 Councillor  |

The Executive Committee holds ordinary meetings twice per month with additional special meetings being convened as and when necessary. The Terms of Reference of the Executive Committee require that, amongst other things, it: -

Performs the functions of an Executive Committee set out in the Local Government: Municipal Structures Act, 1998; Takes such action as may be necessary to ensure compliance by the Council with all legislation relating to or affecting local government. Receives reports from other committees, and then forwards those reports, with its recommendations, to Council Performs the functions of an Executive Committee set out in the Local Government: Municipal Structures Act, 1998; Takes such action as may be necessary to ensure compliance by the Council with all legislation relating to or affecting local government.

## PORTFOLIO COMMITTEES (SECTION 80)

KwaDukuza Municipality has established four Portfolio Committees to assist the Executive Committee, these being: -

1. Finance & Local Public Administration Portfolio committee.
2. Infrastructure and Technical Portfolio Committee.
3. Economic Development and Planning, Special Programs and Youth Affairs.
4. Municipal Services Portfolio Committee.



Each of the Committees has defined terms of reference covering the whole range of the functions of the Municipality. The Portfolio Committees meet once per month and the recommendations of the Portfolio Committees are submitted to the meeting of the Executive Committee following the meeting of the Portfolio Committee. They are established in terms of Municipal Structures Act, section 80. Committees are established by Council, and members are appointed by Council, but do not report to Council. Portfolio Committees report to the Mayor or Executive Committee.

### SUB COMMITTEES (SECTION 79)

They are established in terms of Municipal Structures Act, section 79. They are established by and are responsible to Council. They may include members from outside the Council. Their functions and procedures are determined by Council.

The Council has also established Sub-Committees, including: -

1. Budget Steering Committee.
2. Local Labour Forum.
3. Ethics Committee.
4. Women's caucus.
5. Street Naming.
6. Human Resource Development Sub-Committee.
7. IT Steering Committee.
8. Audit Committee, Risk Committee and Performance Audit Committee.
9. Housing Tribunal.
10. Security Panel.

These committees meet on a regular basis to develop strategies and approaches to address challenges in connection with their specific areas of expertise.

### FUNCTIONS OF THE SPEAKER



Councillor G Govender, was elected as the Speaker of KwaDukuza Municipal Council in accordance with Section 36 of the Municipal Structures Act, and Section 160(1) (b) of the Constitution for the 2021 to 2026 electoral term.

Her legal obligations are, amongst other duties:

- To provide guidance at meetings of the Council.
- Perform duties and exercises the powers delegated to the Speaker in terms of Section 59 of Local Government Municipal Systems Act.
- Ensure that the Council meets monthly.
- Ensure compliance of the Council and Council Committees with the Code of Conduct for Municipal Councillors.
- She must maintain order during Council meetings.
- She must ensure that Council meetings are conducted in accordance with Standing Rules and Orders; and

In line with the Municipal Structures Act Section 60 (1) (a) (b) (c); a municipal council that has more than nine members, its Mayor.

- Must appoint a mayoral committee from among the councillors to assist the Mayor.
- May delegate specific responsibilities to each member of the committee; and
- May delegate any of the mayor's powers to the respective members. All full-time councillors, except the Speaker and the Chief Whip, are members of the Mayoral Committee, with the mayor as its chairperson. Members of the Mayoral Committee are the various Section 80 Committee Chairpersons.



**The mayor is elected by Council to co-ordinate the work of Council.**

She is the Political Head of Council. The mayor performs functions and duties as set out in the legal framework for Municipalities. She also performs duties as delegated to her by Council. The deputy Mayor assumes the delegated duties of the mayor in her absence.



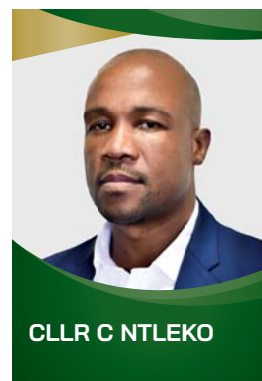
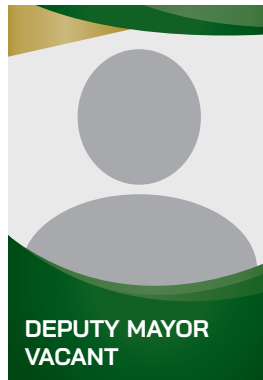
**The functions and duties of the Chief Whip amongst other things are to:**

Ensure that Councillors attend to their duties and are accountable to their constituencies.

He assists Council with the deployment of councillors to various Council Committees.

He gives political management of Council meetings.

## EXECUTIVE COMMITTEE MEMBERS



Cllr TV Ntuli passed away On 29 March 2023, may his soul rest in eternal peace.



Cllr T Nkosi, as at February 2023 has taken a seat at KZN Legislature

## 2.1.1.1 GOVERNANCE AND LEADERSHIP

The Council continues its role as a strong and effective advocate, lobbying on behalf of our community for action on important local issues and continues to receive grants from other spheres of government and external bodies.

The following high-level goals and strategic objectives would guide the direction to be taken by the Council of KwaDukuza during the duration of their term of office.

**TABLE 10: HIGH LEVEL GOALS FOR KDM PER KEY PERFORMANCE AREA**

| KEY PERFORMANCE AREA                                          | KZN PGDS              | OUTCOME 9                                                                                                                       | KDM GOALS                                                                                                                                                                                                                                                                                                                                                                                                             | STRATEGIC OBJECTIVE OF THE IDP                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|---------------------------------------------------------------|-----------------------|---------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Municipal Transformation and Institutional Development</b> | Governance and Policy | An efficient, effective and development oriented public service.<br><br>Human Resources Development.                            | Build the capacity and systems for the 4th Industrial Revolution and the integrated e- government services.<br><br>Create and promote a culture of enhanced service delivery, innovation, and excellence through capable cadres of local government.                                                                                                                                                                  | 1. To invest in skills development<br>2. To enhance organisational performance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Good Governance and Public Participation</b>               | Governance and Policy | An efficient, effective and development oriented public service.<br><br>Deepen democracy through a refine ward committee model. | Improve good governance, audit outcomes and consequence management.<br><br>Strengthen public participation, complaints management system and accountability.<br><br>Ensure mainstreaming and meaningful participation of vulnerable groups (i.e., Youth, women, disabled people) in all developmental programmes.<br><br>Create a safer and crime free municipal area through community- public-private partnerships. | 1. To ensure co-ordination and alignment of developmental programmes of the municipality with other spheres of government<br>2. To involve local communities in matters of local government<br>3. To ensure effective and efficient integrated legal and advisory Legal Services for Council<br>4. To provide effective and efficient Internal Audit services for Council<br>5. To ensure compliance with the laws and regulations<br><br><b>To enhance organisational performance (repeat on 2)</b><br>6. To identify, assess and manage key risks of which organisation is exposed to<br>7. To perform follow-ups on implementation of action plans<br>8. To address oversight requirements of risk management and institution's performance with regards to risk management<br>9. To ensure co-ordinated effort for the implementation of positive impact towards behaviour change.<br>10. To streamline empowerment and development of vulnerable groups<br><br>(10) |



**TABLE 10: HIGH LEVEL GOALS FOR KDM PER KEY PERFORMANCE AREA ...continued**

| KEY PERFORMANCE AREA                                           | KZN PGDS                   | OUTCOME 9                                                                                                                 | KDM GOALS                                                                                              | STRATEGIC OBJECTIVE OF THE IDP                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|----------------------------------------------------------------|----------------------------|---------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Local Economic Development</b>                              | Inclusive Economic Growth  | Creation of a Conducive and enabling environment for economic growth and development                                      | Promote radical socio- economic transformation agenda to address inequality, unemployment, and poverty | <ol style="list-style-type: none"> <li>1. To use capital infrastructure and social investment to provide poverty and income relief through temporary work for the unemployed</li> <li>2. To develop a prosperous, inclusive, transformative and diverse local economy (2)</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Basic Service Delivery &amp; Infrastructure Development</b> | Infrastructure Development | <p>Improved Access to Basic Services.</p> <p>Ensuring access to adequate Human Settlements and quality basic services</p> | Expand and maintain the provision of quality basic services and the integrated human settlements       | <ol style="list-style-type: none"> <li>1. To involve local communities in matters of local government</li> <li>2. To facilitate provision of formal housing through construction of high-quality houses.</li> <li>3. To ensure fair, transparent and compliant housing beneficiary management system.</li> <li>4. To restore human dignity through asset ownership</li> <li>5. To ensure that all citizens have an electricity service connection</li> <li>6. To ensure that energy losses are reduced within legislated guidelines</li> <li>7. To maintain and upgrade existing municipal infrastructure</li> <li>8. To ensure that all households have access to roads</li> <li>9. To ensure safety to road users</li> <li>10. To ensure that the community has access to functional public amenities</li> <li>11. To provide access to basic municipal services to all citizens</li> <li>12. To provide access to basic solid waste services to all citizens</li> <li>13. To ensure that the community has access to licensed burial facilities (13)</li> </ol> |

**TABLE 10: HIGH LEVEL GOALS FOR KDM PER KEY PERFORMANCE AREA ...continued**

| KEY PERFORMANCE AREA                                 | KZN PGDS                                                                                     | OUTCOME 9                                                                                                                                                                                                                                                                                    | KDM GOALS                                                                                                   | STRATEGIC OBJECTIVE OF THE IDP                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|------------------------------------------------------|----------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Financial Management and Viability</b>            | Human and Community Development.<br><br>Governance and Policy                                | An inclusive and responsive social protection system.<br><br>Responsive, accountable, effective and efficient developmental local government system                                                                                                                                          | Enhance municipal financial sustainability.                                                                 | <ol style="list-style-type: none"> <li>1. To contribute to a safe and secure environment</li> <li>2. To ensure municipal budget complies with MFMA and Treasury regulations</li> <li>3. To improve expenditure on Municipal Infrastructure Grant (MIG) allocation</li> <li>4. To improve expenditure on Capital Budget.</li> <li>5. To ensure that the revenue of the municipality is collected and accounted for by improving Credit Control and Debt Collection processes</li> <li>6. To ensure that the revenue of the municipality is collected and accounted for.</li> <li>7. To ensure proper Asset Management in line with prevailing accounting standards.</li> <li>8. To ensure that at least of 45% of procurement is awarded to designated sectors i.e., Youth, Women and disabled.</li> <li>9. To ensure financial viability of the municipality. (9)</li> </ol> |
| <b>Spatial Planning and Environmental Management</b> | Human and Community Development.<br><br>Environmental Sustainability.<br><br>Spatial Equity. | <p>An inclusive and responsive social protection system.</p> <p>Sustainable human settlements and improved quality of household life.</p> <p>Protect and enhance our environmental assets and natural resources.</p> <p>An efficient, effective and development oriented public service.</p> | Develop comprehensive response to rapid urbanisation, low carbon development and environment sustainability | <p>To contribute to a safe and secure environment (Repeat).</p> <ol style="list-style-type: none"> <li>1. To prevent and reduce the impact of disasters within KDM jurisdiction</li> <li>2. Developing and sustaining the spatial, natural and built environment.</li> <li>3. Promote and support Low Carbon Development Path</li> <li>4. To promote economic growth by creating an enabling environment for SMME</li> <li>5. To provide educational guidance to local citizen's development.</li> </ol> <p>To involve local communities in matters of local government (repeat) (5)</p>                                                                                                                                                                                                                                                                                     |
| <b>KPA'S 6</b>                                       | <b>6</b>                                                                                     | <b>11</b>                                                                                                                                                                                                                                                                                    | <b>10</b>                                                                                                   | <b>41</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

## 2.1.2 ADMINISTRATIVE GOVERNANCE STRUCTURE

The Municipal Manager heads the administrative structure of KwaDukuza Municipality and is assisted by eight Heads of Business Units (Chief Financial Officer, Chief Operations Officer and Executive Directors). The departments are Finance, Corporate Services, Chief Operations Office, Economic Development and Planning, Community Services and Public Amenities, Community Safety, Civil Engineering & Human Settlements and finally Electrical Engineering Services.



Mr. Mdakane is responsible for performance in the following areas:

- Setting up effective and sound local administration.
- Coordination and compilation of the Integrated Development Plan (IDP).
- Performance management system of the Municipality.
- Oversees the management of internal audit.
- Overall responsibility for finances of the Municipality.
- Advise Political Office Bearers and Council on various issues.
- Responsible for compliance of the Municipality with various pieces of legislation; and
- Ensures community participation in the affairs of the Municipality.



Mr. Manzini is responsible for providing strategic direction in the following areas:

- Ensures compliance to all governance prescripts.
- All legal matters of the KDM, compilation of legal reports, legal opinions and comments, drafting of loan and service agreements.
- Functionality of Performance Management of the municipality.
- Administrative management of Internal Audit and Risk Management.
- Management of Corporate Communications and IGR.
- Administrative management of the IDP and Public Participation.
- Internal Audit.
- Special Projects.



Mr. Rajcoomar is responsible for performance in the following areas:

- Financial Planning and Treasury.
- Supply Chain Management.
- Expenditure Control.
- Credit Control and Debtors.
- Revenue Control.
- Asset Management.
- Budget and Compliance.
- Revenue.
- Income and Expenditure.



Mr Khanyile is responsible for the strategic performance of the following basic service delivery areas:

- Community Services.
- Waste Management Services.
- Beach maintenance and Marine Safety.
- Cemeteries and Crematorium.
- Parks and Gardens.
- Maintenance of Community Facilities.
- Management of Community Halls and Multi-Purpose Community Centre (MPCC).
- Libraries, Museums and Heritage.



## 2.1.2 ADMINISTRATIVE GOVERNANCE STRUCTURE *...continued*



Mr. Hlongwane is responsible for ensuring basic service delivery and performance in the following areas:

- Local Economic Development and Tourism.
- Development Planning and Building Control.
- Heritage and Museum Services.
- Business Licensing.
- Building Control.
- Development Enforcement.
- Outdoor Advertisement.
- Environmental Management.
- Geographic Information Systems (GIS).



The Executive Director: Youth Development was a vacant position until May 2023, whereafter this position was incorporated into the Economic Development and Planning Business Unit, where the Executive Director EDP will be heading this section. Over and above the EDP functions as listed above, ED : EDP will also be taking over :

- Youth Development.
- Youth career and entrepreneurship advisory services.
- Sports Development.
- Mass Sports Participation.
- Creative Industry /Arts and Culture Development.



Mr. E.M Sithole – Executive Director : Civil Engineering and Human Settlements up until April 2023, whereafter Mr Fisokuhle Mhlongo had taken over as Acting Executive Director, the permanent Post of Executive Director Civil Engineering and Human Settlements was thus vacant as at 30 June 2023. The post was advertised on the 02 April 2023 in the Sunday Times Newspaper and the closing dated was 17 April 2023. This vacant post is pending interviews.

Mr Sithole was responsible for ensuring basic service delivery and performance in the following areas:

- Civil Engineering Services including, construction, maintenance, upgrading and expansion of municipal built assets.
- Road and storm water drainage.
- Project Management Unit (PMU).
- Building Maintenance.
- Infrastructure planning.
- Delivering of sustainable and integrated Human Settlements.
- Expanded Public Works Programme (EPWP).



Mr. Viramuthu is responsible for the strategic performance of the following basic service delivery areas:

- Disaster Management.
- Law Enforcement/Traffic Policing.
- Crime Prevention.
- Social crime prevention.
- Motor Licensing and Testing Services.
- Fire and emergency services.
- Disaster Management.

## 2.1.2 ADMINISTRATIVE GOVERNANCE STRUCTURE *...continued*



Mr Jali is responsible for ensuring basic service delivery and performance in the following key performance areas:

- Electrical Engineering Planning and Customer Care.
- Electricity Operations.
- Mechanical Workshop.
- Electricity Planning.
- Fleet Management.



The position of Executive Director : Corporate Services was filled on 9 June 2023

Ms Mntaka is responsible for the following :

- Maintenance and promotion of healthy labour relations and HR management of staff regarding matters such as staff recruitment, personnel development, personnel administration and employment equity.
- Controlling of statutes and all government and provincial gazettes.
- Controlling of archives and records of council.
- Building administration for KDM and the Mayor's house.
- The provision of secretariat services for all Committees of KDM as well as for Council meetings.

## 2.2 COMPONENT B: INTERGOVERNMENTAL RELATIONS (IGR)

The role of KDM IGR is to plan and evaluate Inter-governmental relationship initiatives, interventions and monitors procedural applications ensuring efficient relations and sharing models of good practice with other municipalities. Considering short- and long-term objectives, action plans, operating standards and performance targets of inter- government functions referring to Integrated Development Plan and Service delivery strategies. Monitoring and assessing the applicability and appropriateness of specific inter-government programmes to the broader objectives of the Municipality, referring to programme plans and outcomes. Providing guidance and support to the organization's functional areas on the alignment of policies and procedures regulating inter-governmental relationships and evaluates projects/programme conformity with the critical integration requirements. To ensure internal structures, methods and procedures support the objective of integration and, the contributions and roles required to sustain relationships defined and understood.

The IGR systems should add value in effective service delivery, development and good governance across the three spheres of government. Further to this, the plan was to coordinate meetings between the municipality and relevant stakeholders. Such meetings had started but due to the president declaring the state of National Disaster Act, meetings were subsequently suspended.

There has been gradual improvement around the understanding of the role of IGR from other business units, in terms of service delivery issues/concerns. There is still some work to be done when it comes to external stakeholders. The proposal in dealing with the above is to hold a workshop/meeting with the external stakeholders, which will help them understand the importance of IGR unit in assisting with fast tracking service delivery, through creating and sustaining relationships as required by the Constitution of the Republic.

Some of the challenges we have, are that we have a poor alignment of IDP within its cycle of development. Absence of early warning systems within municipalities leads to us identifying problems at an advanced stage. Lack of streamlining and support of one sphere by another makes it extremely difficult to try and resolve concerns on time. Reduced communication and information sharing between stakeholders is another challenge. The issue of budget constraints and cost containment measures within the municipality makes it difficult for the unit to plan and deliver programs within the municipality. Such programs could place the municipality at the world stage and assist in showcasing our municipality to the much-needed foreign investment.

Meetings do sit at a district level to deal with these challenges. The process is as such that, each municipality would submit challenges to the IGR unit at the district municipality. The matters are then discussed, and possible solutions are agreed upon for actioning and monitoring. The below table provides the number of interventions conducted through the IGR office:

**TABLE 11: IGR INTERVENTIONS AND PROGRAMMES**

| DATE             | VENUE                       | NATURE OF EVENT                                                                                                                                                                                                                                   | EVENT/PROGRAM NAME                   |
|------------------|-----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| 18 July 2022     | Melville Drop In Centre     | Celebrating Mandela Day with the people living with HIV/AIDS at the centre and issue their needs of the centre                                                                                                                                    | Nelson Mandela Day Celebration       |
| 12 August 2022   | Stanger High School Grounds | Senior Citizens selections, selecting squad to represent KwaDukuza at District games.                                                                                                                                                             | KwaDukuza Senior Citizens Selections |
| 03 December 2023 | Hlanganani Community Hall   | The campaign seek to focus on mass social mobilisation highlighting the increased participation and engagement of men and boys as well as the collective responsibility of all members of society in the prevention of violence against children. | 16 Days of Activism                  |



**TABLE 11: IGR INTERVENTIONS AND PROGRAMMES** ...continued

| DATE                     | VENUE                                                                                                                                                              | NATURE OF EVENT                                                                                                                                                                                                                                                                                                                               | EVENT/PROGRAM NAME             |
|--------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| 15 March – 20 April 2023 | 25 Different Schools within KwaDukuza jurisdiction                                                                                                                 | Dress a Child campaign is done on yearly basis to assist learners that need basic school uniform. Each year identified beneficiaries receive (based on their gender): Boys: X2 Shirts, X1 trouser, X2 pairs of socks, X1 jersey, X1 pair of black shoes.<br><br>Girls: Tunic/Skirt, X2 pairs of socks, X1 jersey, and X1 pair of black shoes. | Dress a child campaign         |
| April 2023               | 18 Different wards                                                                                                                                                 | Elections of Ward Based Senior Citizens Forums to all wards that do not have clubs.<br><br>Wards that managed to elect Ward Based Senior Citizen's Forum are ward 03, 04, 05, 07, 09, 11, 12, 13, 14, 15, 16, 21, 23, 24, 25, 26, 27 & 28                                                                                                     | Senior Citizens Ward Elections |
| 25-29 May 2023           | 6 Different Schools<br>1. Mavivane Primary<br>2. Stanger Secondary<br>3. IsiNembe Primary<br>4. Maguyana Primary<br>5. Tshelabantu Combined<br>6. Hulett's Primary | KwaDukuza in partnership with iLembe District, Department of Education and other stakeholders' visits schools identified by department of Education that are highly affected by different challenges like sexual abuse, lack of parental guardian and high usage of dagga.                                                                    | Child Protection Campaign      |
| 27 May 2023              | KwaLuCingo Farm (ward 21)                                                                                                                                          | Imbizo was held during the worker's month as part of worker's month program with a special focus to farm workers who are a community which is neglected and suffer different sorts of abuses. The aim of Imbizo was to create a platform for Farm workers to voice out their day-to-day challenges.                                           | Farm workers Imbizo            |
| 10 June 2023             | Nkobongo Community Hall (ward 08)                                                                                                                                  | The purpose of the program was to create a platform for dialog with the maidens as the pride of KwaDukuza and preservation of a Zulu culture and customs. An invitation was extended to uNdlunkulu uKa-Mayisela to grace the event and encourage Maidens to keep their virginity and respect themselves.                                      | Maidens Imbizo                 |

## STRUCTURE DEPICTING IGR IN THE DISTRICT

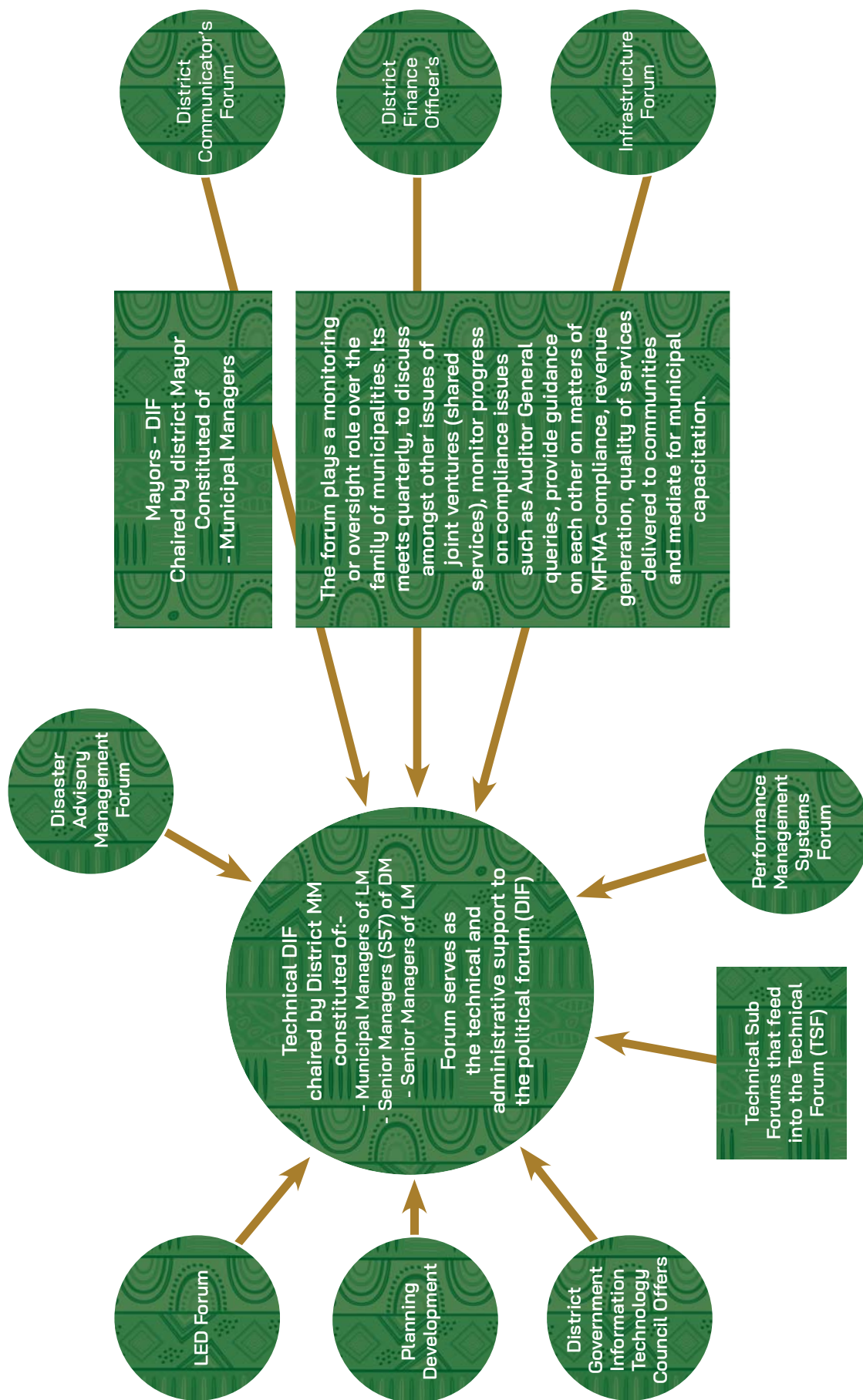


Figure 1: IGR Structure

## 2.3 COMPONENT C : PUBLIC ACCOUNTABILITY AND PARTICIPATION

### 2.3.1 PUBLIC MEETINGS FOR THE 2022/2023 IDP - IDP ROADSHOWS/IZIMBIZO

In compliance with Chapter 4, Section 16(1) of the Municipal System Act 32 of 2000, KwaDukuza Municipality in collaboration with iLembe District Municipality conducted the IDP, PMS and Budget Roadshows which were scheduled as follows:

**TABLE 12: SCHEDULE FOR MAYORAL IZIMBIZO WHICH TOOK PLACE BETWEEN APRIL TO MAY 2022**

| CLUSTER/STAKEHOLDERS                                                            | DATE                   | VENUE                                                                             | TIME  |
|---------------------------------------------------------------------------------|------------------------|-----------------------------------------------------------------------------------|-------|
| WARD COMMITTEES/IDPRF                                                           | Tuesday, 03 May 2022   | KwaDukuza Town Hall                                                               | 10:00 |
| AMAKHOSI ASENDLUNKULU                                                           | Thursday, 05 May 2022  | KwaDukuza Local Municipality – OK Mall Building (HR Boardroom) OR COUNCIL CHAMBER | 10:00 |
| ILEMBE CHAMBER OF COMMERCE                                                      |                        | ILembe Chamber Boardroom                                                          | 14:00 |
| CLUSTER A (WARD 7,8,20,23,28)                                                   | Friday, 06 May 2022    | Mellowood Park Community Hall (Ward 28)                                           | 09:00 |
| CLUSTER G (WARD 27)                                                             | Sunday, 08 May 2022    | Madundube Community Hall (Ward 27)                                                | 09:00 |
| CLUSTER G (WARD 2,3)                                                            | Tuesday, 10 May 2022   | Nyathikazi Community Hall (Ward 3)                                                | 09:00 |
| CLUSTER B (WARD 14,15,24,26)                                                    | Thursday, 12 May 2022  | Ntshawini Community Hall (Ward 26)                                                | 09:00 |
| CLUSTER E (9,10,11,12,29)                                                       |                        | Charlotdale Ground/Open Space (Ward 10)                                           | 14:00 |
| CLUSTER G (WARD 1,25)                                                           | Tuesday, 17 May 2022   | Vulinqondo Hall (Ward 25)                                                         | 14:00 |
| CLUSTER D (5,13,16,17,18,19)                                                    |                        | KwaDukuza Town Hall                                                               | 18:00 |
| ALL RATEPAYERS ASSOCIATIONS                                                     | Wednesday, 18 May 2022 | Princes Grant Golf Estate                                                         | 14:00 |
| CLUSTER F (WARD 6,22,30 AND RATEPAYERS ASSOCIATION FROM THE SOUTH OF KWADUKUZA) |                        | Uhlali Preparatory School                                                         | 18:00 |

### 2.3.2 NATIONAL AND PROVINCIAL PROGRAMMES ROLLED OUT IN KWADUKUZA

#### (A) WARD COMMITTEES

The ward committee members were elected in line with the Municipal Structures Act of 1998 from the month of February 2022. KwaDukuza Municipality has 300 ward committee members. The inauguration ceremony

was held in June 2022. All ward committee members are committed to serve their communities. A follow up workshop was conducted during the course of July 2022 for all ward committee members who were taken through the core municipal programmes and the role they must play in such programmes which include the following activities:

- Organise and attend meetings of the ward committee, council, community and sector consultation and feedback meetings, in consultation with Ward Councillor.
- Receive and record complaints from the community within the ward regarding service delivery, payment systems and others and provide feedback on council's responses.

- iii) Organise and attend meetings of the ward committee, council, community and sector consultation and feedback meetings, in consultation with Ward Councillor.
- iv) Receive and record complaints from the community within the ward regarding service delivery, payment systems and others and provide feedback on council's responses.
- v) Coordinating ward programmes.
- vi) Participating in IDP Review and Representative Forum.
- vii) Participating in budget processes.
- viii) Participating in performance management.

The municipality set resources aside to assist with the operational costs of the ward committee structures to enrich the public participation activities they are involved in daily in their respective wards. On a monthly basis the ward committee members compile ward reports which are submitted to the public participation unit in the municipality. These reports are then compiled quarterly then sent to the Provincial department of Cooperative Governance and Traditional Affairs (Cogta) for assessment on the functionality of the ward.

## 2.3.3 IDP PARTICIPATION AND ALIGNMENT

The defined and adopted process plan for the KwaDukuza Municipality: as detailed in the table below.

### ALIGNMENT OF IDP, BUDGET AND MUNICIPAL PERFORMANCE MANAGEMENT PROCESSES & DATES FOR THE 2022/2023 FINANCIAL YEAR:

TABLE 13: DATES SHOWING IDP, BUDGET & PMS PROCESSES

| SCHEDULED DATES    | IDP                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | PMS                                                                                                                                                                                                                                                                                                                                                                                                | BUDGET                                                                                                                                                                                                                                                                                            |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>JULY 2021</b>   | <ul style="list-style-type: none"> <li>Publication and advertisement of the availability for comments on the Draft 2022/23 Process Plan for at least 14 days after adoption.</li> <li>Ensuring alignment of the Section 57 Managers individual Scorecards with the IDP strategies</li> </ul>                                                                                                                                                                                                                                                               | <ul style="list-style-type: none"> <li>Signing of new performance contracts for Section 56/57 Managers and submission to EXCO (Section 69 of the MFMA and Section 56/57 of the MSA).</li> <li>Prepare Departmental Business Plans SDBIP (Component 3) for the next financial year.</li> <li>Previous year S56/57 Managers' Performance Assessments</li> <li>Adoption of 2022/2023 SDBIP</li> </ul> | <ul style="list-style-type: none"> <li>IDP and Finance to discuss the 2022/2023 Budget planning issues</li> <li>Prepare budget process plan and timetable for the 2022/2023.</li> <li>Compile Section 71 Reports and present to the Mayor.</li> <li>Compile section 52 Report.</li> </ul>         |
| <b>AUGUST 2021</b> | <ul style="list-style-type: none"> <li>Obtain MEC comments on previous year's FINAL 2021/22 IDP AND Process Plan 2022/23 from COGTA submission.</li> <li>Incorporation of the comments received from the general public and COGTA, towards the finalization of the Process Plan 2022/23</li> <li>Adoption of the Final Process Plan by end of August 2021 as well as ensuring that the document is forwarded to COGTA as part of the process.</li> <li>Publication/notification to the public of the adoption of the Final 2022/23 Process Plan</li> </ul> | <ul style="list-style-type: none"> <li>Quarterly Project Implementation Report</li> <li>Quarterly Audit Committee meeting</li> <li>Performance evaluation panel</li> <li>Start the process of the Drafting Annual Report 2020/2021</li> </ul>                                                                                                                                                      | <ul style="list-style-type: none"> <li>Obtain Council's approval for 2022/2023 multi-year budget process and timetable (IDP Process Plan)</li> <li>Review external mechanisms affecting the medium-term budget forecasts.</li> <li>Compile Section 71 Reports and present to the Mayor</li> </ul> |



**TABLE 13: DATES SHOWING IDP, BUDGET & PMS PROCESSES ...continued**

| SCHEDULED DATES       | IDP                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | PMS                                                                                                                                                                              | BUDGET                                                                                                                                                                                                                                                                                                                                          |
|-----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>SEPTEMBER 2021</b> | <ul style="list-style-type: none"> <li>Formalise Council's Vision, Mission, Objectives and Strategies</li> <li>Create template in relation to the scorecard (*Situational Analysis*)</li> <li>Feedback to the IDP Steering Committee regarding MEC's assessment received from COGTA on the final 2021/22 IDP to be considered</li> <li>Review and updating of Plans and policies for Public Participation and IDP unit</li> <li>Ward Councillors and Ward committees to submit community needs for budget consideration.</li> <li>Revise prioritization in terms of performance</li> </ul> | Quarter 4 PMS report to Exco/ Council.                                                                                                                                           | <ul style="list-style-type: none"> <li>Assess Council's 2020/2021 Financial Statements and current year's revised results and capacity, to determine the impact on future strategies and budgets</li> <li>Assess the funding policies including the tariff structures.</li> <li>Compile Section 71 Reports and present to the Mayor.</li> </ul> |
| <b>OCTOBER 2021</b>   | <ul style="list-style-type: none"> <li>Integration of information from adopted Sector Plans into the IDP Review</li> <li>Review mission, vision and objectives</li> <li>Cross border municipal alignment and Formulate Strategies</li> <li>Feedback from Senior Managers on Priorities - Projects – as well as Budget inclusions</li> <li>Regional IDP alignment as part of the District-wide DDM procedures.</li> <li>Local Government elections on the 27th of October 2021.</li> </ul>                                                                                                  | Quarter 1 Review with all Section 56/57 employees                                                                                                                                | <ul style="list-style-type: none"> <li>Complete first Quarter Section 52 Financial Performance Evaluation Report.</li> <li>Discuss Findings and obtain input from management, BSC and Council.</li> <li>Compile Section 71 Reports and present to the Mayor.</li> </ul>                                                                         |
| <b>NOVEMBER 2021</b>  | <ul style="list-style-type: none"> <li>Swearing in of the new Council.</li> <li>November 2021 - IDP Steering Committee - Reviewing of strategies</li> <li>Consultation and alignment of project information and strategies with Sector Departments through the IDP Representative Forum (IDPRF).</li> <li>November 2021 - Sector Alignment Workshop – COGTA</li> </ul>                                                                                                                                                                                                                     | <ul style="list-style-type: none"> <li>Quarterly Project Implementation Report (for first quarter)</li> <li>Quarterly Audit Committee meeting (for the first quarter)</li> </ul> | <ul style="list-style-type: none"> <li>Compile Section 71 Reports and present to the Mayor.</li> </ul>                                                                                                                                                                                                                                          |
| <b>DECEMBER 2021</b>  | <ul style="list-style-type: none"> <li>Sitting of the KwaDukuza Municipal Strategic Plan for the review and creation of a new vision and objections.</li> <li>Review KPI's and targets</li> <li>IDP Best Practise Conference with COGTA</li> <li>ILembe District Municipality Planner's Forum</li> <li>Review of Strategies</li> <li>Alignment of Capital estimates to the IDP.</li> </ul>                                                                                                                                                                                                 | <ul style="list-style-type: none"> <li>Compile annual report (MFMA Sect 121) Submit to AG</li> </ul>                                                                             | <ul style="list-style-type: none"> <li>Compile Section 71 Reports and present to Mayor.</li> <li>Commence processes for Section 72 and adjustment budget.</li> </ul>                                                                                                                                                                            |

**TABLE 13: DATES SHOWING IDP, BUDGET & PMS PROCESSES ...continued**

| SCHEDULED DATES      | IDP                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | PMS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | BUDGET                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>JANUARY 2022</b>  | <ul style="list-style-type: none"> <li>• New Ward Committees election/ selection process per Ward.</li> <li>• Steering Committee in the month of January 2022</li> <li>• Send reminders 18-22 January 2022 requesting projects (with proposed budgets)</li> <li>• IDP Review - integration phase</li> <li>• Finalization of proposed and adjusted Projects template from all Business units by the end of January 2022</li> </ul>                                                                                                                                  | <ul style="list-style-type: none"> <li>• Mayor tables annual report MFM Sect 127 (2)</li> <li>• Make public annual report and invite community inputs into report (MFMA Sect 127 &amp; MSA Sect 12a)</li> <li>• Sect 56/57 Managers' quarterly assessments (for second quarter)</li> <li>• Tabling of Midterm Report to Council by the 25th of January.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                 | <ul style="list-style-type: none"> <li>• Submit the mid-year budget and performance assessment report to Council. Submit to National Treasury and Provincial Treasury both printed and electronic form the mid-year budget and performance assessment (Section 35).</li> <li>• Compile Section 71 Reports and present to Mayor.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>FEBRUARY 2022</b> | <ul style="list-style-type: none"> <li>• Continuation of the New Ward Committees election/ selection process per Ward.</li> <li>• Consolidation of information and finalization of MEC Assessment issues towards the draft 2022/23 IDP.</li> <li>• Meeting with COGTA IDP submission and assessment</li> <li>• Draft IDP &amp; Budget – Prioritization and Budget Allocation from all Business units.</li> <li>• Consultation and alignment of project information and strategies with Sector Departments through the IDP Representative Forum (IDPRF).</li> </ul> | <ul style="list-style-type: none"> <li>• Quarterly Project Implementation Report (for second quarter implementation)</li> <li>• Quarterly performance audit committee meeting</li> <li>• Oversight process for the annual report and public participation.</li> <li>• Submit annual report to AG, Provincial &amp; DTLGA (MFMA Sect 127).</li> <li>• Adjustment of the Organizational Scorecard targets tabled to Council with Adjustment budget.</li> </ul>                                                                                                                                                                                                                                                                                       | <ul style="list-style-type: none"> <li>• Compile Section 71 Reports and present to Mayor.</li> <li>• Adjustment budget to be considered if necessary</li> <li>• Make public the adjustment budget and supporting documentation within 10 working days after being approved by Council (Section 126).</li> <li>• Draft IDP &amp; Budget – Prioritization and Budget Allocation</li> <li>• Review of the Mid-year visit Report by Provincial Treasury.</li> <li>• Compile Section 71 Reports and present to Mayor.</li> </ul>                                                                                                                                                                                                                  |
| <b>MARCH 2022</b>    | <ul style="list-style-type: none"> <li>• Adoption of Draft IDP 2022/23 financial year by the end of March 2022.</li> <li>• Submit 2022/23 Draft Multi-year budget, IDP and Service Delivery and Budget implementation plan in both printed and electronic format forwarded to Provincial COGTA, within 10 working days after approval by Council.</li> <li>• Drafting of the proposed dates for the DRAFT IDP AND BUDGET public engagements based on comments from the Office of the Municipal Manager and Office of the Mayor.</li> </ul>                         | <ul style="list-style-type: none"> <li>• Council to consider and adopt an oversight report (Due by 31 March MFMA Sec 129 (1))</li> <li>• Set performance objectives for revenue for each budget vote (MFMA Sect 17)</li> <li>• Annual Customer Satisfaction survey (to be considered to annual report) MSA Sect 40.</li> <li>• Submit 2022/2023 Service Delivery and Budget Implementation Plans submitted to Executive Committee and Council for approval</li> <li>• Submit 2022/2023 Draft Multi-year and Service Delivery and Budget implementation plan in both printed and electronic format forwarded to National and Provincial Governments, including National Treasury within 10 working days after being approved by Council.</li> </ul> | <ul style="list-style-type: none"> <li>• Submit 2022/2023 Draft Multi-year budget and IDP submitted to BSC and Council for consideration.</li> <li>• Submit 2022/2023 Draft Multi-year budget in both printed and electronic format forwarded to National and Provincial Governments, including National Treasury within 10 working days after being approved by Council.</li> <li>• All Income inputs by no later than 25th February. All Expenditure and Capital inputs by no later than 3rd March inputs to the Budget Office.</li> <li>• Make public the tabled draft budget and supporting documentation within 10 working days after being approved by Council.</li> <li>• Compile Section 71 Reports and present to Mayor.</li> </ul> |

**TABLE 13: DATES SHOWING IDP, BUDGET & PMS PROCESSES ...continued**

| SCHEDULED DATES   | IDP                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | PMS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | BUDGET                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>APRIL 2022</b> | <ul style="list-style-type: none"> <li>• Notice to publicize the draft 2022/23 IDP (21 days) through all relevant platforms.</li> <li>• Incorporate comments from the general public—adjust the IDP &amp; Budget where necessary</li> <li>• DRAFT IDP and Budget MAYORAL IZimbizo.</li> <li>• Report back on the results of COGTA Assessment Feedback of the DRAFT 2022/23 IDP.</li> <li>• Ward committee meeting highlighting involvement of members in the IDP and Budget Public Participation process</li> <li>• Adjustment of Draft IDP based on COGTA and from the public participation engagements from 15th of April 2022.</li> </ul> | <ul style="list-style-type: none"> <li>• Strategies, objectives, KPA's, KPI's and targets and inclusion into IDP Review Report.</li> <li>• S56/57 Managers' Quarterly Performance Assessments</li> <li>• Publicise Annual Report (Due by 7 April MFMA Sec 129 (3))</li> <li>• Submit Annual Report to Provincial Legislature/MEC Local Government (Due by 7 April MFMA Sec 132 (2))</li> </ul>                                                                                                                                                                                                                                                                                                                        | <ul style="list-style-type: none"> <li>• Revision of the budget and IDP from inputs received from the community, Government departments and National Treasury, if required</li> <li>• Compile Section 71 Reports and present to Mayor.</li> <li>• All consultation processes to be completed during April 2022.</li> <li>• All departmental feedback by no later than the end of April 2022</li> </ul>                                                                                    |
| <b>MAY 2022</b>   | <ul style="list-style-type: none"> <li>• Adjustment of the draft 2022/23 IDP (towards the finalization) by the 15th May 2022</li> <li>• Adoption by Council of the 2022/23 Final IDP by the 31st of May 2022.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                     | <ul style="list-style-type: none"> <li>• Implementation Report (for third quarter)</li> <li>• Quarterly Audit Committee meeting</li> <li>• Annual review of organizational KPIs</li> <li>• Review annual organizational performance targets (MPPR Reg)</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <ul style="list-style-type: none"> <li>• Compile Section 71 Reports and present to Mayor.</li> <li>• Final Alignment sessions between IDP, PMS and Budget.</li> <li>• All final inputs and balancing of the budget and presentation to BSC by 6th May 2022.</li> <li>• Between the 6th and 19th May 2022 loading of budget and generating of mSCOA report and other Council required documentation.</li> <li>• Presentation of final Budget for adoption to Council.</li> </ul>           |
| <b>JUNE 2022</b>  | <ul style="list-style-type: none"> <li>• Submission the Final Adopted 2022/23 IDP to COGTA on or before 10 days after adoption.</li> <li>• Prepare Draft IDP Process Plan for the 23/24 Financial Year.</li> <li>• Publish Council's adopted FINAL IDP 2022/23 on the Municipal website and local Newspapers and other media platforms.</li> </ul>                                                                                                                                                                                                                                                                                           | <ul style="list-style-type: none"> <li>• Submission of draft SDBIP to the mayor within 14 days of approval of the budget</li> <li>• Establish and complete performance evaluations for functional outcomes based on operational plans and the IDP</li> <li>• Approval of the SDBIP within 28 days after approval of the budget and completion of the annual performance contracts in accordance with S56/57 of MSA</li> <li>• Make public the SDBIP within 10 working days after being approved by Council</li> <li>• The Service Delivery and budget implementation plan in both printed and electronic format to be forwarded to national Treasury within 10 working days after being approved by Mayor.</li> </ul> | <ul style="list-style-type: none"> <li>• Compile Section 71 Reports and present to Mayor.</li> <li>• Approved 2022/2023 Multi-year budget in both printed and electronic format forwarded to National Treasury within 10 working days after being approved by council</li> <li>• Make public the approved budget and supporting documentation within 10 working days after being approved by Council.</li> <li>• Publish Council's budget on the website and local Newspapers.</li> </ul> |

## 2.4 COMPONENT D: CORPORATE GOVERNANCE

### 2.4.1 RISK MANAGEMENT

Section 62(1) (c) (i) of the Municipal Finance Management Act (MFMA) No. 56 of 2003 assigns an extensive responsibility to the Accounting Officer/ Municipal Manager to take all reasonable steps to ensure that the Municipality has and maintains effective, efficient, and transparent systems of financial and risk management and internal control.

Risk management policy of KwaDukuza Municipality as approved by the Council further extends responsibility to all Municipal officials to implement effective systems of risk management within their areas of responsibility. Accordingly, the Risk Management Unit is established in the Office of the Municipal Manager and delegated to Chief Operations Officer.

The risk management function is currently performed by 2 staff members and 1 intern. The Project Executive Risk and Compliance Management (Director) was appointed on 1 June 2023. The Risk Management function reports to the Risk Management Committee and Audit Committee.

In accordance with the requirements of the MFMA, the annual risk assessment was conducted during March - April 2022 through risk assessment workshops. The annual risk assessment covered both /strategic and operational risks of the Municipality, fraud and corruption risks were also identified.

A detailed risk register was developed comprised of both strategic and operational risks with the top 10 risks being prioritized by management. All identified risks were grouped into specific risk categories to get a more manageable risk register with greater possibility to overview risks, followed by the rating of the risks and controls. Intervention measures were incorporated into the Risk Register through actions plans with clear time frames and assigning of responsibilities to relevant process owners and risk owners.

### A) RISK ASSESSMENT

Risk assessment including development and implementation of measures to mitigate the top 10 risks

TABLE 14: RISK VALUES TO RISK EXPOSURE

| RESIDUAL RISK EXPOSURE | RISK ACCEPTABILITY | PROPOSED ACTIONS                                                                                                                                     | RISK VALUE |
|------------------------|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| <b>Critical</b>        | Unacceptable       | Take action to reduce risk with highest priority, accounting officer/chief executive officer and executive authority/accounting Authority attention. | > 60       |
| <b>Major</b>           | Unacceptable       | Take action to reduce risk with highest priority, accounting officer/chief executive officer and executive authority/accounting Authority attention. | > 35 ≤ 60  |
| Moderate               | Unacceptable       | Take action to reduce risk, inform senior Management.                                                                                                | > 20 ≤ 35  |
| Minor                  | Acceptable         | No risk reduction - control, monitor and inform management.                                                                                          | > 10 ≤ 20  |
| Insignificant          | Acceptable         | No risk reduction - control, monitor and inform management.                                                                                          | ≤ 10       |



TABLE 15: DETAILS OF TOP 10 KDM RISKS

| NO. | REF.   | RISK DESCRIPTION                                                                                         | RESIDUAL RISK RATING | ACTION PLAN                                                                                                                                                                                                                                                                                           | ACTION OWNER                                        | STATUS        |
|-----|--------|----------------------------------------------------------------------------------------------------------|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|---------------|
| 1.  | SR01   | (SR01) - Limited ICT resources/ Infrastructure to exploit the capacity of the 4th Industrial Revolution. | Critical             | Develop and implement a change management strategy.                                                                                                                                                                                                                                                   | Director ICT                                        | Finalized     |
|     |        |                                                                                                          |                      | Review the Goal/Objective in relation to 4IR.                                                                                                                                                                                                                                                         | Director ICT and Director IDP                       | Not Finalised |
|     |        |                                                                                                          |                      | Prioritize filling of ICT positions.                                                                                                                                                                                                                                                                  | ED Corporate Services and Director ICT              | Not Finalised |
|     |        |                                                                                                          |                      | Align disaster recovery and business continuity plan.                                                                                                                                                                                                                                                 | Director ICT                                        | Not Finalised |
|     |        |                                                                                                          |                      | Review the ICT strategy.                                                                                                                                                                                                                                                                              | Director ICT                                        | Finalized     |
|     |        |                                                                                                          |                      | Finalize business continuity plan.                                                                                                                                                                                                                                                                    | Chief Operations Officer                            | Not Finalised |
| 2.  | SR02   | Failure to recognize ICT as a strategic enabler.                                                         | Critical             | Identify 3-5 strategic areas to be implemented and enforced to build towards 4IR and develop plan of implementation.<br>- Examples: Online virtual meetings, Automate business processes, electronic agendas etc. Phase -1 Plan of implementation, Phase 2 -enforce agenda, Phase3 &4 implementation. | Director ICT                                        | Finalized     |
| 3.  | SR15   | Failure to grow and protect revenue.                                                                     | Critical             | Investigate measures of controlling GAS energy within the municipality<br>- Submit investigation report to Council.                                                                                                                                                                                   | Director Special Project and ED Electrical Services | Not Finalised |
|     |        |                                                                                                          |                      | Investigate possibilities of reducing or waving demand-based component (DBC) for basic electricity supply.                                                                                                                                                                                            | Director Planning                                   | Not Finalised |
|     |        |                                                                                                          |                      | Develop Revenue Enhancement Strategy and plan of implementation.<br>- Identify areas where revenue can be maximized<br>- Report in Phases.                                                                                                                                                            | Director Revenue/ Manager Revenue                   | Not Finalised |
| 4.  | SR17   | Inability to implement climate change mitigations and respond to disasters.                              | Critical             | Review Climate management response policy<br>- To report in Phases.                                                                                                                                                                                                                                   | Director Planning                                   | Not Finalised |
| 5.  | RFin01 | Inadequate contract management.                                                                          | Critical             | Develop a contracts management framework and SOP.                                                                                                                                                                                                                                                     | Head of Supply Chain                                | Finalized     |
| 6.  | RELO5  | High energy losses due to by-passing meters by officials.                                                | Major                | Conduct meter audit<br>- Quarterly.                                                                                                                                                                                                                                                                   | Director Operations                                 | Ongoing task  |
|     |        |                                                                                                          |                      | Appoint a service provider for an electronic job card system<br><br>- Specification (30/09/2022)<br>- Evaluation (31/12/2022)<br>- Adjudication and Appointment (31/03/2023).                                                                                                                         | Director Operations                                 | Not Finalised |
|     |        |                                                                                                          |                      | Implementation of an electronic job card system.                                                                                                                                                                                                                                                      | Director Operations                                 | Not Finalised |

TABLE 15: DETAILS OF TOP 10 KDM RISKS ...continued

| NO. | REF. | RISK DESCRIPTION                                                                  | RESIDUAL RISK RATING | ACTION PLAN                                                                                                                                                                                                     | ACTION OWNER                             | STATUS        |
|-----|------|-----------------------------------------------------------------------------------|----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|---------------|
| 7.  | SR08 | Delays in implementation (initiation to completion) of service delivery programs. | Major                | Implementation of project prioritization model<br>- Use infrastructure category rating criteria and weights to select projects.                                                                                 | Director PMU                             | Not Finalised |
|     |      |                                                                                   |                      | Research on the establishment of a Project Management Unit for all capital projects<br>- Include risks related to the function e.g., policies, structure, funding, technology, human capital & other resources. | Director PMU/ ED Civil Engineering       | Finalized     |
|     |      |                                                                                   |                      | Conduct project risk analysis for all projects at a value of 4Million and above<br>- Method 4 of CIDB.                                                                                                          | Director PMU                             | Finalized     |
|     |      |                                                                                   |                      | Develop a 10-year asset management plan for electrical infrastructure.                                                                                                                                          | ED: Electrical Services & Director Civil | Not Finalized |
| 8.  | SR10 | Non-compliance with laws, regulations, acts, rules, and municipal policies.       | Major                | Consider Integrating Risk and Compliance structure to form one unit<br>- Submit an item to EXCO for approval.                                                                                                   | Chief Operations Officer                 | Finalized     |
|     |      |                                                                                   |                      | To review the Promotion of Access Information Act (PAIA) manual of KwaDukuza Municipality to align with the POPI Act<br>- Adoption of the PAIA manual to align with the POPI Act.                               | Director Legal                           | Not Finalized |
|     |      |                                                                                   |                      | Develop- Municipal Comprehensive Compliance Checklist<br>- Consult Compliance Institute and National Treasury. Consult checklist with other BUs.                                                                | Director Compliance & COO                | Finalized     |
|     |      |                                                                                   |                      | Develop Compliance policy and framework.                                                                                                                                                                        | Director Compliance & COO                | Finalized     |
| 9.  | SR11 | Dis-integrated and non-comprehensive systems of public participation.             | Major                | Develop a <i>plan</i> to implement public participation policy.                                                                                                                                                 | Director IDP                             | Not Finalised |
|     |      |                                                                                   |                      | Hold IDP Steering Committee.<br>- Quarterly.                                                                                                                                                                    | Director IDP                             | Finalized     |
|     |      |                                                                                   |                      | Finalize Public Participation Policy.<br>- Policy to be aligned to 5 levels (i.e., Inform, Involve, Consult, Collaborate and Empower).                                                                          | Director IDP                             | Finalized     |
|     |      |                                                                                   |                      | Submit the Public Participation policy to Council for adoption.                                                                                                                                                 | Director IDP                             | Finalized     |
| 10. | SR19 | High pace of rapid urbanization.                                                  | Major                | Develop a comprehensive response plan to rapid urbanization<br>-Report in phases.                                                                                                                               | ED: EDP/ Manager LED                     | Not Finalized |

| CATEGORY             | PROPOSED ACTION PLANS 22/23 | FINALIZED | NOT FINALIZED |
|----------------------|-----------------------------|-----------|---------------|
| Top 10 Risk Register | 28                          | 13        | 15            |
|                      | 100%                        | 46%       | 54%           |

## 2.4.2 ANTI-FRAUD AND CORRUPTION

The strategy is intended to set down the stance of KwaDukuza Local Municipality towards fraud and corruption as well as to reinforce existing systems, policies, procedures, rules, and regulations of KwaDukuza Local Municipality aimed at preventing, deterring, detecting, reacting to, and reducing the impact of fraud and corruption, where such dishonest activities exist.

The commitment of KwaDukuza Local Municipality to this strategy is for the protection of the public funds it administers and to achieve a reputation for maintaining good systems of internal controls that are determined to prevent and detect all forms of internal and external fraud and corruption committed against KwaDukuza Local Municipality.

KwaDukuza Local Municipality upholds the principles guiding the conduct of the holders of public service, some of which are:

- Integrity
- Professionalism
- Transparency
- Accountability
- Objectivity
- Respect
- Quality of service delivery and value for money.

The objectives of the strategy are to create a culture within the Municipality which promotes public service and discourages unethical conduct, fraud, and corruption by:

- Creating a culture within the Municipality, which is intolerant to unethical conduct, fraud and corruption
- Preventing and detecting unethical conduct, fraud, and corruption
- Development of anti-corruption capacity within the Municipality
- Investigating detected unethical conduct, fraud, and corruption
- Taking appropriate action in the event of such irregularities e.g., disciplinary action, recovery of losses, prosecution etc.
- Applying sanctions, which includes redress in respect of financial losses
- Providing a focus point for the allocation of accountability and authority
- Encouraging all public servants and stakeholders to report suspicious fraudulent activities without fear

of reprisals or recriminations

- Strengthening community participation in the fight against fraud, theft and corruption
- Reinforcing transparency of the work of the Municipality and encouraging participation of civil society and community groups in oversight structures
- Improving good governance and building resilient government through:
  - Improving the application of systems, policies, procedures, rules, and regulations within the Municipality.
  - Improving accountability, efficiency, and effective administration within the Municipality, including decision-making and management conduct, which promotes integrity.

KwaDukuza Local Municipality has a zero-tolerance attitude to fraud and will do everything financially prudent to ensure that fraud, corruption, or misconduct, cannot affect its assets and financial well-being. In keeping with the zero-tolerance approach, acts of fraud, corruption and misconduct will not be tolerated at any level. All fraud will be investigated and followed up by the application of all remedies available within the full extent of the law as well as the application of appropriate prevention and detection controls. These prevention controls include the existing financial and other controls, and checking mechanisms as prescribed in the systems, policies, procedures, rules, and regulations of government.

### A) INTERNAL AUDIT

In terms of section 216(1)(c) of the Constitution of the Republic of South Africa, (Act 108 of 1996), national legislation must prescribe measures to ensure both transparency and expenditure control in all spheres of government by introducing uniform treasury norms and standards. Good governance involves show an organization is managed, its organizational culture, policies, strategies, and the way it deals with its stakeholders. The internal audit and audit committee provide objective, independent advice to improve oversight, governance and help to mitigate risks.

The Internal Audit unit is formed in accordance with the Municipal Finance Management Act, Act 56 Of 2003, Section 165 and National Treasury, MFMA Circular 65. The main aim of internal audit is to assist in a municipality with internal systems of internal control and effective operation of the audit committee for sound corporate governance in a municipality.

## THE FUNCTIONS OF INTERNAL AUDIT

The internal audit unit of a municipality or municipal entity must:

- prepare a risk-based audit plan and an internal audit program for each financial year.
- advise the accounting officer and report to the audit committee on the implementation of the internal audit plan and matters relating to:
  - internal audit;
  - internal controls;
  - accounting procedures and practices;
  - risk and risk management; and
  - performance management.
- loss control; and compliance with this Act, the annual Division of Revenue Act and any other applicable legislation; and
- perform such other duties as may be assigned to it by the accounting officer.

The internal audit function referred to in subsection (2) may be outsourced if the Municipality or municipal entity requires assistance to develop its internal capacity and the council of the municipality or the board of directors of the entity has determined that this is feasible or cost-effective.

## 2.4.3 SUPPLY CHAIN MANAGEMENT

### 2.4.3.1 SUPPLY CHAIN MANAGEMENT (SCM) COMMITTEES

The SCM Regulations and KwaDukuza Municipality SCM Policy requires that there be adequate representation of expertise within committees and further indicates that the Tender Adjudication Committee be constituted of senior managers and that there must be a SCM Practitioner amongst them. All bid committee memberships are in line with the legislative requirements. Both tender evaluation committees are made up of cross functional members and its membership includes 1 SCM Practitioner. The Regulations and the KwaDukuza Municipality SCMP further recommends that the Tender Adjudication be chaired by the CFO or a senior manager in the finance section and as such the Tender Adjudication committee is chaired by the CFO and if the CFO is not available, the CFO has nominated the Director Expenditure, Mr. S Chonguene, to attend any TAC meetings in his absence in terms of Regulation 29(2)(a) of the SCM Policy, as a member only.

The following SCM Committee members were appointed for the 2022/2023 financial year.

**TABLE 16: TSC COMMITTEE MEMBERS CIVIL**

| TENDER SPECIFICATION COMMITTEE - CIVIL |            | TENDER SPECIFICATION COMMITTEE - ELECTRICAL AND OTHER TECHNICAL PROJECTS |            |
|----------------------------------------|------------|--------------------------------------------------------------------------|------------|
| NAME                                   | DEPARTMENT | NAME                                                                     | DEPARTMENT |
| F Mhlongo (Chairperson)                | CIVIL      | D Mhaule (Chairperson)                                                   | ELECTRICAL |
| N. Khawula                             | EDP        | A Sompersadh (Alt. Chairperson)                                          | CIVIL      |
| L Ntuli                                | FINANCE    | S Cundasamy                                                              | FINANCE    |
| D Sramulu                              | SCM        | M Pillay                                                                 | SCM        |
| N Bigela                               | ELECTRICAL | N/A                                                                      | N/A        |

It be noted that during the fourth quarter of the financial year, Ms N Khawula was replaced by Mr N Bigela as Alternate Chairperson of the Tender Specifications Civil.

**TABLE 17: TSC COMMITTEE MEMBERS NON-TECHNICAL**

| TENDER SPECIFICATION COMMITTEE – NON - TECHNICAL |              |
|--------------------------------------------------|--------------|
| NAME                                             | DEPARTMENT   |
| M Faya – Chair                                   | COMM. SAFETY |
| N Gumbi – Alt Chair                              | COMM. SAFETY |
| N Singh                                          | FINANCE      |
| V Sramulu                                        | SCM          |



**The Tender Evaluation Committee comprised of the following members: -**

It be noted that during the fourth quarter, Mr A Sompersad was appointed as a pro-temp member to the Tender Evaluation Committee for Civil matters.

**TABLE 18: TEC COMMITTEE MEMBERS CIVIL**

| TENDER EVALUATION COMMITTEE - CIVIL |                 | TENDER EVALUATION COMMITTEE - ELECTRICAL |            |
|-------------------------------------|-----------------|------------------------------------------|------------|
| NAME                                | DEPARTMENT      | NAME                                     | DEPARTMENT |
| M Ntanta (Chairperson)              | EDP             | S Jali (Chairperson)                     | ELECTRICAL |
| S Buthelezi (Alt. Chairperson)      | CIVIL           | F Naidoo (Alt. Chair)                    | EDP        |
| P Govender                          | CG              | A Nunkumar                               | FINANCE    |
| N Nxumalo                           | SCM             | L Tshonapi                               | SCM        |
| A Sompersad                         | CIVIL Pro tempt | N/A                                      | N/A        |

**TABLE 19: TEC COMMITTEE MEMBERS NON-TECHNICAL**

| TENDER EVALUATION COMMITTEE – NON - TECHNICAL |             |
|-----------------------------------------------|-------------|
| NAME                                          | DEPARTMENT  |
| SV Hlongwane (Chair)                          | EDP         |
| N Ngwane (Alt. Chair)                         | COMM. SERV. |
| M Ngubane                                     | CS          |
| S Msweli                                      | SCM         |

It be noted that during the third quarter, Mr S Jali was no longer appointed as the Chairperson of the Tender Evaluation Committee. It be noted that during the third quarter, Mr S Jali was appointed as a member of the Tender Adjudication Committee.

**The Tender Adjudication Committee comprised of the following members.****TABLE 20: TAC COMMITTEE MEMBERS**

| TENDER ADJUDICATION COMMITTEE |            |
|-------------------------------|------------|
| NAME                          | DEPARTMENT |
| S Rajcoomar (Chairperson)     | FINANCE    |
| S Khanyile (Alternate Chair)  | CS & PA    |
| L Moothusamy                  | SCM        |
| M Sithole                     | CIVIL      |
| S Chonguene                   | FINANCE    |
| S Jali                        | ELECTRICAL |

The SCM Policy and the SCM Regulations requires that the Municipal Manager must for the purposes of Regulation 50, appoint a person independent of the procurement process to investigate any matter that may be brought against the municipality be it a complaint, objection or query with regards to the procurement process of council. In light of this, the below appointments were made to the Tender Appeals Committee.

**The Tender Appeals Committee comprised of the following members: -**

**TABLE 21: APPEALS COMMITTEE MEMBERS**

| TENDER APPEALS COMMITTEE |                 |
|--------------------------|-----------------|
| NAME                     | DEPARTMENT      |
| C Viramuthu              | CHAIR           |
| S Zulu                   | ALTERNATE CHAIR |
| T Yengwa                 | MEMBER          |
| M Nene                   | MEMBER          |

**The Accounting Officer established a Variation Committee. The members were as follows:**

**TABLE 22: VARIATION COMMITTEE MEMBERS**

| VARIATION COMMITTEE     |                                 |
|-------------------------|---------------------------------|
| NAME                    | DEPARTMENT                      |
| S.V Hlongwane – CHAIR   | ECONOMIC DEVELOPMENT & PLANNING |
| S Khanyile – ALT. CHAIR | COMMUNITY SERVICES              |
| A Nunkumar              | FINANCE                         |
| N Gumbi                 | LEGAL SERVICES                  |
| S Msweli                | SCM                             |

## A) TRAINING

The following training / workshops were conducted during 2022/2023 financial year for SCM role players: -

**TABLE 23: WORKSHOPS AND TRAINING SCM MEMBERS**

| COURSE / WORKSHOP NAME                                                                             | ATTENDEES                                                             |
|----------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|
| Munsoft Training<br>SCM Module                                                                     | Buyer; Procurement Clerk; SCM Practitioners<br>Chief Clerk Stores     |
| Munsoft Training<br>Contracts Module                                                               | HEAD:SCM; Contracts Manager<br>Contracts Officer                      |
| Munsoft Training<br>Stores Module                                                                  | Buyer; Procurement Clerk; Chief Clerk Stores<br>Senior Clerk / Driver |
| Preferential Procurement Policy Framework Regulations<br>2022 Rollout<br>28 NOVEMBER AT 8H30 - 9AM | Buyer; SCM Practitioners; HEAD:SCM                                    |
| CIDB – Workshop of B.U.I.L.D Program                                                               | SCM Practitioners; Head: SCM; Demand Manager                          |

In quarter 4, there was a workshop held by the CIDB for the Build Program on 25 May 2023. The CIDB has been approached to conduct this workshop with Manco as it affects bid committees and tenders above R20m.

## B) CODE OF CONDUCT AND DECLARATION OF INTEREST

All personnel within the SCM unit together with other role players such as Tender committee members have signed the code of Conduct for SCM role players and have also declared their interest. It is a common practice that such declarations be reviewed annually to give personnel the opportunity to declare their interest should their circumstances alter within the financial year. Corporate Services with the take on of new personnel will introduce the declaration of interest as a measure to avoid future conflicts of interests; however, employees are encouraged to also do so when their circumstances alter within the financial year during their employment at KwaDukuza Municipality. At every meeting of Tender Committees, members are given the opportunity to declare their interests.

## 2.4.3.2 SCM CHALLENGES AND RECOMMENDATIONS

TABLE 24: SCM CHALLENGES AND RECOMMENDATIONS

| CHALLENGES                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | SOLUTIONS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ACQUISITIONS – RO – R200K</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <ul style="list-style-type: none"> <li>Suppliers do not respond to requests for quotes</li> <li>Under quoting resulting in withdrawals of CQs</li> <li>CSD is an on-going problem. Not functional, often offline.</li> <li>CSD does not identify specialist for a particular commodity reasons being service providers are permitted to register for all commodities</li> <li>All applicable websites e.g. CSD and CIDB are extremely slow</li> <li>Load shedding resulting in a delay in capturing of orders and authorizations.</li> <li>Requests for buying are received late for planned events</li> <li>Lack of clear specifications submitted by departments</li> <li>Incorrect votes used for procurement</li> <li>Due to policy calling for 1 and 2 CIDB grading's, specialist service providers cannot be sourced</li> </ul>                                                                                                                                                                                                                                     | <ul style="list-style-type: none"> <li>IT system for SCM needs to be upgraded for example fibre optic cables</li> <li>IT equipment for SCM officials must be upgraded and prioritised</li> <li>Turnaround should be at least 2 days for below R30k procurements subject to the requests are received timeously.</li> <li>Turnaround times for CQ's should be 10 days which includes time for advertising and evaluation and award</li> <li>With Section 36's – all requests for 36's in terms of the deviations as outlined in the regulations must be approved within 7 days of incident to ensure compliance of the SOP.</li> <li>Specifications must be drafted by a senior official of the BU</li> <li>Service providers are to be called telephonically once requests are sent and orders are placed</li> <li>For all capital procurement the budget office must sign off all requests to ensure that funds are available for such requests</li> <li>The SCM practitioner together with the Buyer must ensure that the vote recorded on the request for buying is legitimate before any procurement takes place.</li> </ul>                                    |
| <b>DEMAND MANAGEMENT – TENDERS</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <ul style="list-style-type: none"> <li>Tenders are being extended too many times.</li> <li>Open ended extension of validity letters</li> <li>No quorums for scheduled meetings</li> <li>Late arrival of members (members require secretariats to constantly remind them of meetings despite emails and notices being circulated)</li> <li>Items / reports submitted by departments are unclear and not credible; for example, authors of the items do not consult with their superiors, compliance check documents are not submitted by the BU.</li> <li>Business units are not availing themselves to attend meetings although notice of meetings are sent</li> <li>Items deferred - budget clearance certificate not submitted</li> <li>Items are not signed off by the relevant ED / Directors</li> <li>Items deferred for various reasons are not submitted on time to the various committees.</li> <li>Tenders closed not being sent for evaluation within the validity period</li> <li>Non-adherence of the procurement plan</li> <li>Poor minute taking</li> </ul> | <ul style="list-style-type: none"> <li>Validity to be extended only for 30 days</li> <li>Scheduled meeting as follows: Monday TAC; Tuesday TEC &amp; Thursday TSC</li> <li>Communication to members is via e-mails only. After 15 minutes the attendance register will be ruled off. All apologies must go via the secretariat with reasons for non-attendance. Before the attendance register is tabled at FLPA the chairs will be given an opportunity to vet the attendance.</li> <li>All reports must signed off by the EDs</li> <li>It is mandatory that the BU attends the Bid committee meetings to present their items. Officials up to a Manager level are only to present to the committees</li> <li>items that are deferred must be resubmitted in 3 days to the Admin Officers for tabling</li> <li>Tenders must be tabled at the Committee within the validity period.</li> <li>Compliance with annexure H of the SCM Policy.</li> <li>Invite the Demand Manager to BU Manco to address the PP</li> <li>Demand Admin Officers require training on minute taking. The Demand Manager must ensure that he checks the minutes for correctness.</li> </ul> |

## 2.4.3.3 TENDER APPEALS RECEIVED FOR THE 2022/2023 FINANCIAL YEAR

TABLE 25: TENDER APPEALS

| DATE       | TENDER DESCRIPTION                                                                                                                                                                                                                        | NAME OF THE APPELLANT                    | FINAL OUTCOME | DATE RESOLVED | COMMENTS                                                                                                 |
|------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|---------------|---------------|----------------------------------------------------------------------------------------------------------|
| 27-06-2022 | Mn89/2021- Panel Of Contractors For Betterment And Regravelling Of Roads 3 Year Contract                                                                                                                                                  | Skhothemlo Construction And Trading      | Resolved      | 07-07-2022    | The appeal was upheld                                                                                    |
| 27-06-2022 |                                                                                                                                                                                                                                           | Njomco Enterprise (Pty) Ltd              | Resolved      | 07-07-2022    | The appeal was upheld                                                                                    |
| 04-07-2022 |                                                                                                                                                                                                                                           | Havilah Commercial Projects              | Resolved      | 07-07-2022    | The appeal was upheld                                                                                    |
| 01-07-2022 |                                                                                                                                                                                                                                           | Sane's Contracting And Trading           | Resolved      | 07-07-2022    | The appeal was upheld                                                                                    |
| 02-07-2022 |                                                                                                                                                                                                                                           | Future Valdo Projects (Pty) Ltd          | Resolved      | 07-07-2022    | The appeal was upheld                                                                                    |
| 05-07-2022 |                                                                                                                                                                                                                                           | JKDM Company (Pty) Ltd                   | Resolved      | 07-07-2022    | The appeal was upheld                                                                                    |
| 06-07-2022 |                                                                                                                                                                                                                                           | Unlimited ABC Trading And Projects       | Resolved      | 07-07-2022    | The appeal was upheld                                                                                    |
| 04-07-2022 |                                                                                                                                                                                                                                           | Njomisa Boerdery                         | Resolved      | 07-07-2022    | The appeal was upheld                                                                                    |
| 05-07-2022 |                                                                                                                                                                                                                                           | Onombuthu (Pty) Ltd                      | Resolved      | 07-07-2022    | The appeal was upheld                                                                                    |
| 06-07-2022 |                                                                                                                                                                                                                                           | Today's Hope Trading And Projects        | Resolved      | 07-07-2022    | The appeal was upheld                                                                                    |
| 06-07-2022 |                                                                                                                                                                                                                                           | Trishuul Plant And Civils                | Resolved      | 07-07-2022    | The appeal was upheld                                                                                    |
| 06-07-2022 |                                                                                                                                                                                                                                           | Unlimited ABC And Projects               | Resolved      | 07-07-2022    | The appeal was upheld                                                                                    |
| 27-07-2022 | Tender No Mn 79/2021 - Panel Of Contractors For The Kwadukuza Coastline Maintenance For The Period Of One Year                                                                                                                            | Somadi Trading                           | Resolved      | 03-08-2022    | Meeting held on 03 august 2022                                                                           |
| 12-08-2022 | Tender No Mn 79/2021 - Panel Of Contractors For The Kwadukuza Coastline Maintenance For The Period Of One Year                                                                                                                            | Nang-U-Mzamo                             | Resolved      | 05-09-2022    | Meeting was scheduled for 05 September 2022. Report received from the accounting officer for TAC to note |
| 26-08-2022 | Tender No. Mn 112/2021- Appointment Of Contractor For Mv Substations Upgrade And Refurbishment For A Period Of Three Years                                                                                                                | Worth Kings Trading's T/A Xxx Electrical | Resolved      | 05-09-2022    |                                                                                                          |
| 26-08-2022 | Tender No. Mn 175/2021 - Design, Manufacturing, Factory Acceptance Testing, Delivery, Offloading, Installation, Site Testing And Cold Commissioning Of Three 20mva 33/11kv Power Transformers For Kwadukuza Municipality Sappi Substation | Capital Power Projects                   | Resolved      | 05-09-2022    | Meeting was scheduled for 05 September 2022. Report received from the accounting officer for TAC to note |



## 2.4.3.3 TENDER APPEALS RECEIVED FOR THE 2022/2023 FINANCIAL YEAR ...continued

TABLE 25: TENDER APPEALS ...continued

| DATE       | TENDER DESCRIPTION                                                                                                         | NAME OF THE APPELLANT                | FINAL OUTCOME | DATE RESOLVED | COMMENTS                                                                                           |
|------------|----------------------------------------------------------------------------------------------------------------------------|--------------------------------------|---------------|---------------|----------------------------------------------------------------------------------------------------|
| 06-10-2022 | Tender No Mn 84/2021 - Lot 14 Switchroom And Mv Upgrade Project                                                            | Edison Power Electrical              | Resolved      | 09-11-2022    | Appeals dismissed                                                                                  |
| 23-11-2022 | Tender No. Mn 137/2022 - Construction Of A Culvert Bridge And Gabion Basket Retaining Walls In Ward 5                      | Khucula Trading                      | Resolved      | 28-11-2022    | Appeals received outside appeals period appeal period ended on 16 November 2022- appeals dismissed |
| 23-11-2022 | Tender No. Mn 105/2021: Provision Of Security Services For A Period Of 3 Years For The Kwadukuza Municipality              | Black Man Security                   | Resolved      | 22-11-2022    | MBAT - made ruling on the matter and the appeal was dismissed                                      |
| 23-11-2022 | Tender No. Mn 112/2021: Appointment Of Contractor For Mv Substations Upgrade And Refurbishment For A Period Of Three Years | Yebo Ys Projects                     | Resolved      | 28-11-2022    | Appeals received outside appeals period - appeals dismissed                                        |
| 28-11-2022 | Tender No. Mn 136/2022 - Construction Of Hulett Bridge In Ward 2                                                           | Benjivert (Pty) Ltd                  | Resolved      | 05-12-2022    | The appeal was upheld                                                                              |
| 30-11-2022 |                                                                                                                            | Tamasco Trading And Project          | Resolved      | 05-12-2022    | Appeal dismissed                                                                                   |
| 30-11-2022 | Tender No. Mn 07/2022: Panel Of Contractors For Road Rehabilitation For A Period Of Three (3) Years                        | North Coast General Suppliers        | Resolved      | 12-12-2022    | The appeal was upheld                                                                              |
| 30-11-2022 |                                                                                                                            | M & N Group                          | Resolved      | 12-12-2022    |                                                                                                    |
| 30-11-2022 |                                                                                                                            | SM Holding                           | Resolved      | 12-12-2022    | The appeal was upheld                                                                              |
| 12-12-2022 |                                                                                                                            | Camsons Investments                  | Resolved      | 12-12-2022    | The appeal was upheld                                                                              |
| 12-12-2022 |                                                                                                                            | Sibaya Asphaltting And Civils        | Resolved      | 12-12-2022    | The appeal was upheld                                                                              |
| 12-12-2022 |                                                                                                                            | Ackins Investments                   | Resolved      | 19-12-2022    |                                                                                                    |
| 12-12-2022 |                                                                                                                            | Onombuthu                            | Resolved      | 19-12-2022    | The appeal was upheld                                                                              |
| 12-12-2022 |                                                                                                                            | Sane's Construction                  | Resolved      | 19-12-2022    |                                                                                                    |
| 12-12-2022 |                                                                                                                            | Hambagashle                          | Resolved      | 19-12-2022    | The appeal was upheld                                                                              |
| 12-12-2022 |                                                                                                                            | Tez Civils                           | Resolved      | 19-12-2022    | The appeal was upheld                                                                              |
| 12-12-2022 |                                                                                                                            | GNS Civils                           | Resolved      | 19-12-2022    | The appeal was upheld                                                                              |
| 12-12-2022 |                                                                                                                            | Amagambushu                          | Resolved      | 19-12-2022    | The appeal was upheld                                                                              |
| 08-11-2022 | Tender No. Mn 137/2022 - Construction Of A Culvert Bridge And Gabion Basket Retaining Walls In Ward 5                      | Nap holdings Jv Margate Construction | Resolved      | 20-01-2023    | Appeals meeting continued as scheduled                                                             |
| 13-12-2022 | Tender No. Mn 07/2022: Panel Of Contractors For Road Rehabilitation For A Period Of Three (3) Years                        | Skhothemlo                           | Resolved      | 20-01-2023    | Appeals meeting continued as scheduled                                                             |
| 24-01-2023 | Tender No. Mn 136/2022 Construction Of Hullet Bridge In Ward 2                                                             | Tamasco Trading And Projects         | Resolved      | 20-01-2023    | Appeals received outside appeals period                                                            |

## 2.4.3.3 TENDER APPEALS RECEIVED FOR THE 2022/2023 FINANCIAL YEAR *...continued*

TABLE 25: TENDER APPEALS *...continued*

| DATE       | TENDER DESCRIPTION                                                                                                                                                                                                                                                               | NAME OF THE APPELLANT       | FINAL OUTCOME | DATE RESOLVED | COMMENTS                  |
|------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|---------------|---------------|---------------------------|
| 27-01-2023 | Tender No. Mn - 117 / 2022, Panel Of Up To Three Contractors For Testing, Fault Locating, Cable Identification And Very Low Frequency (Pressure) Testing Of Low (LV) And Medium (Mv) Voltage Cables During Normal And After Normal Working Hours For A Period Of Three (3) Years | Imbawula Technical Services | Resolved      | 03-02-2023    | The appeal was dismissed. |
| 03-02-2023 | Tender No. Mn - 84/2020 Construction Of Dukuza 33kv Switching Station, 33/11kv X , Substation And 33kv & 11kv Turn-In Lines                                                                                                                                                      | Edison Power                | Resolved      | 09-02-2023    | The appeal was dismissed. |
| 27-01-2023 | Tender No. Mn - 84/2020 Construction Of Dukuza 33kv Switching Station, 33/11kv X , Substation And 33kv & 11kv Turn-In Lines                                                                                                                                                      | Ourkingdom Tractionel       | Resolved      | 17-02-2023    | The appeal was dismissed. |
| 09-02-2023 | Tender No. Mn - 117 / 2022, Panel Of Up To Three Contractors For Testing, Fault Locating, Cable Identification And Very Low Frequency (Pressure) Testing Of Low (LV) And Medium (Mv) Voltage Cables During Normal And After Normal Working Hours For A Period Of Three (3) Years | Wenzan Electrical           | Resolved      | 17-02-2023    | The appeal was upheld.    |
| 09-02-2023 | Tender No. Mn 153/2022 Supply And Delivery Of Printing Paper For A Period Of Three Years                                                                                                                                                                                         | Rekabal Pty Ltd             | Resolved      | 17-02-2023    | The appeal was upheld.    |
| 24-02-2023 | Mn 186/2022 Avondale Drive Stormwater Repairs And Upgrade In Ward 30                                                                                                                                                                                                             | Skhothemlo                  | Resolved      | 24-02-2023    | The appeal was dismissed. |
| 08-03-2023 | Tender No. Mn 118/2022 Supply And Delivery Of Single, Three Phase Smart Meters And Associated Accessories For A Period Of Three (3) Years                                                                                                                                        | Mini Maps                   | Resolved      | 08-03-2023    | The appeal was upheld.    |

## 2.4.3.3 TENDER APPEALS RECEIVED FOR THE 2022/2023 FINANCIAL YEAR *...continued*

TABLE 25: TENDER APPEALS *...continued*

| DATE       | TENDER DESCRIPTION                                                                                                                                      | NAME OF THE APPELLANT | FINAL OUTCOME | DATE RESOLVED | COMMENTS                                                                                                                                                                                       |
|------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|---------------|---------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 31-03-2023 | Tender No. Mn 199/2021: The Cutting Of Grass And Litter Picking Within The Kwadukuza Municipality: Zone 1 (Ward 1,3,25,27)                              | Siyakhula             | Resolved      | 30-03-2023    | The appeal was upheld.                                                                                                                                                                         |
| 26-04-2023 | Tender Mn: 93/2022 Panel Of Up To Five Contractors For Mv Network Electrical Infrastructure Refurbishments And Upgrades For A Period Of Three (3) Years | Ampcor Khanyisa       | Dismissed     | 26-04-2023    | The appeal was dismissed on the 26 April 2023,                                                                                                                                                 |
| 19-04-2023 | Tender Mn: 93/2022 Panel Of Up To Five Contractors For Mv Network Electrical Infrastructure Refurbishments And Upgrades For A Period Of Three (3) Years | Ijubane Investments   | Upheld        | 19-04-2023    | The appeal was upheld                                                                                                                                                                          |
| 19-04-2023 | Tender Mn: 93/2022 Panel Of Up To Five Contractors For Mv Network Electrical Infrastructure Refurbishments And Upgrades For A Period Of Three (3) Years | Thake Electrical      | Upheld        | 19-04-2023    | The appeal was upheld.                                                                                                                                                                         |
| 19-04-2023 | Tender Mn: 93/2022 Panel Of Up To Five Contractors For Mv Network Electrical Infrastructure Refurbishments And Upgrades For A Period Of Three (3) Years | Shantis Electrical    | Dismissed     | 19-04-2023    | The item was deferred as the bidder did not receive the reasons as to why the were deemed as non-responsive. This was not an appeal.                                                           |
| 24-05-2023 | Mn216/2022 – Establishment For The Panel Of Constructors (Grade 7-9) For Rehabilitation And New Municipal Public Infrastructure For A Period Of 3 Years | Rods Construction     | Deferred      | Pending       | That it be noted that the letter dated 28th April 2023 is a request for information hence the matter must be addressed by the SCM & legal services. The formal appeal is pending finalization. |

## 2.4.3.3 TENDER APPEALS RECEIVED FOR THE 2022/2023 FINANCIAL YEAR ...continued

TABLE 25: TENDER APPEALS ...continued

| DATE       | TENDER DESCRIPTION                                                                                                                                      | NAME OF THE APPELLANT       | FINAL OUTCOME | DATE RESOLVED | COMMENTS                                                                                                                                                                                                                                                                                                                                                                                  |
|------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|---------------|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 24-05-2023 | Mn216/2022 – Establishment For The Panel Of Constructors (Grade 7-9) For Rehabilitation And New Municipal Public Infrastructure For A Period Of 3 Years | Bright Ideas Projects       | Dismissed     | 24-05-2023    | That it be noted the appeals committee reviewed the tac minutes, bid documentation and the representation submitted by the appellant and are of the view that the appellant did not comply with the required schedules.                                                                                                                                                                   |
| 24-05-2023 | Mn44/2022: Panel Of Constructors For Pothole Patches For A Period Of Three (3) Years                                                                    | Havilah Commercial Projects | Upheld        | 24-05-2023    | <p>That it be noted that after reviewing the bid document by the Appeals Committee is of the view that the 3SBPE is a relevant CIDB grading as required by the bid specification.</p> <p>PE refers to potential emerging for the bidder to take on work, this would be under supervision and mentoring to allow the constructor to be able to take on the work at the grading of 3SB.</p> |
| 24-05-2023 | Tender No. Mn44/2022: Panel Of Constructors For Pothole Patches For A Period Of Three (3) Years                                                         | ZSSM Holdings               | Resolved      | 24-05-2023    | That it be noted that ZSSM (Pty) Ltd appealed while requesting information, the letter submitted 14 April 2023 is a request for information hence that shall be addressed by SCM & legal however upon further information received, they can appeal again to the appeals committee should they wish to do so.                                                                             |

## 2.4.3.3 TENDER APPEALS RECEIVED FOR THE 2022/2023 FINANCIAL YEAR *...continued*

TABLE 25: TENDER APPEALS *...continued*

| DATE       | TENDER DESCRIPTION                                                                                                                                      | NAME OF THE APPELLANT  | FINAL OUTCOME | DATE RESOLVED | COMMENTS                                                                                                                                                                                                                                                                                                  |
|------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|---------------|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 24-05-2023 | Mn44/2022: Panel Of Contractors For Pothole Patches For A Period Of Three (3) Years                                                                     | Future Valdo Projects  | Upheld        | 24-05-2023    | That It Be Noted The Appeals Committee Having Reviewed The Appeal Or Representation By The Appellant Together With The Tac Minutes, Bid Document And Having Verified The CIDB Registration Online We Have Established That The Appellant Has Been Active From 22nd March 2022 To The 27th Of August 2024. |
| 24-05-2023 | Mn44/2022: Panel Of Constructors For Pothole Patches For A Period Of Three (3) Years                                                                    | Mvelase Intel          | Resolved      | 24-05-2023    | That it be noted the matter before the committee is not an appeal but a request for information.                                                                                                                                                                                                          |
| 01-06-2023 | Mn216/2022 – Establishment For The Panel Of Contractors (Grade 7-9) For Rehabilitation And New Municipal Public Infrastructure For A Period Of 3 Years. | Jamjo Civils (Pty) Ltd | Upheld        | 01-06-2023    | The appeal is accordingly upheld.                                                                                                                                                                                                                                                                         |
| 01-06-2023 | Mn216/2022 – Establishment For The Panel Of Contractors (Grade 7-9) For Rehabilitation And New Municipal Public Infrastructure For A Period Of 3 Years. | Tongaas Asphalts Cc    | Resolved      | 07-06-2023    | That it be noted that the appeals committee is of the view that the appellant must be provided with reasons for their disqualification to afford them the opportunity to determine whether to appeal or not to appeal. Tongaas Asphalts did not appeal.                                                   |
| 07-06-2023 | Mn: 94/2022 KDM Panel Of Up To Three (3) Contractors For The LV Network Upgrade And Refurbishment For A Period Of Three Years                           | Shantis Electrical     | Dismissed     | 07-06-2023    | Non-compliance of schedule 18, the appeal is dismissed.                                                                                                                                                                                                                                                   |



## 2.4.3.3 TENDER APPEALS RECEIVED FOR THE 2022/2023 FINANCIAL YEAR ...continued

TABLE 25: TENDER APPEALS ...continued

| DATE       | TENDER DESCRIPTION                                                                                                                                                 | NAME OF THE APPELLANT                                 | FINAL OUTCOME | DATE RESOLVED | COMMENTS                                                                                                                                                                                                                                                                           |
|------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|---------------|---------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 15-06-2023 | Mn216/2022 – Establishment For The Panel Of Constructors (Grade 7-9) For Rehabilitation And New Municipal Public Infrastructure For A Period Of 3 Years            | Umzulu Trading Enterprise JV<br>Tentamount Trading 99 | Dismissed     | 15-06-2023    | That it be noted that the appeal committee reviewed the TAC minutes, the representation by the appellant, and the bid document and are of the view the appellant did not comply with schedule 18 the lease agreement, and the utility bills are in arrears, for more than 90 days. |
| 15-06-2023 | Mn216/2022 – Establishment For The Panel Of Constructors (Grade 7-9) For Rehabilitation And New Municipal Public Infrastructure For A Period Of 3 Years            | Sibaya Asphaltting & Civils                           | Upheld        | 15-06-2023    | The appeal is upheld.                                                                                                                                                                                                                                                              |
| 22-06-2023 | Mn89/2022 – Appointment Of An Electrical Contractor For The Electrical Services Upgrade's And Refurbishment At Selected KDM Buildings.                             | Ijubane Investments                                   | Upheld        | 22-06-2023    | It is recommended that the appeal be upheld, and the bidder is evaluated further.                                                                                                                                                                                                  |
| 22-06-2023 | Tender No. Mn216/2022 – Establishment For The Panel Of Constructors (Grade 7-9) For Rehabilitation And New Municipal Public Infrastructure For A Period Of 3 Years | Litha Africa (Pty) Ltd                                | Upheld        | 22-06-2023    | The appeal is accordingly upheld.                                                                                                                                                                                                                                                  |
| 22-06-2023 | Tender No. Mn44/2022: Panel Of Contractors For Pothole Patches For A Period Of Three (3) Years                                                                     | Samnotho Projects (Pty) Ltd                           | Upheld        | 22-06-2023    | The appeal committee having reviewed the representation submitted, by the appellant, the tac resolution and the bid document have established the bidder did sign and date schedule 11.                                                                                            |
| 22-06-2023 | Mn 215/2022 Establishment For The Panel For Contractors (Grade 4-6) For Rehabilitation And New Municipal Public Infrastructure For A Period Of Three (3) Years.    | Arbotype (Pty) Ltd                                    | Upheld        | 22-06-2023    | The appeal is accordingly upheld                                                                                                                                                                                                                                                   |

## 2.4.3.3 TENDER APPEALS RECEIVED FOR THE 2022/2023 FINANCIAL YEAR ...continued

TABLE 25: TENDER APPEALS ...continued

| DATE       | TENDER DESCRIPTION                                                                                                                                              | NAME OF THE APPELLANT    | FINAL OUTCOME | DATE RESOLVED | COMMENTS                                                                                                                                                                                                                                                                                 |
|------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|---------------|---------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 22-06-2023 | Mn 215/2022 Establishment For The Panel For Contractors (Grade 4-6) For Rehabilitation And New Municipal Public Infrastructure For A Period Of Three (3) Years. | Waniketa (Pty) Ltd       | Upheld        | 22-06-2023    | The appeal is upheld, and the bidder should form part of the panel.                                                                                                                                                                                                                      |
| 22-06-2023 | Mn 215/2022 Establishment For The Panel For Contractors (Grade 4-6) For Rehabilitation And New Municipal Public Infrastructure For A Period Of Three (3) Years. | Flaxen Lake Trading Cc   | Upheld        | 22-06-2023    | The appeals committee finds that the bidder has complied with the requirements of schedule 5, 19 and 30 and as such the appeal is upheld.                                                                                                                                                |
| 29-06-2023 | Mn216/2022 – Establishment For The Panel Of Constructors (Grade 7-9) For Rehabilitation And New Municipal Public Infrastructure For A Period Of 3 Years         | Nap Holdings (Pty) Ltd   | Upheld        | 29-06-2023    | That it be noted that the appeals committee having reviewed the bid document together with the tac minutes and the representation by the appellant are of the view that the appellant has complied with schedule 5 and the deviation is considered minor and not material to the tender. |
| 29-06-2023 | Mn216/2022 – Establishment For The Panel Of Constructors (Grade 7-9) For Rehabilitation And New Municipal Public Infrastructure For A Period Of 3 Years         | Clives Transport Cc      | Deferred      | Pending       | The matter is deferred upon receiving Clive's transport cc grounds of appeal in order for the appeals committee to properly deal with the matter.                                                                                                                                        |
| 29-06-2023 | Tender No. Mn44/2022: Panel Of Contractors For Pothole Patches For A Period Of Three (3) Years                                                                  | Duwah Trading Enterprise | Deferred      | Pending       | The matter is deferred upon receiving Duwah trading enterprise grounds of appeal in order for the appeals committee to properly deal with the matter.                                                                                                                                    |
| 29-06-2023 | Mn 215/2022 Establishment For The Panel For Contractors (Grade 4-6) For Rehabilitation And New Municipal Public Infrastructure For A Period Of Three (3) Years. | KB Level Construction    | Upheld        | 29-06-2023    | The appeal was upheld.                                                                                                                                                                                                                                                                   |

## 2.4.4 MUNICIPAL BY-LAWS AND POLICIES

A municipal by-law must be published promptly in the Provincial Gazette, and, when feasible, also in a local newspaper or in any other practical way to bring the contents of the by-law to the attention of the local community; and takes effect when published or on a future date determined in or in terms of the by-law. By-Laws assist in:

- Addressing and regulating a particular situation or issue within the local community in, e.g., street trading, littering, nuisance, noise, parks, etc.
- Legislating on the safety and comfort of the residents within the municipal area and ensuring that certain kinds of anti-social behaviour are prohibited and punished if the prohibitions are not observed.
- Creating specific rights and obligations and informing people's interactions with the municipality through explicit regulatory mechanisms.
- Giving effect to policy in a way that is legally-binding on the community.

### KWADUKUZA MUNICIPALITY HAS THE FOLLOWING BY-LAWS IN PLACE:

**TABLE 26: KDM BYLAWS**

|                                                                               |                                   |
|-------------------------------------------------------------------------------|-----------------------------------|
| Advertising                                                                   | as published on 19 September 2000 |
| Animals and Birds                                                             | as published on 19 September 2000 |
| Boating and other craft in tidal lagoons, rivers, and watercourses            | as published on 19 September 2000 |
| Caravan Parks                                                                 | as published on 19 September 2000 |
| Cemetery and Crematorium                                                      | as published on 19 September 2000 |
| Child Minder Service                                                          | as published on 19 September 2000 |
| Credit control and debt collection                                            | as published on 19 September 2000 |
| Dairies, Cowsheds, Milk Shops, Milk Dealers and Purveyors                     | as published on 19 September 2000 |
| Dogs                                                                          | as published on 19 September 2000 |
| Electricity Supply                                                            | as published on 19 September 2000 |
| Financial Bylaw                                                               | as published on 19 September 2000 |
| Fire Safety                                                                   | as published on 19 September 2000 |
| Fireworks and Explosives                                                      | as published on 19 September 2000 |
| Halls, Rooms and Sportsfield                                                  | as published on 19 September 2000 |
| Industrial Effluent                                                           | as published on 19 September 2000 |
| Libraries                                                                     | as published on 19 September 2000 |
| Markets                                                                       | as published on 19 September 2000 |
| Museums                                                                       | as published on 19 September 2000 |
| Manufacture, storage, and sale of foodstuffs                                  | as published on 19 September 2000 |
| Nature Reserve                                                                | as published on 19 September 2000 |
| Noise Control                                                                 | as published on 19 September 2000 |
| Nuisance                                                                      | as published on 19 September 2000 |
| Parking                                                                       | as published on 19 September 2000 |
| Parking of Heavy Vehicles and Caravans                                        | as published on 19 September 2000 |
| Public Amenities                                                              | as published on 19 September 2000 |
| Removal of Refuse                                                             | as published on 19 September 2000 |
| Slaughtering of Animals                                                       | as published on 19 September 2000 |
| Street Trading                                                                | as published on 19 September 2000 |
| Taxis and bus ranks                                                           | as published on 19 September 2000 |
| - Unsightly and Neglected Buildings and Premises                              | as published on 19 September 2000 |
| Electricity By laws                                                           | as published on 28 January 2016   |
| KDM Outdoor Advertising Bylaw                                                 | as published on 01 July 2018      |
| Kwa Dukuza Municipal Special Planning and Land Use Management Bylaws No. 2002 | as published on 27 September 2018 |
| Kwa Dukuza Municipality Problem Building Bylaw                                | as published on 01 June 2019      |
| Credit Control and Debt Collection Bylaws                                     | as published on July 2023         |
| Rates Bylaws                                                                  | as published on July 2023         |
| Standing Rules and Orders for the meeting of Council and Committees           | as published on 19 May 2022       |
| Waste Management Removal Bylaw                                                | In the process of being gazetted  |

**KWADUKUZA MUNICIPALITY HAS THE FOLLOWING POLICIES IN PLACE:****TABLE 27: KDM POLICIES**

|     | BUSINESS UNIT                                   | NAME OF POLICY/Framework                                                                                                                                                                                                                                                                                                                                                | DATE /RESOLUTION     |
|-----|-------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| 1.  | Finance                                         | Supply Chain Management Policy for the year 2022/2023                                                                                                                                                                                                                                                                                                                   | 30/06/2022 - C720/22 |
| 2.  | Finance                                         | Preferential Procurement Policy of KwaDukuza Municipality                                                                                                                                                                                                                                                                                                               | 16/01/23 – C1804/23  |
| 3.  | Finance                                         | Policy & Procedure -Unauthorised Irregular, Fruitless and Wasteful Expenditure                                                                                                                                                                                                                                                                                          | 31/03/23-C1998/23    |
| 3.  | Finance                                         | SCM Procurement Policy for the year 2023/2024                                                                                                                                                                                                                                                                                                                           | 31/03/23-C1995/23    |
| 4.  | Finance                                         | Rates policy                                                                                                                                                                                                                                                                                                                                                            | 30/5/23 – C2341/23   |
| 5.  | Finance                                         | Credit control and debt collection policy                                                                                                                                                                                                                                                                                                                               | 30/5/23 – C2341/23   |
| 6.  | Finance                                         | Indigent policy                                                                                                                                                                                                                                                                                                                                                         | 30/5/23 – C2341/23   |
| 7.  | Finance                                         | Tariff policy                                                                                                                                                                                                                                                                                                                                                           | 30/5/23 – C2341/23   |
| 8.  | Finance                                         | Cash management and investment policy                                                                                                                                                                                                                                                                                                                                   | 30/5/23 – C2341/23   |
| 9.  | Finance                                         | Borrowing policy                                                                                                                                                                                                                                                                                                                                                        | 30/5/23 – C2341/23   |
| 10. | Finance                                         | Virement policy                                                                                                                                                                                                                                                                                                                                                         | 30/5/23 – C2341/23   |
| 11. | Finance                                         | Budget policy                                                                                                                                                                                                                                                                                                                                                           | 30/5/23 – C2341/23   |
| 12. | Finance                                         | Funding and reserve policy                                                                                                                                                                                                                                                                                                                                              | 30/5/23 – C2341/23   |
| 13. | Finance                                         | Asset Management Policy                                                                                                                                                                                                                                                                                                                                                 | 30/5/23 – C2341/23   |
| 14. | Finance                                         | Long term financial planning policy                                                                                                                                                                                                                                                                                                                                     | 30/5/23 – C2341/23   |
| 15. | Finance                                         | SCM policy for infrastructure procurement and delivery management                                                                                                                                                                                                                                                                                                       | 30/5/23- C2341/23    |
| 16. | Corporate Service                               | ITC Policy                                                                                                                                                                                                                                                                                                                                                              | 14/10/22             |
| 17. | Corporate Services                              | It Asset Management Policy                                                                                                                                                                                                                                                                                                                                              | 26/01/23 – C1814/23  |
| 18. | Corporate Services                              | KDM Individual Performance Management &Development Policy                                                                                                                                                                                                                                                                                                               | 31/03/23-C1999       |
| 19. | Corporate Services                              | KDM Staff Employment Equity Policy                                                                                                                                                                                                                                                                                                                                      | 31/03/2023-C2000/23  |
| 20. | Corporate Services                              | Staff Bursary Policy                                                                                                                                                                                                                                                                                                                                                    | 31/03/2023-C2001/23  |
| 21. | Corporate Services                              | Review of KDM Staff Recruitment And Selection Policy                                                                                                                                                                                                                                                                                                                    | 26/4/23 C2207/23     |
| 22. | Corporate Services                              | KDM Staff Succession Plan                                                                                                                                                                                                                                                                                                                                               | 26/04/2023-C2208/23  |
| 23. | Corporate Services                              | IT Security Policy                                                                                                                                                                                                                                                                                                                                                      | 28/06/2023- C2490    |
| 24. | EDP                                             | Draft KDM informal business policy                                                                                                                                                                                                                                                                                                                                      | 28/6/23 – C2505/23   |
| 25. | EDP                                             | Draft KDM Informal Business Bylaw                                                                                                                                                                                                                                                                                                                                       | 28/6/23- C 2506      |
| 26. | EDP                                             | Draft KDM Business Licensing Policy                                                                                                                                                                                                                                                                                                                                     | 31/03/23-C2003       |
| 27. | EDP                                             | Draft KDM Business License Bylaw                                                                                                                                                                                                                                                                                                                                        | 31/03/23-C2002       |
| 28. | EDP                                             | Draft KDM Building Control Bylaw                                                                                                                                                                                                                                                                                                                                        | Approved in June     |
| 29. | OMM                                             | KwaDukuza Municipality Public Participation Policy                                                                                                                                                                                                                                                                                                                      | 27/10/22-C4108/22    |
| 30. | OMM                                             | Policy regarding Out-Of-Pocket Expenses for Ward Committee Members                                                                                                                                                                                                                                                                                                      | 31/03/23-C2005/23    |
| 31. | OMM                                             | Risk management policies 2023/24 financial year <ul style="list-style-type: none"> <li>• Enterprise -Wide Risk Management Policy</li> <li>• Enterprise -wide Risk Management Strategy</li> <li>• Enterprise -wide Risk Management Framework</li> <li>• Anti-Fraud and Corruption Policy</li> <li>• Whistle-blowing Policy</li> </ul> Anti-fraud and Corruption Strategy | 28/6/23 – C2515/23   |
| 32. | Electrical Engineering                          | KwaDukuza Draft Energy Policy                                                                                                                                                                                                                                                                                                                                           | 26/4/23 - C2210/23   |
| 33. | Finance/civil, engineering and human settlement | Policy on infrastructure, investments, and capital projects                                                                                                                                                                                                                                                                                                             | 30/5/23 – C2341/23   |
| 34. | COMMUNITY SERVICES & PUBLIC AMENITIES           | KDM Waste Management Removal &KDM Admission of Guilt                                                                                                                                                                                                                                                                                                                    | 28/06/2023- C 2495   |

## 2.4.5 WEBSITES

KwaDukuza Municipality has its own Municipal Website where tenders, council minutes, vacancies, previous annual reports and information that must be publicised in terms of the relevant legislations can be accessed. Information pertaining to all municipal documents and information can be accessed via this site on the following address: [www.kwadukuza.gov.za](http://www.kwadukuza.gov.za)

## 2.4.6 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

A Customer Satisfaction Survey was undertaken during May and June 2023. This was done both online and physical. The survey was planned to be online, however Council felt that people in the deep rural areas would not be able to have access to the survey, thus the need for both online and physical.

The results of the survey align to most of the contents of the annual report on service delivery. The outcomes of public consultation were positive as the residents fully participated in the survey during the data collection processes. The municipality is currently ensuring that all internal processes and submissions to committees are followed before the results are made public.

## 2.4.7 MUNICIPAL OVERSIGHT COMMITTEES

- 2.4.7.1**
- a) Municipal Public Accounts Committee (MPAC)
  - b) Audit Committee (AUDCOM)
  - c) Performance Audit Committee (PAC)
  - d) The Ethics, Fraud and Risk Management Committee (RMC)

### A) MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)

The Committee consists of 10 Councillors of the Municipality, who are not members of the Executive Committee. The Committee examines: -

- The financial statements of all executive organs of Council.
- Any audit reports issued by the Auditor General on the affairs of the Municipality and its Municipal

Entity. Any other financial statements or reports referred to the Committee by the Council.

- The annual report on behalf of the Council. Reports to the Council, through the Speaker, on any of the financial statements and reports referred to above.
- Develops the annual oversight report based on the annual report.
- It initiates any investigation in its area of competence; and
- Performs any other function assigned to it by resolution of the Council.

Members should not serve on any other committee. The Chairperson of the committee is appointed by the Council. MPAC has only one mandatory responsibility – To prepare a draft Oversight Report and other service delivery related matters. Any other responsibilities must be assigned by Council, through the adoption of a Terms of Reference (Charter). Council must also approve an annual Work Programme.

### MPAC MEMBERS

Cllr CP Dumakude  
Cllr N Qwabe  
Cllr E Kolia  
Cllr JF Magwaza  
Cllr SC Mwandla  
Cllr K Naidoo  
Cllr DN Ngema  
Cllr NJ Mpanza  
Cllr AM Baardman



**CLLR TT MKHIZE  
(CHAIRPERSON)**

Councillor A Mhlongo of EFF (Economic Freedom Fighters) ceased to hold office as KwaDukuza Municipality Councillor in January 2023 and was replaced by Councillor CP Dumakude.



## B) AUDIT COMMITTEE (AUDCOM)

Section 166 of the MFMA requires that each municipality must have an audit committee. The audit committee must advise the municipal council, the political office bearers, the accounting officer, and the management of the municipality on matters relating to:

- Internal financial control and internal audits.
- Risk management.
- Accounting policies.
- The adequacy, reliability and accuracy of financial reporting and information.
- Performance management; and
- Effective governance.

### AUDCOM / PAC MEMBERS

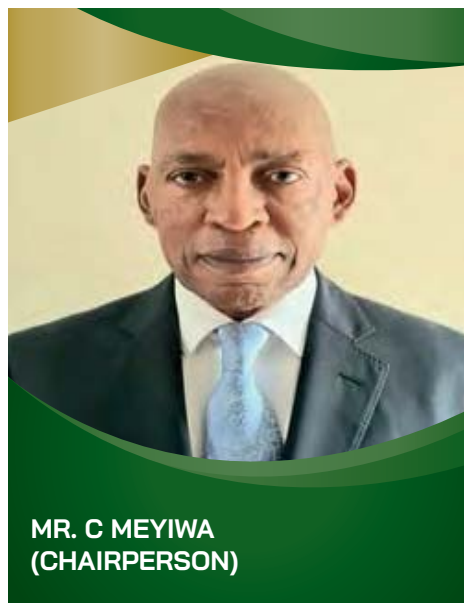
In December 2022, The previous committee with the below mentioned members was dissolved due to end of term of office: Mr. A. Jordaan; Ms. S Gertze; Mr. C Meyiwa; Ms. N Mchunu & Ms. S Mthembu.

As of 1 January 2023, a new committee was established with the following members: Ms N Mchunu; Ms S Mthembu; Ms W Oelofse; Mr C Meyiwa and Mr K Kooverjee.



## C) PERFORMANCE AUDIT COMMITTEE (PAC)

Ms. N Mchunu  
Ms. S Mthembu  
Ms. W Oelofse  
Mr. K Kooverjee



In terms of the Local Government Municipal Performance and Planning Regulations 2001, the functions of the Performance Audit Committee are as follows:

- A performance audit committee must meet at least twice during the financial year: of the municipality concerned.
- A special meeting of the performance audit committee may be called by any member of the committee.
- A performance audit committee may determine its own procedures after consultation with the mayor or the executive committee of the municipality concerned, as the case may be.
- A performance audit committee must –
  - review the quarterly reports submitted to it by Internal Audit;
  - review the municipality's performance management system and make recommendations in this regard to the council of KwaDukuza Municipality; and
  - at least twice during a financial year submit an audit report to the KwaDukuza municipal council.
- In reviewing the municipality's performance management system, the performance audit committee must focus on economy, efficiency, effectiveness and impact in so far as the key performance indicators and performance targets set by the municipality are concerned.
- A performance audit committee may –
  - communicate directly with the council, municipal manager or the internal and external auditors of the municipality concerned;
  - access any municipal records containing information that is needed to perform its duties or exercise its powers;

- request any relevant person to attend any of its meetings, and, if necessary, to provide information requested by the committee; and
- investigate any matter it deems necessary for the performance of its duties and the exercise of its powers.

## D) THE ETHICS, FRAUD AND RISK MANAGEMENT COMMITTEE (RMC)

The Ethics, Fraud and Risk Management Committee is an oversight and support committee which assists the Accounting Officer in discharging his responsibility for ethics, fraud, and risk management by reviewing the effectiveness of the Municipality's ethics, fraud and risk management systems, practices and procedures and providing recommendations for improvement.

Members for Ethics, Fraud and Risk Management Committee comprises both Executive Directors and an external member, who is the Chairperson of the Committee.

The chairperson of Ethics, Fraud and Risk Management Committee is an independent external person appointed by the Council.

The responsibilities of the committee are formally defined in a charter that is approved by Council.



## 2.5 COMPONENT E: BASIC MUNICIPAL SERVICES BY DEPARTMENT

### 2.5.1 ELECTRICAL ENGINEERING SERVICES AND FLEET MANAGEMENT

The Electrical Engineering Services business unit has the responsibility to provide a safe, reliable high-quality electricity and fleet service delivery and electrical infrastructure in an environmentally responsible manner, utilizing best practices through empowered employees who are committed to excellence and customer satisfaction.

The Electrical Engineering Services business unit provides services through an organizational structure that was approved by Council in November 2022. The business unit consists of : -

- a) Two departments – Operations and Planning; and
- b) Four sections –
  - 1) Distribution and Reticulation
  - 2) Network Control and Support
  - 3) Projects and Assets, and
  - 4) Planning and Fleet.

The Business Unit's Top Management Team is made up of the Executive Director Electrical; Director Planning & Fleet and Director Operations.

#### 2.5.1.1 OPERATIONS DEPARTMENT

This section delivers and execute the Asset Management Plan through the teams of network operations, customer services, procurement, and works delivery who are responsible for the efficient operation and maintenance of electrical network as well as the delivery of following works program:

- Repairs and maintenance
- Infrastructure refurbishment
- Revenue management
- Network monitoring and control
- Outage management
- Health, safety and environment program

## 2.5.1.2 PLANNING AND FLEET MANAGEMENT DEPARTMENT

This section is responsible for electrical network planning, engineering design, project engineering, asset information, and asset lifecycle including fleet management.

The teams within department execute electrical network system planning and load forecasting, electrical network assets renewal and replacements strategies, and ensure accurate and up to date asset information and that the following capital programs outputs, outcomes and impact are achieved for service delivery by municipality:

- Public lighting
- Low Voltage network upgrades
- Medium Voltage network upgrades
- Electrification, extensions and infills projects

- Substations upgrades and bulk supplies
- Service connections
- Asset management systems program.

### A) HIGHLIGHTS

- Implementation of panel of contractors for public lighting projects, service connections (electrification, extensions and infills) projects, and repairs and maintenance works.
- Approval by council of the new organizational structure for electrical engineering services.
- Completion of Gizenga substation in Grouteville area.
- Energising of third transformer at Zimbali substation
- Electrification of all funded households including the temporal residential units for April 2022 floods.
- Installation of 25 high masts lighting in different wards.
- Commissioning of SCADA system in substations

### ELECTRICAL BU HIGHLIGHTS IN PICTURES....

Her worship, The Mayor and Councillors at the Opening of the Gizenga Substation.



11kV switchgear at Gizenga Substation





**Steve Biko housing electrification completed.**



**Temporary Residential Units (TRU's) electrified.**



**Zimballi Substation new transformer**



**Commissioning of SCADA at Priority substation and training of municipality staff**

## B) CHALLENGES

**TABLE 28: CHALLENGES AND INTERVENTIONS EBU**

|   | CHALLENGE                              | INTERVENTION                                                                                                                              |
|---|----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Capacity & load shedding               | Building of new Eskom intake substation Dukuza<br>Controlled Small scale embedded generation.<br>SCADA system implementation              |
| 2 | Small scale embedded generation (SSEG) | Policy development and implementation<br>Development of SSEG tariff<br>Installation of new sensitive meters that detects SSEG on network  |
| 3 | Vandalism and theft                    | 24/7 manned security at critical areas<br>Installation and maintenance of electronic security systems<br>Working together with SAPS       |
| 4 | Energy losses                          | Root cause analysis and development and funding of strategies to reduce energy losses<br>Energy audits and raids<br>Smart metering system |
| 5 | Old infrastructure                     | Upgrades projects for LV networks, MV networks and substations                                                                            |
| 6 | Under expenditure on capital projects  | Introducing of panel of contractors<br>Frequent sitting of Supply Chain committees                                                        |

## C) ELECTRICITY APPLICATIONS

The table provides an illustration of the number of applications processed and the different types of applications.

**TABLE 29: ELECTRICITY APPLICATIONS**

| APPLICATIONS PROCESSED          | 2020/21 | 2021/22 | 2022/23 |
|---------------------------------|---------|---------|---------|
| New supply connections          | 616     | 388     | 420     |
| Relaxation                      | 284     | 139     | 107     |
| Subdivision                     | 35      | 17      | 24      |
| Special concern                 | 85      | 15      | 45      |
| B3 and Occupational certificate | 46      | 32      | 91      |
| Encroachment                    | 23      | 19      | 16      |
| Building plans                  | 58      | 31      | 72      |
| SDP                             | 23      | 20      | 32      |
| Wayleave                        | 32      | 85      | 34      |
| Consolidation                   | 21      | 9       | 7       |
| Relocation                      | 150     | 0       | 4       |
| Rezoning                        | 32      | 14      | 32      |
| Billboards                      | 16      | 16      | 16      |

## ELECTRICITY INFRASTRUCTURE

The table below has a list of electricity capacity for the northern and southern regions of the municipality from the period of 2015-2023.

**TABLE 30: ELECTRICITY CAPACITY**

| AREA             | 2015<br>(MVA) | 2016<br>(MVA) | 2017<br>(MVA) | 2018<br>(MVA) | 2019<br>(MVA) | 2020<br>(MVA) | 2021<br>(MVA) | 2022<br>(MVA) | 2023<br>(MVA) |
|------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Northern Network | 57            | 60            | 61            | 61            | 62            | 63            | 64            | 64,4          | 63            |
| Southern Network | 59            | 59            | 68            | 69            | 69            | 71            | 63            | 68,7          | 83            |
| Total            | 116           | 119           | 129           | 130           | 131           | 134           | 128           | 133,1         | 146           |



## D) ELECTRICAL PROJECTS IMPLEMENTED AS PRIORITIES DURING 2022/2023 FINANCIAL YEAR

Below is a list of projects for the electricity department for the 2022/23 financial year. The table provides the budgeted figures, expenditure, and status of each project.

**TABLE 31: ELECTRICAL DEPARTMENT PROJECTS FOR 2022/2023**

| WARDS                                 | ITEM DESCRIPTION                                                 | BUDGET IN (R) | EXPENDITURE IN (R) | STATUS             |
|---------------------------------------|------------------------------------------------------------------|---------------|--------------------|--------------------|
| All                                   | Mechanical Workshop Tools Equipment 360400027                    | 150 000       | 144 000            | Completed          |
| All                                   | Municipal Fleet                                                  | 14 793 976    | 9 356 002          | Work in progress   |
| All                                   | Furniture and Equipment                                          | 50 000        | 39 980             | Completed          |
| All                                   | Safety Equipment and PPE                                         | 180 000       | 110 349            | Completed          |
| All                                   | Tools Equipment                                                  | 180 000       | 166 985            | Completed          |
| 4, 13, 14, 15, 16, 19, 20, 21, 22, 29 | Implementation of KDM Scada System                               | 22 702 744    | 14 617 324         | Under construction |
| 30                                    | New Dukuzu 80MVA Bulk                                            | 11 800 000    | 6 455 022          | Under construction |
| All                                   | Housing Electrification Project                                  | 10 949 996    | 10 949 996         | Completed          |
| 7,20,13                               | Housing Electrification Project (INEP)                           | 7 320 000     | 7 319 869          | Completed          |
| All                                   | Public building services electrical infrastructure refurbishment | 1 600 000     | 230 200            | Under construction |
| 1,2,3,25                              | Streetlights Cluster A 100                                       | 2 100 004     | 2 096 628          | Completed          |
| 3,19,27                               | Streetlights Cluster B                                           | 2 100 004     | 2 044 865          | Completed          |
| 14,15,24,26                           | Streetlights Cluster C                                           | 2 100 004     | 1 982 765          | Completed          |
| 9,10,11,12                            | Streetlights Cluster D                                           | 2 100 004     | 1 843 382          | Completed          |
| 7,8,20,23,28                          | Streetlights Cluster E                                           | 2 100 004     | 2 090 471          | Completed          |
| 4,6,21,22                             | Streetlights Cluster F                                           | 2 100 004     | 2 067 998          | Completed          |
| 5,16,17,18                            | Streetlights Cluster G                                           | 2 100 004     | 2 057 958          | Completed          |
| 1,2,3,25                              | Streetlights Refurbishment Cluster A                             | 1 000 000     | 1 000 000          | Completed          |
| 3,19,27                               | Streetlights Refurbishment Cluster B                             | 1 350 000     | 1 350 000          | Completed          |
| 14,15,24,26                           | Streetlights Refurbishment Cluster C                             | 1 300 000     | 1 300 000          | Completed          |
| 9,10,11,12                            | Streetlights Refurbishment Cluster D                             | 1 850 000     | 1 849 999          | Completed          |
| 7,8,20,23,28                          | Streetlights Refurbishment Cluster E                             | 700 000       | 700 000            | Completed          |
| 4,6,21,22                             | Streetlights Refurbishment Cluster F                             | 500 000       | 500 000            | Completed          |
| 5,16,17,18                            | Streetlights Refurbishment Cluster G                             | 1 000 000     | 1 000 000          | Completed          |
| 1,2,3,25                              | LV Network Upgrades Cluster A                                    | 294 996       | 294 996            | Completed          |
| 3,19,27                               | LV Network Upgrades Cluster B                                    | 1 000 000     | 1 000 000          | Completed          |
| 14,15,24,26                           | LV Network Upgrades Cluster C                                    | 294 996       | 294 996            | Completed          |
| 9,10,11,12                            | LV Network Upgrades Cluster D                                    | 694 996       | 678 620            | Completed          |
| 7,8,20,23,28                          | LV Network Upgrades Cluster E                                    | 294 996       | 294 996            | Completed          |
| 4,6,21,22                             | LV Network Upgrades Cluster F                                    | 294 996       | 288 875            | Completed          |
| 5,16,17,18                            | LV Network Upgrades Cluster G                                    | 294 996       | 294 996            | Completed          |
| 1,2,3,25                              | MV Network Upgrades Cluster A                                    | 358 056       | 133 915            | Under construction |
| 3,19,27                               | MV Network Upgrades Cluster B                                    | 3 323 012     | 1 587 623          | Under construction |
| 14,15,24,26                           | MV Network Upgrades Cluster C                                    | 358 056       | -                  | Under construction |
| 9,10,11,12                            | MV Network Upgrades Cluster D                                    | 2 871 024     | 955 225            | Under construction |
| 7,8,20,23,28                          | MV Network Upgrades Cluster E                                    | 500 000       | -                  | Under construction |

**TABLE 31: ELECTRICAL DEPARTMENT PROJECTS FOR 2022/2023 ...continued**

| WARDS                             | ITEM DESCRIPTION                                                    | BUDGET IN (R) | EXPENDITURE IN (R) | STATUS             |
|-----------------------------------|---------------------------------------------------------------------|---------------|--------------------|--------------------|
| 4, 6, 21, 22                      | MV Network Upgrades Cluster F                                       | 800 000       | -                  | Under construction |
| 5, 16, 17, 18                     | MV Network Upgrades Cluster G                                       | 800 000       | -                  | Under construction |
| 30                                | MV Substations Upgrades and Refurbishment: Driefontein Substation   | 2 281 107     | 88 716             | Under construction |
| 15                                | MV Substations Upgrades and Refurbishment: Stanger Substation       | 4 576 072     | 88 716             | Under construction |
| 19                                | MV Substations Upgrades and Refurbishment: Lavoupiere Substation    | 2 136 784     | 88 716             | Under construction |
| 13                                | MV Substations Upgrades and Refurbishment: Glenhills Substation     | 844 014       | 88 716             | Under construction |
| 22                                | MV Substations Upgrades and Refurbishment: Shakasrock Substation    | 4 164 879     | 177 433            | Under construction |
| 30                                | MV Substations Upgrades and Refurbishment: Ballito Substation       | 1 500 004     | 88 716             | Under construction |
| 30                                | MV Substations Upgrades and Refurbishment: Business Park Substation | 50 004        | -                  | Under construction |
| 22                                | Simbithi Infrastructure Refurbishment                               | 5 000 000     | -                  | Under construction |
| 30                                | Zimbali Infrastructure Refurbishment                                | 5 000 000     | -                  | Under construction |
| 15                                | MV Substations Upgrades and Refurbishment: Gledhow Substation       | 200 000       | 88 716             | Under construction |
| 20                                | MV Substations Upgrades and Refurbishment: Shakaskraal Substation   | 1 037 286     | 88 716             | Under construction |
| 15                                | MV Substations Rebuild: SAPPI Substations - KDM                     | 5 000 000     | -                  | Under construction |
| 4, 13, 14, 15, 16, 19, 20, 21, 22 | Replace Grid Protection Relays                                      | 6 000 000     | 5 987 542          | Completed          |
| 19                                | Replace 33kV Cable between Lavopiere and Industrial Substation      | 7 837 401     | 7 837 400          | Completed          |
| 29                                | Gizenga Substation                                                  | 13 000 000    | 12 307 388         | Completed          |
| 13                                | Lot 14 Substation                                                   | 800 000       | -                  | Under construction |
| 13                                | Lot 14 Substation                                                   | 6 086 957     | 5 091 588          | Under construction |
| 12                                | Tinley Manor 11kV OHL Phase 6 WIP                                   | 1 397 969     | 1 391 626          | Completed          |

## E) FLEET SERVICES

The below are a list of 22 vehicles that have been bought during the 2022/2023 financial year.

**TABLE 32: LIST OF VEHICLES PROCURED DURING 2022/2023**

| NO. | CAR TYPE                                                                                         | BUSINESS UNIT         | PURCHASE PRICE INCL VAT | STATUS    |
|-----|--------------------------------------------------------------------------------------------------|-----------------------|-------------------------|-----------|
| 1   | UD 12 Cube compactor with bin lifters                                                            | Community Services    | R2 431 836,00           | Delivered |
| 2   | UD 4 ton drop side cage truck                                                                    | Community Services    | R1 068 971,00           | Delivered |
| 3   | UD 7 ton drop side cage truck                                                                    | Community Services    | R1 335 725,00           | Delivered |
| 4   | UD 7 Ton Tipping body with passenger rails, rear seats roof for staff to hold. 2 rear doors      | Community Services    | R1 602 764,00           | Delivered |
| 5   | UD 7-ton Croner Mesh tipping body Crew Cab                                                       | Community Services    | R1 552 164,12           | Delivered |
| 6   | UD 7-ton caged tipper trucks with passenger rails, rear seats roof for staff to hold. Rear doors | Community Services    | R1 497 539,00           | Delivered |
| 7   | UD 7-ton caged tipper trucks with passenger rails, rear seats roof for staff to hold. Rear doors | Community Services    | R1 497 539,12           | Delivered |
| 8   | UD Quester 12000lt water tanker with jetting machine                                             | Civils                | R3 274 198,00           | Delivered |
| 9   | Hilux 2.4 GD-6 S/C 4X4 Raider 6MT                                                                | Electrical            | R 503 433,20            | Delivered |
| 10  | Hilux 2.4 GD-6 S/C 4X4 Raider 6MT                                                                | Electrical            | R 503 433,20            | Delivered |
| 11  | Hilux 2.4 GD-6 S/C 4X4 Raider 6MT                                                                | Electrical            | R 503 433,20            | Delivered |
| 12  | Hilux 2.4 GD-6 S/C 4X4 Raider 6MT                                                                | Electrical            | R 503 433,20            | Delivered |
| 13  | Hilux 2.4 GD-6 D/C 4X4 Raider 6MT                                                                | Finance               | R 561 091.90            | Delivered |
| 14  | Hilux 2.0 S/C VVTI S A/C 5MT                                                                     | Community Services    | R 304 421,10            | Delivered |
| 15  | Hilux 2.0 S/C VVTI S A/C 5MT                                                                     | Community Services    | R 304 421,10            | Delivered |
| 16  | Hilux 2.0 S/C VVTI S A/C 5MT                                                                     | Community Services    | R 304 421,10            | Delivered |
| 17  | G05X5 X Drive 30d SAV Black                                                                      | Office of the Mayor   | R 1 336 176.00          | Delivered |
| 18  | G01 X3 x Drive 20d SAV Black                                                                     | Office of the Speaker | R 774 751.00            | Delivered |
| 19  | Hilux 2.4 GD-6 S/C 4X4 Raider 6MT                                                                | Electrical            | R 497 813.15            | Delivered |
| 20  | Hilux 2.4 GD-6 S/C 4X4 Raider 6MT                                                                | Electrical            | R 497 813.15            | Delivered |
| 21  | Hilux 2.4 GD-6 S/C 4X4 Raider 6MT                                                                | Electrical            | R 497 813.15            | Delivered |
| 22  | Hilux 2.4 GD-6 S/C 4X4 Raider 6MT                                                                | Electrical            | R 497 813.15            | Delivered |

## F) ENERGY LOSSES

Kwadukuza municipality purchases bulk electricity from Eskom through three point of supplies which are Driefontein, Shakaskraal and Stanger. Each point of supply has three meters. The average energy purchased per month is 56GWh and average energy sold is 43GWh, which makes an average loss of 13GWh.

Energy Purchase kWh

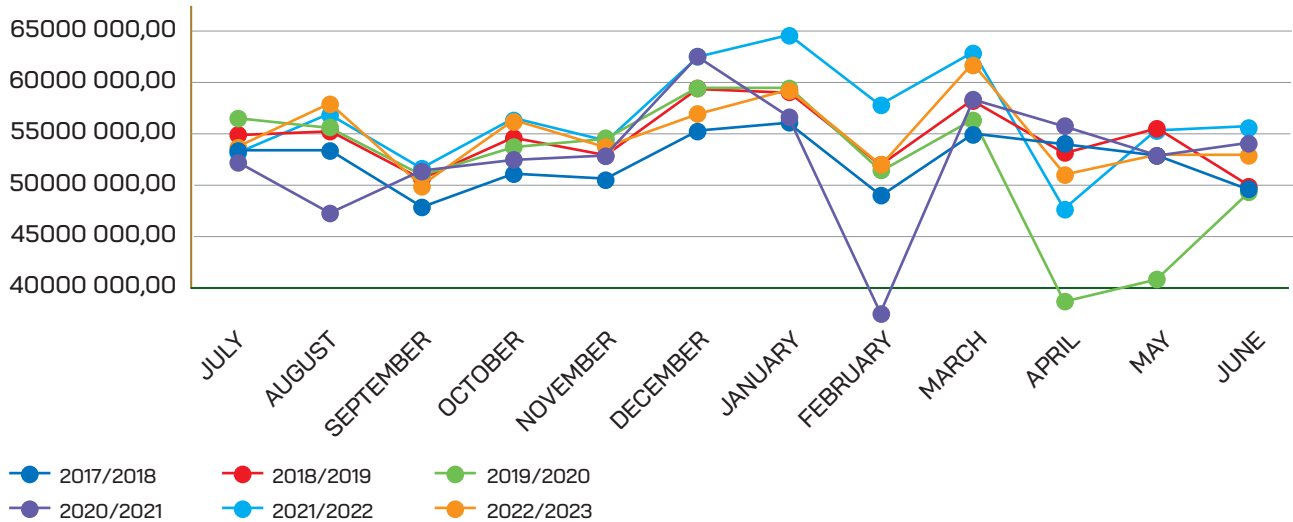


Figure 2: Energy Purchase

Energy Sales kWh

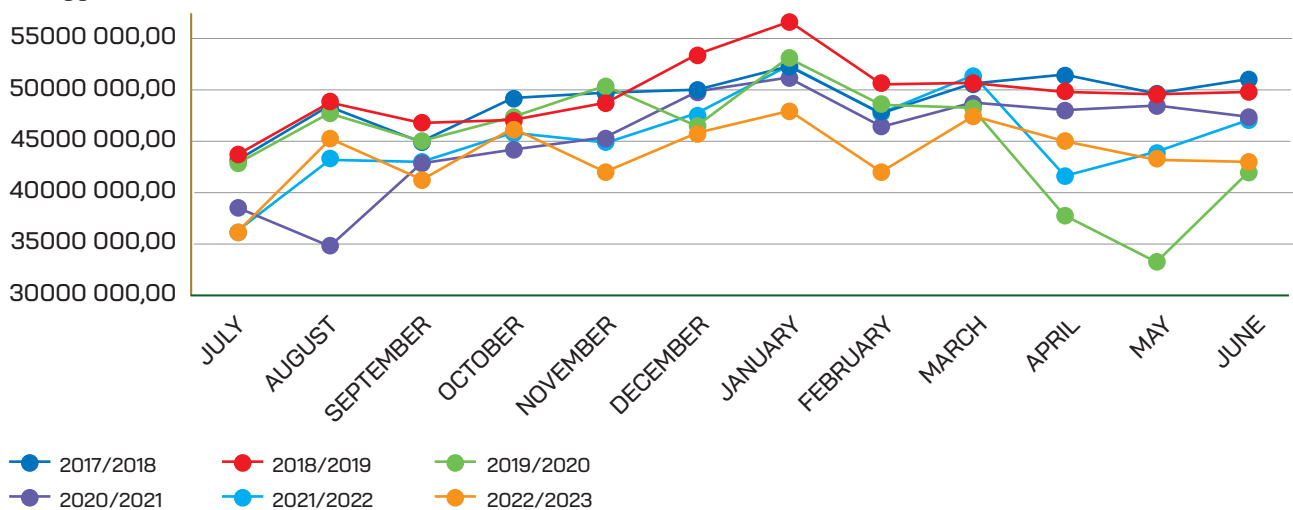


Figure 3: Energy Sales

TABLE 33: AVERAGE ENERGY PURCHASES, SALES & DIFFERENCE

| AVERAGE ENERGY PURCHASES, SALES AND DIFFERENCE |            |            |            |            |            |            |
|------------------------------------------------|------------|------------|------------|------------|------------|------------|
| YEAR                                           | 2017/2018  | 2018/2019  | 2019/2020  | 2020/2021  | 2021/2022  | 2022/2023  |
| Purchases                                      | 54 792 476 | 56 408 594 | 54 637 273 | 55 159 413 | 57 649 500 | 56 489 546 |
| Sales                                          | 45 830 853 | 46 229 430 | 43 195 842 | 43 330 586 | 43 336 730 | 42 148 188 |
| Difference                                     | 8 961 623  | 10 179 163 | 11 441 430 | 11 828 826 | 14 312 769 | 14 341 358 |
| % losses                                       | 16%        | 18%        | 21%        | 21%        | 25%        | 25%        |

## CAUSES OF ENERGY LOSSES

Energy losses are averaged at **13GWh** costing average of **R20M** per month.

- Technical losses average is 10% of 13GWh – **1,3GWh** at average **R2M** per month. (These are defined as network or grid losses related network design. These are losses due to flow of current through conductors).
- Non-Technical losses average is **11,7GWh** costing average of **R18M**. (These are known as commercial losses, any consumed energy but not invoiced for electricity, caused by theft, fraud or malicious and illegal connections to the grid, installation errors, meters deficiency or tampering, lack or delay of payment by consumers, and errors in accounting, billing, and record-keeping).

## STRATEGIES TO REDUCE ENERGY LOSSES

Kwadukuza municipality appointed a service provider through Vuthela Program to do root cause analysis and develop strategies to reduce the energy losses to below 12%. The strategies were developed to be implemented over a period of 5 years.

**TABLE 34: STRATEGIES TO REDUCE ENERGY LOSSES**

| STRATEGY DEVELOPED                                                             | DESCRIPTION                                                                                                                                                                      | STATUS                                                                                                          |
|--------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
| T1 – Eskom point of supply metering assurance                                  | This addresses inadequate control over bulk purchases, by installing and monitoring Eskom check meters                                                                           | 3 check meters have been installed and are monitored on the new acquired PNPSCADA system                        |
| T2 – Ensure all large power users (LPU) are on automatic meter read (AMR)      | Municipality has 493 LPUs and all their meters must be monitored and read remotely                                                                                               | 82 LPUs metering systems have audited and uploaded on PNPSCADA system                                           |
| T3 – Technical and non-technical losses separation                             | This involves simulating losses in order to know areas in the network with most non-technical losses                                                                             | Procurement of software is in progress – tender stage                                                           |
| T4 – Implementation of SCADA                                                   | Implementation of SCADA system to monitor flow of power from Eskom down to all consumers                                                                                         | Installation and commissioning of SCADA in 13 substations is in progress.                                       |
| T5 – Electrification and pre-paid metering of informal settlements             | This addresses illegal connections in the informal settlements. Data concentrators relaying data from meters to back-end system (meter data management system) will be installed | 250 households of Murugan road have been electrified and Nyoniyamanzi is in progress                            |
| F1 – LPU customer audits and consumption verification                          | This involves remote meter reading and analysis and affects back billing where required                                                                                          | 82 LPUs metering systems have audited and uploaded on PNPSCADA system                                           |
| F2 – Bulk metering of stands with multiple prepaid meters                      | This involves reduction on number of meters by installing bulk meters                                                                                                            | This activity has not started                                                                                   |
| F3 – Small power users metering/ vending assurance                             | This involves auditing of both conventional and prepaid metered customers                                                                                                        | This activity is planned for 2023/24. The customer network link (CNL) information is currently being collected. |
| F4 – Review of credit control processes and activities                         | This involve introduction of digital mobile platforms to manage credit control activities and utilizing data and workforce management system                                     | This activity has not started                                                                                   |
| I1 – Intra and interdepartmental standard operating procedures enhancement     | Develop and document business processes for managing of meter to cash processes performed by Finance and electrical departments                                                  | This activity has not started                                                                                   |
| I2 – Tariff study and review                                                   | Review all tariffs and develop new ones for small, embedded generation                                                                                                           | Reviewed tariffs presented to NERSA and waiting for approval of cost of supply before implementation            |
| I3 – Implementation of municipality customer relations management system (CRM) | Establish an integrated customer care centre for iLembe region and rollout CRM system                                                                                            | Feasibility study done through Vuthela Program                                                                  |



**TABLE 34: STRATEGIES TO REDUCE ENERGY LOSSES** ...continued

| STRATEGY DEVELOPED                                                             | DESCRIPTION                                                                                           | STATUS                                                                                                                                    |
|--------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|
| I4 – Implementation of single platform iLembe indigent management system       | Develop integrated indigent management system in order to minimise free basic electricity issues      | Planned to start after securing funds                                                                                                     |
| I5 – Implementation of data warehouse and business intelligence (BI) platforms | The central system to be developed to assist in data cleansing and for decision support and reporting | Planned to start after securing funds                                                                                                     |
| I6 – Establishment of revenue protection unit                                  | An independent team to manage all revenue protection activities                                       | Organizational structure developed and Council to approve.<br><br>Raids on both metered and unmetered service connections are in progress |
| S1 – Community engagement                                                      | Develop and implement awareness campaigns and communication platforms for energy losses               | Planned to start                                                                                                                          |

Meter installations that have been audited and uploaded on the Automatic Meter Reader (AMR) system PNPSCADA where all point have seals installed



## TEST BLOCKS BEFORE AND AFTER



## CURRENT TRANSFORMERS BEFORE AND AFTER





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### Overview

You are logged on to your account on PNPSCADA server Gideon.

You have [85 Meter Accounts](#) on your account.

You have [2 Meter Account Groups](#) on your account.

You have [86 Meters](#) on your account.

You have [12 Elster A1700s](#) on your account.

You have [2 Landis & Gyrs \(DLMS\)](#) on your account.

You have [22 Landis & Gyrs \(IEC61107\)](#) on your account.

You have [3 Tariffs](#) on your account.

| ID                  | Name         |
|---------------------|--------------|
| <a href="#">238</a> | KDM Tariff 1 |
| <a href="#">239</a> | KDM Tariff 3 |
| <a href="#">240</a> | KDM Tariff 9 |

You have [1 Login Account](#) on your account.

| Login Name                  | Full Name   |
|-----------------------------|-------------|
| <a href="#">kdm-finance</a> | KDM-Finance |

The PNPSCADA system used for AMR (automatic meter read)



SCADA panel in Gizenga substation



SCADA HMI screen at Zimbali substation

## G) PUBLIC LIGHTING

TABLE 35: REFURBISHMENT OF STREETLIGHTS

| WARD   | NUMBER OF STREETLIGHTS | ROADS/ STREETS                                                                                                                                                                                                                                                                                                                                  |
|--------|------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 17     | 88                     | Rajoo Street P1; Laher Street P1; Joelah Drive P1; Sugra Street P1; Anisha Street; Abraham Drive                                                                                                                                                                                                                                                |
| 12     | 66                     | Thembeni                                                                                                                                                                                                                                                                                                                                        |
| 7      | 52                     | Etete                                                                                                                                                                                                                                                                                                                                           |
| 29     | 18                     | Dube village                                                                                                                                                                                                                                                                                                                                    |
| 26     | 36                     | Ntshawini                                                                                                                                                                                                                                                                                                                                       |
| 22     | 54                     | Cowlyn Drive; Melinad; Crest Fayle; Mc Donald                                                                                                                                                                                                                                                                                                   |
| 22     | 23                     | Melinad; Crest; Fayle; Mc Donald                                                                                                                                                                                                                                                                                                                |
| 30 & 6 | 102                    | Gazelle Road; Marion Road; Ofstrand Road; Ocean Drive; Sandra Road; Sable Road; Kudu Road; Impala Cres; Dolphin Cres; Salsbury road; Adrian Road; Stella Road; Hill Lane; Jack Powel Road; Lindsay; Hawkins; Edward road; Sandra; Compensation beach rd.; Madaline; Minerva; Adrienne; Ocean Drive and Simbithi Drive; Leonardo Drive; Hillary; |
| 30     | 44                     | P445 From BP to McDonalds robots; Business Park area; Ballito Drive                                                                                                                                                                                                                                                                             |
| 11     | 20                     | Blythedale Umvoti Drive                                                                                                                                                                                                                                                                                                                         |
| 13     | 92                     | Ogle Road; Steve Biko                                                                                                                                                                                                                                                                                                                           |



**TABLE 36: NEW HIGH MAST LIGHTING**

| WARD NO | LOCATION                                       |
|---------|------------------------------------------------|
| 13      | Steve Biko                                     |
| 27      | Dendethu                                       |
| 15      | Gledhow Hesto intersection                     |
| 26      | Ntshawini Hall                                 |
| 11      | Thembeni Primary School                        |
| 12      | Tinley Manor First car park                    |
| 29      | Dube Village                                   |
| 21      | Sinqobile Settlement                           |
| 17      | Stanger Manor drive R74 Intersection           |
| 16      | Nyoniyamanzi                                   |
| 24      | Ntshawini Church                               |
| 19      | R102-R74 intersection                          |
| 2       | Zamani                                         |
| 10      | Groutville Mission- Near shop                  |
| 5       | Section E- Next to hall                        |
| 12      | 10 Acre area                                   |
| 22      | Next to Tiffany Spar                           |
| 27      | Kearsney- across Post office near a settlement |
| 7       | Tinley Manor primary school Etete              |
| 3       | New Guelderland - Hall                         |
| 28      | C1 Nkobongo Area                               |
| 1       | Hilltop area                                   |
| 15      | Ntshawini- Sqeda tuck shop                     |
| 20      | Knock out tavern                               |
| 25      | Sakhuxolo sports centre                        |

**HIGH MAST LIGHTING – 2 DIFFERENT TYPES**

## 2.5.2 COMMUNITY SERVICES AND PUBLIC AMENITIES

### A) SOLID WASTE MANAGEMENT SERVICES

Section 156 (read in conjunction with Schedule 4B and 45) of the Constitution of South Africa (Act 108 of 1996), assigns cleansing and solid waste removal and disposal to Municipality. KwaDukuza Municipality has established a Solid Waste Management division whose mandate is to provide solid waste removal, transportation, disposal, and general cleanliness of the streets as well as public areas.

KwaDukuza Municipality has a serious challenge of illegal dumping and litter in most of the wards especially in the peri-urban areas that are along the R102 corridor which include Darnall/Zamani township, Gledhow, Ntshawini, Groutville, Charlottedale, Ethembeni, eTete, Shakaskraal, Shakashead and Driefontein. This challenge is directly linked to the rapid growth experienced by KwaDukuza Municipality as an economic hub within iLembe family of municipalities. Illegal dumping leads to environmental pollution, exposes communities to unhealthy environment, unhealthy odors and most often the decomposed material, toxic waste is carried to water streams by heavy rains, thus polluting rivers, and streams.

The waste management section during the 2022/2023 financial year has continued to improve its functionality through the development and implementation of a multi pronged strategy coined “Program for Change”. The “Program for Change” strategy underpinned by five key focus areas that will bring enhanced waste management services.

**The five key focus areas are entailing the following:**

- As a rapid response (short-term) KDM has established an Illegal Dumping Team constituting of the TLB Operator, Tipper Truck Driver and Five-member crew that will focus on the clearing of illegal dumps.
- Tabling of a feasibility report before Council regarding the extension of roadside refuse removal service to high populated areas that are currently serviced via communal skips.
- Establishment of the education and awareness sub-directorate to drive a rigorous/massive awareness campaign (Change Management).
- Establishment of Municipal bylaws enforcement unit that will ramp up the enforcement thereby harshly and decisively deal with those responsible for illegal dumping and litter.
- Establishment of collaborative efforts with the stakeholders' citizens, KDM EDP, KDM Civil Engineering, iLembe District Municipality. NPO's,

Business, KZN Department of EDTEA, Taxi Association, Informal Traders, Chamber of Business, Ratepayers Associations & Waste Recyclers.

It must be stressed that KwaDukuza Solid Waste Management Services understands that the significant challenges we face with regards to illegal dumping and culture of throwing away litter cannot be solved with the same level of thinking that created the problem.

There is a need for change and a new level of thinking to solve waste management problems in KwaDukuza. Each problem has at its source that is started by violations that people think are inconsequential. Littering is one such conduct that is seen as minor by citizens of KwaDukuza without them realizing the long-term adverse effects. Littering is the forebearer of illegal dumping it is often started by one irresponsible resident/individual and eventually the whole neighborhood would dump waste in the street corners.



Figure 4: Provides an illustration of how minor act of litter can turn into an illegal dump



It is for that reason that management has continuously arranged the division's systems, processes, procedures, and resource for optimal service provision. This includes hardwiring of innovative, purpose made approaches in all the operations of the division and insist on strong control environment with practical and routinely executed internal controls aimed at improving performance.

### HIGHLIGHTS:

KwaDukuza had its Integrated Waste Management Plan endorsed by the Minister of Economic Development, Tourism and Environmental Affairs. KDM Solid Waste Management Division acquired additional compactor truck towards the extension of kerbside collection to the wards currently serviced through communal skips. Extension of kerbside collection in the areas done by the PPP Contractor, thus allowing residents of Ward 12, Ward 29, and Ward 9 to have proper refuse removal service.

KDM Solid Waste Division acquired truck with canvas and seats for transportation of its night shift workers. This will allow workers to work until late ensuring that KwaDukuza town is free of litter. KDM Solid Waste Management Division acquired a Skip loader truck to assist with bulk refuse removal from wards where kerbside collection service is not provided and to provide service in commercial businesses and industrial areas. KDM Solid Waste Management Division acquired a Tipper truck that will be used illegal dump clearing operations. KDM Solid Waste Management Division initiated ward based quarterly clean up campaigns in collaboration with social partners.

KDM Solid Waste Management Division has forged good and progressive partnerships with EDTEA and

DDFE with regards to utilization of EPWP Beneficiaries for cleansing and illegal dumping clearances in wards and the CBD. KDM Solid Waste Management Division has appointed Education and Awareness Officer who will drive education and awareness programs for the section targeting different stakeholders such as KDM EDP, KDM Civil Engineering, businesses such as AQuelle, informal traders, schools, taxi association, waste recycler and communities. This is towards changing the mind-set amongst the members of the public in relation to best waste handling methods.

KDM Solid Waste Management Division has made strides towards waste minimization initiatives which are aiming at reducing littering, reducing the amount of waste that goes to the landfill:

KDM Solid Waste Management Division has developed a recycling and waste buy-back center in Ward 26, Ntshawini. Commencement of operations in the waste transfer station situated in No. 7 Yellowwood Drive. This facility is responsible for the transfer of waste from household, industrial and commercial sites to materials recovery (recyclables) as well as disposal (landfill management). Its main objective is the promotion of a clean and healthy environment around KwaDukuza. KDM Solid Waste Management Division acquired cage truck towards recycling initiatives within the Municipality. KDM Solid Waste Management Division procured additional 12 Steel Bulk Refuse Containers (Skips) – 8 cubic meters and 14 cubic meters for extension of business services and for replacement of damaged skips in the wards. KDM Solid Waste Management Division tabled a reviewed draft Waste Removal By-Law before portfolio committee.



Practical Completion of KDM Waste Buy-Back centre in Ward 26, Ntshawini



Additional 12 Steel Bulk Refuse Containers (Skips) extension of business services and for replacement of damaged skips



New compactor truck, cage truck for recycling cage truck



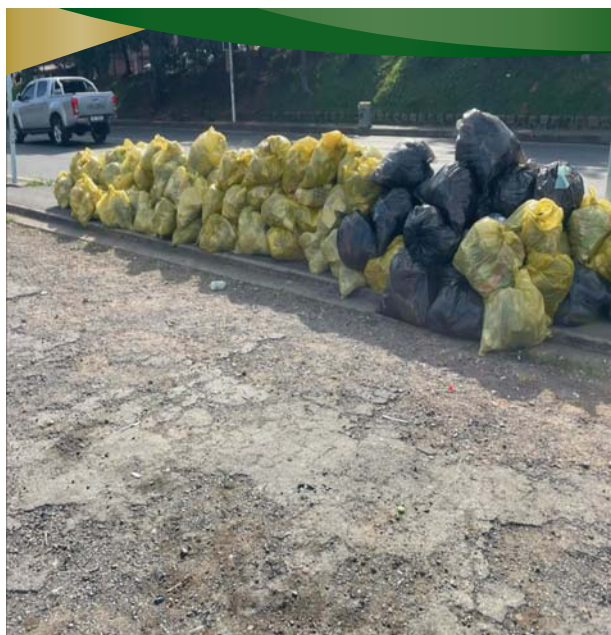
BEFORE



AFTER

Illegal dumping clearance using TLB and Tipper Truck, Ward 11, Thembeni area.





On-going door to door CBD Businesses; Flats; and Informal Travel: KwaDukuza Clean-up campaign within the KDM CBD with different stakeholders

**TABLE 37: CHALLENGES & POSSIBLE SOLUTIONS:**

| CHALLENGES                                                    | POSSIBLE SOLUTIONS                                                                                                                                                                              |
|---------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Refuse trucks breakdowns & poor turnaround time on repairs.   | Improvement of workmanship at the workshop and increase workshop staff complement.<br>Continuous engagement with the Workshop Management to try and come up with the lasting solution           |
| Untidiness of CBD streets                                     | One-on-one engagement with business owners underway Encourage use of wheelie bins by shop owners.<br>We will engage formal and informal traders through interactions and educational workshops. |
| Illegal dumping in wards and CBD                              | The section will conduct education and awareness sessions with community members, bylaws enforcement and clean up campaigns.                                                                    |
| By-laws enforcement<br>Enforcement of waste management bylaws | Ongoing issuing of fines to people found dumping.<br>The community to assist with taking pictures of people found dumping, more especially vehicle registration numbers.                        |

## B) BEACH AMENITIES

KwaDukuza is a coastal municipality comprising of approximately a 50km stretch of coastline on its eastern boundary from Tongaat river in the South to just beyond the Zinkwazi River in the North, its pristine coastline and beaches is a major attraction for local and international tourists. There are currently 10 beach nodes, namely Salmon Bay, Willard Beach, Thompson's Bay, Shakas Rock, Salt Rock, Sheffield, Tinley Manor, Blythedale Beach, Nonoti Beach and Zinkwazi Beach.

Beach amenities is responsible for the daily management and maintenance of the beach public facilities and the coastline area, which runs between Tongaat river mouth and Zinkwazi river mouth. All maintenance related work and operations are carried out in line with the blue flag requirement as per WESSA guidelines and regulations. The Blue Flag is an international annual award, which focuses on the environmental management of our coastline and coastal waters to help tourism growth and development. The Blue Flag program offers many benefits: improved tourism facilities, enhanced management of coastal ecosystems, increased awareness of the coast and capacity building of coastal municipalities.

The five main components of a blue flag beach are as follows:

- Clean water- Water quality must meet the acceptable standard, and this requires that water must be tested regularly to analyze water for any possible contamination.
- Clean coasts – the beach and surroundings must be always kept clean.
- Safety – the beach must have safety measures in place to ensure the safety of beach users.
- Access for all- beach must be accessible by everyone including people who have disabilities, of which to this end the municipality has procured special beach wheelchairs and beach mats for people living with disabilities who may want also to enjoy using the beach.
- Education- the site must have relevant educational information displayed and conduct educational activities.

The blue flag status is awarded to beaches that meet the above criteria; however, should the beach fail to maintain or improve its facility the beach may lose its status. It is therefore important to ensure the standards are maintained to the satisfaction of the programme (WESSA) so that the municipality does not lose the status. The blue flag awards are done yearly at different locations where all compliant beaches are awarded.

### THE FOLLOWING BEACH FACILITIES RECEIVED THEIR FIRST FULL BLUE FLAG STATUS:

Thompsons Bay Beach  
Willard Beach  
Blythedale Beach

### WHILE THE FOLLOWING BEACHES REMAINED ON BLUE FLAG PILOT STATUS

Salt Rock Beach  
Zinkwazi Main Beach  
Tinley Manor Beach

### FOR 2023/2024 NEW APPLICATIONS WERE SUBMITTED FOR FULL STATUS BLUE FLAG FOR THE FOLLOWING BEACHES

Thompsons Bay Beach  
Willard Beach  
Blythedale Beach  
Salt Rock Beach

KZN Department of Economic Development, Tourism and Environmental Affairs (EDTEA) approved a KwaDukuza Coastal Maintenance Management Plan which its prime objective is to provide preapproval for any coastal maintenance and emergency work for the beach infrastructure for a period of five years. This authorization makes provision for most of the possible remedial work on the KwaDukuza Coastline.

## HIGHLIGHTS

- Completion of the refurbishment of the Salt Rock Lifesavers Building
- Completion of the refurbishment of the Thompsons Bay Beach Lifesavers Building
- Clark Bay Lifesavers Building
- Refurbishment of the Ballito Promenade
- Upgrade of the Willard Beach Car Park and dune rehabilitation
- New Vehicles were procured for the unit
- Awarding of full Blue Flag Status for 3 beaches.
- Launching of beach wheelchairs and mats, during the Para surfing event, which is part of the Ballito Pro.

## CHALLENGES

- Ageing fleet, which is continually breaking down, and take a long time to repair.
- Lack of adequate fleet to service the entire coastline
- Lack of adequate budget for maintenance of the beach infrastructure
- Massive storm damages to beach infrastructure





**The Refurbishment of the Ballito Promenade**



**The Dune Rehabilitation for the Willard Beach**



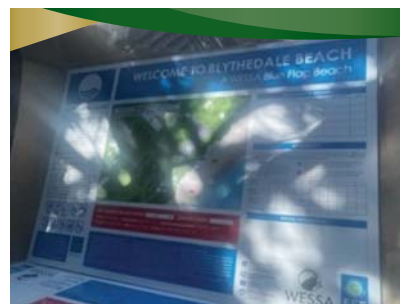
**Upgrade to Willard Beach Car Park**



**Refurbishment of the Thompsons Bay Beach Lifesavers Building**



**Refurbishment of Clark Bay Lifeguard Building**



Blue Flag Beaches, official signage boards from WESSA.





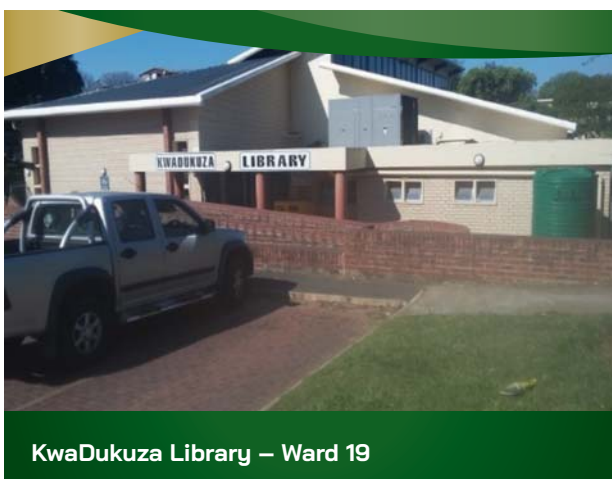
Mayoral site visit to Thompson Bay Beach and hoisting of the Blue Flag.

## C) LIBRARIES, MULTI-PURPOSE COMMUNITY CENTRE AND COMMUNITY HALLS

### LIBRARIES

The primary purpose of the public libraries is to provide resources and services in a variety of media to meet the needs of individuals and groups for education, information and personal development including recreation and leisure. They have an important role in the development and maintenance of a democratic society by giving the individual access to a wide and varied range of knowledge, ideas and opinions.

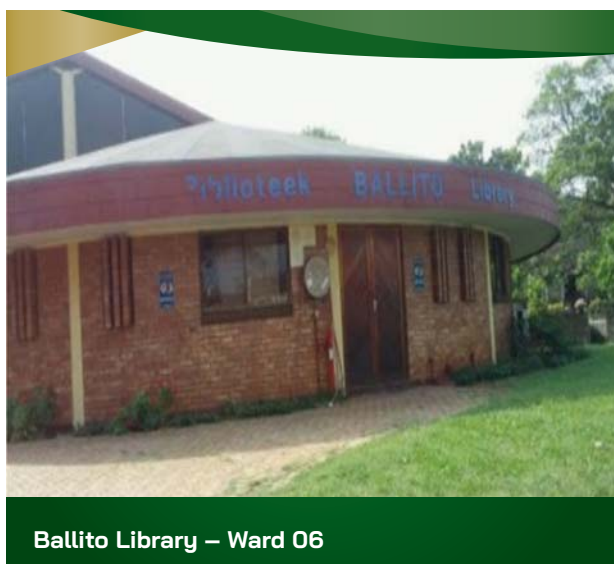
The KwaDukuza Municipality has six libraries as follows:



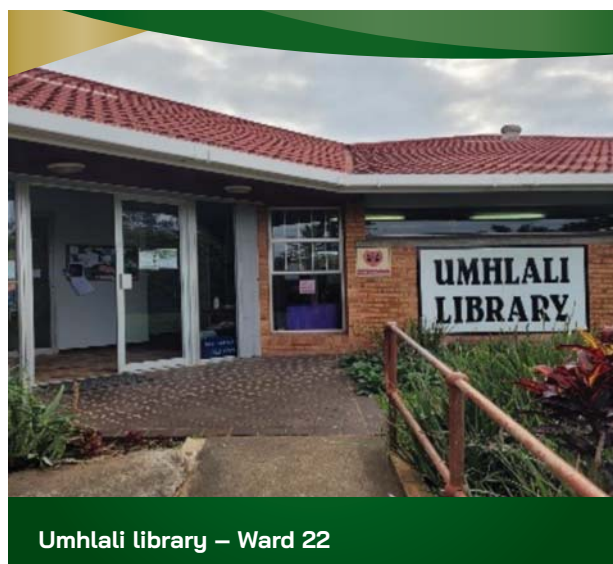
KwaDukuza Library – Ward 19



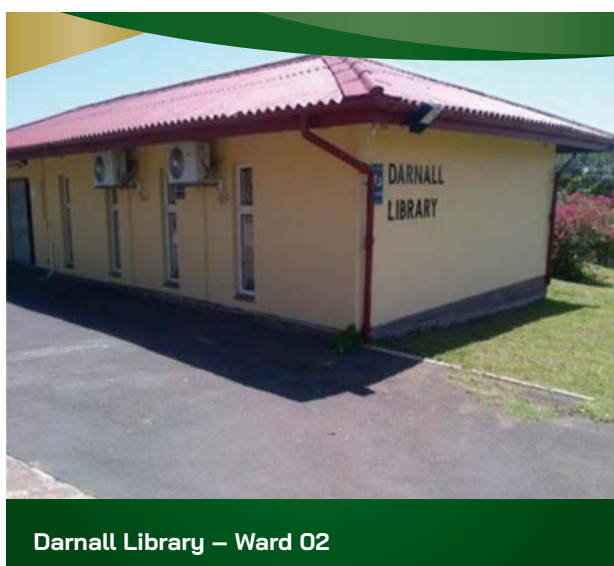
Stanger Manor Library – Ward 17



Ballito Library – Ward 06



Umhlali library – Ward 22



Darnall Library – Ward 02



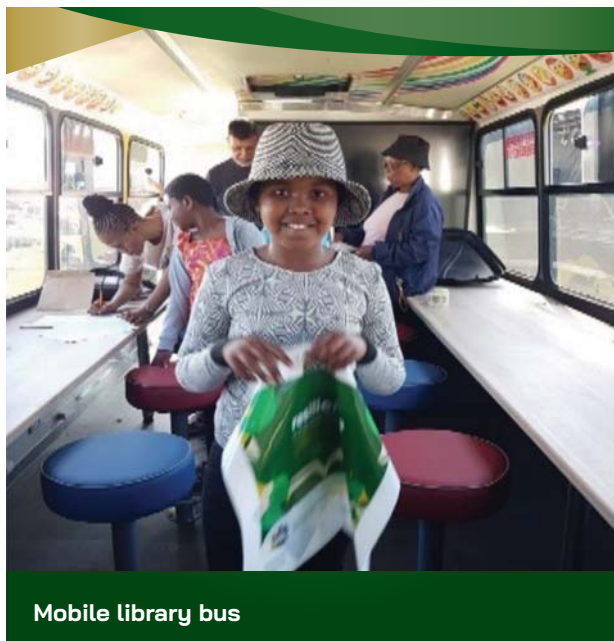
Shakaskraal Library – Ward 28

**TABLE 38: SERVICES THAT ARE OFFERED BY THE KWADUKUZA LIBRARIES**

| LIBRARY                     | BOOKS | AUDIO VISUAL | COMPUTERS FOR PUBLIC | CYBER CADET | GAMING | TOY LIBRARY | MINI LIBRARY FOR THE BLIND | E-BOOKS | ACTIVITIES ROOM |
|-----------------------------|-------|--------------|----------------------|-------------|--------|-------------|----------------------------|---------|-----------------|
| KwaDukuza Library           | Yes   | No           | Yes                  | Yes         | No     | No          | Yes                        | Yes     | Yes             |
| Stanger Manor Library Manor | Yes   | Yes          | Yes                  | Yes         | No     | No          | No                         | Yes     | Yes             |
| Ballito Library             | Yes   | Yes          | Yes                  | No          | No     | Yes         | No                         | Yes     | Yes             |
| Shakaskraal Library         | Yes   | Yes          | Yes                  | Yes         | Yes    | No          | No                         | Yes     | No              |
| Umhlali Library             | Yes   | Yes          | Yes                  | No          | No     | No          | No                         | Yes     | Yes             |
| Darnall Library             | Yes   | Yes          | Yes                  | No          | No     | Yes         | No                         | Yes     | No              |

## CYBER CAFÉ

A Cyber Café that was funded by Provincial Library Services can be found at the KwaDukuza, Stanger Manor, Ballito, Shakaskraal, Umhlali and Darnall Libraries. KwaDukuza, Stanger Manor and Shakaskraal library have a Cyber Cadet to ensure the smooth operation of these Cyber Cafes. The Department of Sport, Arts and Culture has adjusted the conditional grant funding for the 2022/2023 financial year considering the need for cyber cadets at Ballito and Darnall library due to high usage of public computers meaning Ballito library and Darnall library will have cyber cadet from 2023/2024 financial year. The Cyber Cadets also offer the free basic computer training to the interested library users and the certificates of attendance are being issued to the attendees after completion of the training. KZN Provincial Library Services have provided all six libraries with public access computers with free internet access and the KwaDukuza Municipality is responsible to provide IT support in all libraries.



Mobile library bus

## OUTREACH PROGRAMMES

The KwaDukuza libraries division undertook and participated in many outreach programmes. The aim of the outreach programmes is to promote the services offered by the libraries and encourage people to enrol at the library with a view to educate the entire community about library services. Furthermore, library practitioners assist in setting up school libraries so that children who are unable to visit the public libraries at least they can use school library to borrow books and do their assignments.

The libraries division managed to do outreach on 29 and 30 June 2023 at Winter Fair after. The Mobile Library bus from Department of Sport, Arts and Culture was present and gift packs was given to all persons visited the Mobile library bus. The main aim of the library outreach was to promote the library serves including e-books service. People were encouraged to enrol at their nearest library.



Library stand at winter fair

## MINI LIBRARY FOR THE BLIND

The Mini library for the blind was introduced at KwaDukuza library was introduced by KZN Provincial Library Services. The KwaDukuza Library have received all the necessary equipment which is: Desktop computer, which is installed with the Jaws programme, Document Reader, Daisy Machine, Table, 2Chairs, Filing Cabinet, Banner and two posters for promotion.

The library works with the community and the social worker to get more people aware of the service that is provided at the KwaDukuza library. Banner and posters informing the community about this service are displayed at KwaDukuza library.

## E-BOOKS SERVICES

All KwaDukuza libraries offer e-books services, which allow members to access books on tablets, smartphones and Chrome books. It is reported that Ballito library currently has the highest e-books registered members. E-book's service is available 24/7 and it is easy: browse checkout, download, automatic returns and no late fees. Visit your library for step by step on how to access e-books.



**TABLE 39: COMMUNITY HALLS**

| NO | NAME OF HALL             | WARD | NO | NAME OF HALL                    | WARD |
|----|--------------------------|------|----|---------------------------------|------|
| 1  | Sokesimbone Hall         | 1    | 20 | Chris Hani Hall                 | 15   |
| 2  | Zamani Hall              | 2    | 21 | Mdoniville Hall                 | 16   |
| 3  | Nonoti Old Library       | 2    | 22 | Stanger Manor Hall              | 17   |
| 4  | Nyathikazi Hall          | 3    | 23 | Shakaville Hall                 | 18   |
| 5  | Nonoti Mouth Hall        | 3    | 24 | Mbozamo Hall                    | 18   |
| 6  | Shakashead Hall          | 4    | 25 | Town Hall                       | 19   |
| 7  | Lindelani A Section Hall | 5    | 26 | Supper Room Hall                | 19   |
| 8  | Lindelani E Section Hall | 5    | 27 | R.A. Moodley Hall               | 19   |
| 9  | Velani Hall (Tete)       | 7    | 28 | Etete Snyman Hall               | 20   |
| 10 | Nkobongo Hall            | 8    | 29 | Driefontein Old Hall            | 21   |
| 11 | Malende Hall             | 9    | 30 | Driefontein Hall                | 21   |
| 12 | Hangus Hall              | 9    | 31 | Shayamoya Hall                  | 23   |
| 13 | Mgigimbe Hall            | 9    | 32 | Vulinqondo Hall                 | 25   |
| 14 | Groutville Hall          | 10   | 33 | Mdlebeni Hall                   | 25   |
| 15 | Thandanani Hall          | 11   | 34 | Ohlange Hall (snags incomplete) | 25   |
| 16 | Thembeni Hall            | 12   | 35 | Ntshawini Hall                  | 26   |
| 17 | Shayamoya Hall           | 13   | 36 | Madundube Hall                  | 27   |
| 18 | Glenhills MPCC Hall      | 13   | 37 | Mellow wood Hall                | 28   |
| 19 | Lloyd Hall               | 14   | 38 | Groutville Dube village Hall    | 29   |

**TABLE 40: MAJOR RENOVATIONS DONE AT THE HALLS DURING 2022/2023 FINANCIAL YEAR:**

| HALL NAME                | WARD NO. | NATURE OF RENOVATION                                                          | FINANCIAL IMPLICATIONS | SUPPLIER                                                          |
|--------------------------|----------|-------------------------------------------------------------------------------|------------------------|-------------------------------------------------------------------|
| Zamani Hall              | 2        | Full renovation and burglar gates                                             | R166 379               | Umsebenzi Group and Myeza Civils                                  |
| Nyathikazi Hall          | 3        | Full renovation                                                               | R170 370               | Umsebenzi Group                                                   |
| Lindelani E Section Hall | 5        | Installation of burglar gates                                                 | R19 900                | Msomisbu Engineering                                              |
| Velani Hall              | 7        | Repair concrete palisade fencing.                                             | R112 944               | Onombuthu                                                         |
| Thandanani Hall          | 11       | Clear septic tank<br>Repair roof leaks                                        | R33 600                | D&M High pressure constructors and C4S Hospitality                |
| Thembeni Hall            | 12       | Replace wire fencing with concrete palisade fencing and installation of gates | R441 949               | Onombuthu, Ukhozi distributors                                    |
| Shayamoya Hall           | 13       | Full renovation, burglar guards and repairing of fencing                      | R138 506.24            | Onombuthu (Pty), Ziphozamatiwane Supplies and Ukhozi Distributors |
| Lloyd Hall               | 14       | Replace change room doors, repair floor, repair main door lock and latches    | R55 700                | Myeza Civils                                                      |
| Mdoniville Hall          | 16       | Full renovation                                                               | R76 300                | SI Africa Trading                                                 |
| KwaDukuza Town Hall      | 19       | Repair curtain and curtain mechanism, repair roof leaks and ceiling board.    | R50 000                | SI Africa Trading R50 000                                         |
| Nkobongo Hall            | 8        | Installation of burglar bars to lower windows                                 | R80 100                | Future Valdo Projects                                             |
| Mgigimbe hall            | 9        | Renovations                                                                   | R72 250.00             | JKDM Company                                                      |
| Malende Hall             | 9        | Install burglar gates                                                         | R12 247.50             | Shekane Engineering                                               |
| Thandanani hall          | 11       | Repair roof leaks and damaged ceiling board                                   | R80 000.00             | C4S Hospitality                                                   |
| Shayamoya Hall           | 13       | Install burglar bars and gates                                                | R60 966.00             | Qwabe Elihle Pty Ltd                                              |
| Lloyd Community Hall     | 14       | Install bards into burglar bar screens                                        | R26 871.27             | Shekane Engineering                                               |
| Shakaville Hall          | 18       | Full renovation                                                               | R128 999               | Myeza Civils                                                      |
| KwaDukuza Town Hall      | 19       | Installation of air conditioners                                              | R591 027.00            | Masina Engineering                                                |



## MULTI- PURPOSE COMMUNITY CENTRE (MPCC)

The Glenhills MPCC became fully functionally during the council's previous terms (2011-2016). The operations of this Centre took place after the review of the 1st generation of the MPCC in the country by the GCIS and Office of the Presidency. This culminated in the adoption of the branding name of MPCC to the Thusong Community Centre's. The Glenhills MPCC/Thusong Centre has been identified as a unique case because of its location and proximity to existing community service centers (Government Offices in the CBD). The operation of the MPCC is based on the objectives of the strategic 2nd generation which are:

- To bring government information and service providers closer to the people to promote opportunities as a basis for improved livelihoods.
- To promote cost-effective, integrated, efficient and sustainable service provision to better serve the needs of citizens.
- To build sustainable partnerships with government, business, and civil society.
- To create a platform for greater dialogue between citizens and government

Therefore, the Glenhills MPCC strive to fulfill its mandate considering its location and proximity to various government services within KwaDukuza CBD. The Glenhills MPCC has been operating in pursuit of its original inception goals and in line with Thusong Service

Centre Operating Guidelines/Business Plan. The MPCC over the years have persuaded various government agencies to take permanent residency in the Centre but all in vain. The main reason for the government agencies/ departments not to take permanent occupation at the center is its proximity to KwaDukuza CBD, where most of them have permanent offices.

The MPCC does house some of government agencies but not on the permanent basis. The MPCC has been able to forge various partnerships with various community-based organizations/service providers who provide various services to the ward 26 and 13 community. KwaDukuza Municipality also has allocated ward 13 councilors, an office to service his constituency. The presence of the councilor at the Centre has added value to the operations of the Centre and ensures that government is closer to the community.

KwaDukuza Municipality participates in the provincial MPCC Centre Manager's Forum and submits bi-monthly MPCC operations report. Therefore, the Centre operations are also monitored by COGTA. KwaDukuza municipality, in particular the MPCC Centre supervisor has received letters and verbal commendation by COGTA for having one of the best performing Centre despite its site location.

The report below provides daily/weekly activities that are taking place in the Centre which are provided by private sector, civil society, and government departments.

**TABLE 41: DAILY SERVICES AND ACTIVITIES OFFERED AT THE CENTRE**

| ACTIVITY                      | DAYS                                                                       | COMMENTS                                                                                                                                                           | RENTAL                                                              |
|-------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|
| Karate                        | Mondays or Wednesday's depending on the booking and payment. 16h30 – 18h30 | They utilise the hall on some Monday's and Wednesday's of the month.                                                                                               | R 81.00 per usage                                                   |
| Church Services               | Sundays                                                                    | Church utilise the hall every Sundays. Block booking policy is applied.                                                                                            | Hall Tariffs (R 503.00 per service and R142.00 for an hour or less) |
| ABET                          | Monday's-Thursday's. 18h00 – 20h00                                         | ABET exempted from charges                                                                                                                                         | Exempted                                                            |
| Alcoholics Anonymous Meetings | Friday's 19h00-22h00                                                       | AA meetings exempted from charges.                                                                                                                                 | Exempted                                                            |
| CNCD Site                     | Monday-Friday                                                              | The Department of Social Development have established a CNCD site at the centre whereby meals are prepared and served for beneficiaries                            | R 500.00 Monthly                                                    |
| Department of Health          | Every Fridays                                                              | The Department of health have requested the premises for the Glenhills Clinic outreach team and community Health workers to use the hall for their weekly meetings | Exempted                                                            |

## D) CEMETERIES AND CREMATORIUM

Cemeteries and Crematorium section is responsible for providing burial and cremation services to the community of KwaDukuza. It has a responsibility of ensuring that there is more than enough burial space (cemeteries) for the community. That the crematorium is always operational; and that it is compliant in terms Environmental Regulation under National Environmental Management: Air Quality Act, 2004 (Act No. 39 of 2004).

Cemeteries and Crematorium section is responsible for providing burial and cremation services to the community of KwaDukuza. It has a responsibility of ensuring that there is more than enough burial space (cemeteries) for the community. Currently, KwaDukuza Municipality only has one operational / opened cemetery; and that is Vlakspuit cemetery in the Southern region of the Municipal area of jurisdiction. However, the municipality has identified potential cemetery sites in the Northern area of KwaDukuza, and preliminary investigations have been done on those sites. All other cemeteries within KwaDukuza municipal jurisdiction have reach their capacity and as a result are closed. Reburials / second interments are allowed in closed cemeteries unless the first burial has more than 10 years since it was interred. It be noted that if a grave is less than 10 years old, no permission is granted for reburial. The crematorium is operational, and it is compliant in terms Environmental Regulations as provided under National Environmental Management: Air Quality Act, 2004 (Act No. 39 of 2004).

The municipality offers the following itemised cremation and burial services which have applicable tariff of charges as approved by Council.

- Adult Resident – weekday cremation
- Adult Resident - weekend & public Holidays cremation
- Child resident – weekday cremation
- Child Resident – Weekend cremation
- Indigent burial
- Indigent cremation
- Self-dug graves
- Pre-dug graves
- Backfilling of the grave
- Hospital paupers
- Reservation of a grave
- Wall of remembrance

### Hours of operation:

Monday to Thursday 07:15 to 16:15

Friday 07:15 to 13:15

## BURIAL SERVICES OFFERED

### IN-GROUND BURIAL SERVICES

KwaDukuza Municipality provides in-ground burial space/ grave site to facilitate the dignified disposal of human for citizens who wish to lay their loved ones to rest.

Citizens who wish to bury their loved ones in the municipal cemeteries are required to make a booking for a burial, at the municipal offices located at 2 Industria Crescent KwaDukuza Lavoipierre Building 3rd Floor.

The bereaved family paperwork is required to produce the following paperwork when making a booking for burial at KwaDukuza Municipality :

- Medical Certificate B1663
- ID document of the deceased
- Death Certificate
- Address of the deceased

There is service charged payable at the municipal cashiers' offices located at General Justice Gizenga Building 104 Mahatma Street KwaDukuza or via EFT. A booking clerk shall issue a booking order to confirm the booking once all paperwork has been received to the satisfaction of KDM and payment has been made. Once everything has been confirmed a burial permit is issued by cemetery office and such must be produced at the point of entry to our cemeteries.

### PAUPER BURIALS SERVICES

KDM also provides pauper burial services, this is a burial of unknown human remains that are found dead within the jurisdiction of KwaDukuza or where no family is found to claim the corpse.

Such corpses are collected and stored by the service provider that is contracted to the municipality. It is important to note that the instruction to the service provider to collect the corpse is only given by the administration cemetery office. KDM also does Hospital/ SAPS paupers, and these are paid for by the hospital. Wednesdays are dedicated to the burial of paupers either Hospital or KDM paupers.

### INDIGENT BURIALS

KDM also provides the indigent burial service to support impoverished persons or family that is qualifying for an indigent fee he/she or the household must be registered on the KwaDukuza municipality indigent register. KDM Council approved tariff of charges policy clause which prescribes that only households or persons that are duly registered in the Municipal indigent register will be considered for this service.

If the household is not on the approved Municipal indigent register, the respective ward Councilor can make a special application/send a request to the office of the Municipal Manager for consideration and approval for that person to pay an indigent fee. The office of the mayor in terms of the policy must give concurrent support and approval of the motivation submitted by a ward councilor. If the household is not on the indigent register and does not have approval from the Municipal Manager, that person pays a normal fee for burial.

### CREMATION SERVICES

KwaDukuza Crematorium is situated at erf 301 Lindelani Cemetery along provincial road, KwaDukuza offers cremation services to facilitate dignified disposal of human remains.

The bereaved family is required to produce the following paperwork when making a booking for a cremation at KwaDukuza Municipality :

- Application for cremation
- ID document of the deceased
- Death Certificate
- Certificate by medical attendant
- Confirmation by medical attendant
- Certificate after post-mortem examination
- Authority to cremate

A booking clerk shall issue a booking order to confirm the booking once all paperwork has been received to the satisfaction of KDM and payment has been made. Once everything has been confirmed a cremation permit is issued by cemetery office and such must be produced at the point of entry to our crematorium.

The crematorium facility is compliant and licensed, although the facility has been in operation for a long period KDM obtained an Atmospheric Emission License for the KwaDukuza Crematorium on 28 September 2018 which is valid for four (5) years ending 28 September 2023. The municipality commenced with the process of reviewing the current license, the consultant was appointed to run with the process; and to this end various meetings were held with the Provincial Licensing Authority (Environmental Department of Trade and Environmental Affairs: Air Quality). There is a special condition of the license that is the facility must comply with the 2020 Atmospheric Emission Standards by April 2020. In this regard, the license requires that proper and necessary abatement equipment be installed in the stack to trap impurities and gaseous pollutants.

Reason is that the air that is emitted exceeds the regulated air emissions standards, and this is not right and proper for the environment/ecosystem, hence the

need to correct the situation before the municipality gets a fine or closure of the crematorium. The air emissions results have always revealed that KwaDukuza crematorium is not complying with the new regulated air emissions standards. Given the result it was therefore recommended or emphasized that the municipality needs to have the abatement equipment installed in the cremators. The municipality then carried out an investigation to find the best cost-effective solution to comply with the Crematorium License conditions. It was discovered that the abatement equipment cannot be purchased off the shelf but are made to order.

Informal market testing revealed that manufacturers would fabricate the equipment and install it but would not offer guarantees that it would meet the new 2020 Atmospheric Emission standards. In addition, an abatement system requires a space adjacent to the chimney stacks outside the building for erection. At the KwaDukuza Crematorium the space is tight and expensive earthworks are envisaged to prepare a platform. In addition, there are numerous components that would require ongoing servicing and maintenance, and this will turn out to be more costly for the municipality. Also, it is not guaranteed that the equipment will not give us problems like those experienced by another municipality that opted to install the abatement equipment to their machines.

The market was formally tested for firm prices on new cremators that are factory fitted with abatement equipment, and are gas powered. The municipality procured 2 x new cremators that can handle between 5 and 6 bodies each per day, and they will be adequate to match the existing capacity at the KwaDukuza crematorium.

### HIGHLIGHTS

- The section has appointed the Manager for cemeteries and crematorium.
- Procurement of 2 x new cremators that are gas powered for KwaDukuza Crematorium
- The Business procured one additional bakkie for the cemeteries section
- The municipality continues to provide the pauper and indigent burial services to the community of KwaDukuza. This includes paupers received from the General Gizenga Hospital, KwaDukuza Police Station and Umhlali Police Station.

### CHALLENGES

- Unavailability of burial space in the Northern area of KwaDukuza
- Vandalism in cemeteries i.e., stealing of palisade fence panels and destroying facilities in old cemeteries.

## E) PARKS AND GARDENS

This section is responsible for the maintenance of municipal verges, parks, open spaces, gardens, public ablutions, sports facilities and other recreational areas. We strive to create enjoyable, accessible, safe, and green parks, verges and sports facility systems that promotes a strong sense of community through shared spaces and experiences and is treasured by the people it serves.

Maintenance of these areas takes the form of:

- Grass cutting
- Tree maintenance
- Landscaping and landscape maintenance
- Parks development and parks maintenance
- Sports field maintenance
- Litter picking/emptying of municipal refuse bins/ street sweeping
- Maintenance of public ablution facilities
- Herbicide/pesticide control
- Alien vegetation control
- Garden refuse removal
- Clearing of privately own properties which are in contravention of the bylaws.

We aim to:

- Provide a comprehensive range of sports and recreational facilities that are well maintained and accessible to all.
- Keep equipment and facilities maintained to a 'fit for purpose' standard. Shape healthy, safe, green communities.
- Collaborate with partners to provide sustainable, accessible, and diverse leisure opportunities.
- Engage a diverse community and proactively respond to changing demographics, needs, and trends.
- Acquire, maintain, and manage the parks and recreation-built environment throughout the year
- Be courteous, helpful, and accessible to each other and the public we serve.

### HIGHLIGHTS

To renew the sections vehicles the department budgeted for and procured the following:

- 1 x new ride on mower
- 3 x new bakkies for the supervisors.
- 3 x new caged tipper trucks for the garden refuse removal program.



The section cuts grass on the verges of all tared road and municipal facilities at least once a month in the growing season.

The section also refurbished an existing basketball court situated at the Stanger high school sports facility (ward 19) which is leased to the municipality.



Stanger high school sports facility (ward 19)



## CHALLENGES

- Aged fleet – due to aged fleet there are numerous breakdowns. Spares are hard to find due to the age of the vehicles. Approximate turnaround time for COF repair is 3 months. This means that a particular vehicle will be off the road for 3 months at a time. The section sometimes has more than one vehicle which will go in for repair sometime which then ends up crippling operations.
- Unskilled staff and weak supervisors - duties are not performed to their specifications. Supervisors are overruled by staff. This leads to reduced work activities performed.
- Illegal dumping – the municipality has a policy dealing with the collection of green waste. Some residents however do not comply with this policy and take out copious amounts of green waste. This is seen as illegal dumping, however not much can be done at this stage as culprits must be caught red-handed. The municipality ends up collecting this green waste and it affects the collection program as the truck is unable to complete its route.

## 2.5.3 COMMUNITY SAFETY BUSINESS UNIT

The Community Safety Business Unit is charged with the responsibility of ensuring that we provide for a safe environment to live, work and play. This Business Unit is in the forefront of delivering sustainable services in an integrated approach. The Community Safety Business Unit comprises of the following Departments: Traffic and Technical Services, Special Operations Unit, Saturation Unit, Social Crime Prevention, Motor Licensing & Testing Centre, Fire & Emergency Services, Disaster Management, Marine Safety, and Law Enforcement Administration.

The Management Team is made up as follows:

|                           |                                                                |                       |
|---------------------------|----------------------------------------------------------------|-----------------------|
| Executive Director:       | Community Safety                                               | – Mr. S.C. Viramuthu  |
| Director:                 | Community Safety                                               | – Mr. M. Faya         |
| Director:                 | Disaster Management and Emergency Services                     | – Mr. I.M. Zuma       |
| Senior Manager:           | Operations                                                     | – Vacant              |
| Chief:                    | Fire & Emergency Services                                      | – Ms. N. Mkhwanazi    |
| Manager:                  | Traffic, Technical Services and Law Enforcement Administration | – Vacant              |
| Manager:                  | Crime Prevention                                               | – Mr. M.F.J. Prinsloo |
| Manager:                  | Social Crime Prevention                                        | – Vacant              |
| Acting Manager:           | Motor Licensing & Testing                                      | – Mr. K. Munien       |
| Manager:                  | Marine Safety                                                  | – Mr. S. Honneysett   |
| Acting Assistant Manager: | Disaster Management                                            | – Mr. M. Gcabashe     |

The Business Unit's successes and challenges for the 2022/2023 financial year are as follows:

## A) TRAFFIC

TABLE 42: TRAFFIC OFFENCES

| MONTH        | 2021/2022         |                 |                    |                     |                   | 2022/2023         |                 |                    |                     |                   |
|--------------|-------------------|-----------------|--------------------|---------------------|-------------------|-------------------|-----------------|--------------------|---------------------|-------------------|
|              | WARRANTS EXECUTED | DRUNKEN DRIVING | SECTION 56 NOTICES | SECTION 341 NOTICES | SECTION 341 SPEED | WARRANTS EXECUTED | DRUNKEN DRIVING | SECTION 56 NOTICES | SECTION 341 NOTICES | SECTION 341 SPEED |
| July         | 6                 | 0               | 810                | 209                 | 0                 | 40                | 1               | 995                | 84                  | 0                 |
| August       | 16                | 0               | 724                | 130                 | 0                 | 32                | 1               | 922                | 63                  | 0                 |
| September    | 10                | 0               | 465                | 191                 | 0                 | 214               | 0               | 644                | 17                  | 0                 |
| October      | 2                 | 0               | 497                | 233                 | 0                 | 77                | 0               | 862                | 11                  | 0                 |
| November     | 16                | 0               | 590                | 274                 | 0                 | 87                | 36              | 697                | 10                  | 0                 |
| December     | 23                | 1               | 770                | 356                 | 0                 | 118               | 2               | 1 106              | 150                 | 0                 |
| January      | 16                | 0               | 896                | 174                 | 0                 | 65                | 6               | 981                | 187                 | 0                 |
| February     | 8                 | 0               | 837                | 175                 | 0                 | 19                | 2               | 781                | 72                  | 0                 |
| March        | 29                | 0               | 1174               | 115                 | 0                 | 47                | 3               | 831                | 68                  | 0                 |
| April        | 13                | 0               | 614                | 52                  | 0                 | 80                | 3               | 1557               | 77                  | 0                 |
| May          | 23                | 0               | 849                | 56                  | 0                 | 00                | 3               | 1028               | 70                  | 0                 |
| June         | 6                 | 0               | 326                | 51                  | 0                 | 397               | 2               | 77                 | 10                  | 0                 |
| <b>TOTAL</b> | <b>168</b>        | <b>1</b>        | <b>8 556</b>       | <b>2 016</b>        | <b>0</b>          | <b>1 189</b>      | <b>57</b>       | <b>10 481</b>      | <b>819</b>          | <b>0</b>          |

## HIGHLIGHTS

- Income received through traffic offences – **R1 996 000.00**
- Income received from all traffic licences issued – **R6 278 389.85**
- Income received from all motor vehicle licenses issued – **R7 097 320.66**
- Number of outreach programmes:
  - 33 Road Safety Community Outreach programmes conducted
  - 11 Wards visited for Social Crime Prevention programmes

## CHALLENGES

- Overtime incurred in the provision of emergency services, and assistance provided to municipalities within the District.

### Services provided at Special Operations:

- Ballito Pro 2022
- Winter Fair 2022
- Indigenous Games 2022
- Presidential visit – Hesto Harnesses
- Heritage Day 2022
- KwaDukuza Inter-ward Games program 2022
- Madundube housing project launch
- Diwali celebrations 2022
- SALGA games 2022
- Matric Rage 2022
- Jeremy Loops concert
- Gospel music concert – Ward 17
- Ballito Big Week
- Blythedale Beach Festival 2022
- New Year's Day beach patrols
- Parliament visit
- Presidential visit – March 2023
- Chief Albert Luthuli Soccer and Netball Tournament
- Easter weekend coastal operations
- Youth Day activation programme – Ward 26
- KwaDukuza Mayoral Cup tournament 2023
- Youth month commemoration – Ward 18

## SPECIAL OPERATIONS UNIT

TABLE 43: ARREST STATISTICS

| ARREST DETAILS                                              | 2021/2022  | 2022/2023  |
|-------------------------------------------------------------|------------|------------|
| Hijacking                                                   | 9          | 0          |
| Unlicensed firearms                                         | 8          | 1          |
| Fraud                                                       | 0          | 0          |
| Kidnapping                                                  | 0          | 0          |
| Murder                                                      | 0          | 4          |
| Attempted murder                                            | 7          | 0          |
| Armed robbery                                               | 7          | 12         |
| Theft of motor vehicles                                     | 0          | 6          |
| Drunken driving                                             | 1          | 25         |
| Possession of Dagga                                         | 11         | 0          |
| Section 36 – Property suspected to be stolen                | 3          | 5          |
| Rape                                                        | 1          | 0          |
| Possession of Dangerous Weapons                             | 3          | 0          |
| Reckless & Negligent Driving                                | 0          | 0          |
| Dealing in fake DVDs                                        | 0          | 0          |
| Housebreaking                                               | 0          | 0          |
| Housebreaking (armed)                                       | 3          | 0          |
| Possession of stolen property                               | 2          | 0          |
| Theft                                                       | 7          | 6          |
| Execute warrant of arrest                                   | 0          | 7          |
| Possession of dependant producing drugs (Whoonga)           | 5          | 6          |
| Possession of dependant producing drugs (heroin)            | 41         | 21         |
| Displaying false licence discs on motor vehicle             | 0          | 0          |
| Dealing in Drugs: Rock, Cocaine, Mandrax tablets            | 15         | 15         |
| Illegal trading                                             | 1          | 0          |
| Illegal immigrant                                           | 0          | 0          |
| Car jacking                                                 | 1          | 2          |
| Poaching                                                    | 0          | 0          |
| Illegal cigarettes                                          | 0          | 0          |
| Assault of police officer                                   | 0          | 0          |
| Driving and launching on beach (Environment Protection Act) | 0          | 1          |
| Non-compliance of Disaster Management Act / Lockdown        | 0          | 0          |
| <b>TOTAL</b>                                                | <b>186</b> | <b>104</b> |

**TABLE 44: RECOVERIES STATISTICS**

| RECOVERIES DETAILS                             | 2020/2021 | 2022/2023 |
|------------------------------------------------|-----------|-----------|
| Stolen Motor Vehicles                          | 25        | 39        |
| Firearms                                       | 7         | 8         |
| Magazine (Firearm)                             | 9         | 3         |
| Dagga                                          | 1 996gm   | 0         |
| Loose dagga                                    | 293       | 948       |
| Loose Dagga Valued at                          | R750 000  | 0         |
| Cellular phones                                | 0         | 5         |
| Recovery of alcohol valued at                  | R0        | 0         |
| Recovery of Cigarettes (Packets)               | 0         | 0         |
| Recovery of Cigarettes (cartons)               | 0         | 0         |
| Recovery (Rock Cocaine, Mandrax, Heroin, etc.) | 541       | 250       |
| Whoonga straws / capsule                       | 154       | 132       |
| Shoes & Clothing                               | 4         | 1         |
| 150DVD/CD pirates                              | 0         | 0         |
| Cash                                           | R0        | R32 000   |
| Firearm ammunition                             | 86        | 8         |
| Tablet / dependent producing drugs             | 1 190     | 0         |
| Flat screen Television                         | 2         | 1         |
| Beer cases                                     | 3         | 0         |
| Counterfeit goods-branded clothes              | 19        | 0         |
| Dependent producing drug heroin pieces         | 0         | 758       |
| Copper Cables                                  | 700       | 5         |
| Dangerous Weapon                               | 16        | 6         |

## MOTOR LICENSING & TESTING OPERATIONS

### KWADUKUZA TESTING STATION

**TABLE 45: STATISTICS DRIVERS**

|              | 2021/2022     | 2022/2023     |
|--------------|---------------|---------------|
| TRANSACTIONS | 31 619        | 34 821        |
| AMOUNT       | R5 214 289.00 | R5 955 486.00 |

**TABLE 46: BALLITO MOTOR LICENSING**

|              | 2021/2022     | 2022/2023     |
|--------------|---------------|---------------|
| TRANSACTIONS | 18446         | 37787         |
| AMOUNT       | R1 532 468.72 | R1 281 990.30 |

**TABLE 47: KWADUKUZA MOTOR LICENSING**

|              | 2021/2022     | 2022/2023     |
|--------------|---------------|---------------|
| TRANSACTIONS | 162 387       | 180 797       |
| AMOUNT       | R5 166 628.43 | R6 699 050.14 |

**TABLE 48: STATISTICS – MOTOR LICENSING NORTH AND SOUTH**

|                     | 2021/2022            | 2022/2023            |
|---------------------|----------------------|----------------------|
| <b>TRANSACTIONS</b> | 180 833              | 218 584              |
| <b>AMOUNT</b>       | <b>R6 699 097.15</b> | <b>R7 981 040.44</b> |

**TABLE 49: TESTING OPERATIONS**

|                                                                    | 2021/2022 | 2022/2023                |
|--------------------------------------------------------------------|-----------|--------------------------|
| <b>Examining of eyes &amp; fingerprints</b>                        | 20 916    | <b>25 174</b>            |
| <b>Examining of public professional driving permits clearances</b> | 2 469     | <b>3 053</b>             |
| <b>Examining of learner license</b>                                | 6 147     | <b>7 200</b>             |
| <b>Examining of driver's licenses</b>                              | 715       | <b>594 - SHORT STAFF</b> |
| <b>Examining of vehicles</b>                                       | 241       | <b>174 - SHORT STAFF</b> |
| <b>Examining of instructors permits</b>                            | NIL       | NIL                      |
| <b>Issuing of traffic fines / suspension notice</b>                | NIL       | <b>245</b>               |

## HIGHLIGHTS

- The front fence has been replaced with clear view fence and this feature creates an elegant appearance.
- The night lights have been repaired and the Testing and Motor licence area is lit up during the night.
- The Diesel standby generator has been serviced and additional diesel has been obtained in order to be fully functional during load shedding.

## CHALLENGES

- The internet has to be urgently upgraded to fibre optic cables in order for the LEU machines to operate successfully.
- Our current DLTC need to be upgraded to a Grade A DLTC.
- The roads are in a poor condition and needs to be repaired/resurfaced and repainted. Complaints are received daily from the Driving School Association.
- The station is currently short-staffed due to staff members retiring, resigning or on suspension, we are failing to provide a sustainable service to the public.
- Due to the shortage of staff, the examining of Driver & Vehicle tests are done on alternate days.
- The Vehicle Testing Station is seldom used by the local businesses due to lack of staff, poor road infrastructure and method of payment (NO ACCOUNTS).

## B) FIRE AND EMERGENCY SERVICES

Fire & Emergency Services comprises of three Divisions, namely:

### RE ACTIVE SERVICES

- Operations

### PRO ACTIVE SERVICES

- Fire Prevention
- Public Education, Information & Training

### EMERGENCY CALL CENTRE

- Call receiving and despatching of resources



## RE ACTIVE SERVICES

**TABLE 50: STATISTICAL REPORT ON EMERGENCY INCIDENTS WHICH OCCURRED DURING THE YEAR 2022/2023**

| DETAILS                                                                                                  | 2019/2020 | 2020/2021 | 2021/2022 | 2022/2023 |
|----------------------------------------------------------------------------------------------------------|-----------|-----------|-----------|-----------|
| <b>Fires:</b>                                                                                            |           |           |           |           |
| Fires involving structures                                                                               | 94        | 101       | 120       | 147       |
| Fires involving vehicles                                                                                 | 29        | 38        | 44        | 31        |
| Fires involving bushes and other types of fires (e.g., trees, tyres, sugarcane, electricity poles, etc.) | 168       | 209       | 182       | 248       |
| <b>Rescue/Emergency Medical Assistance:</b>                                                              |           |           |           |           |
| Medical assistance                                                                                       | 26        | 7         | 2         | 5         |
| <b>Hazardous Materials Incidents</b>                                                                     | <b>2</b>  | <b>6</b>  | <b>4</b>  | <b>9</b>  |
| Other (special services, hoax calls, false alarms, no service rendered)                                  | 24        | 43        | 56        | 61        |
| Motor Vehicle accidents                                                                                  | 105       | 101       | 122       | 131       |

### FIRE PREVENTION ACTIVITIES:

Robust Fire Prevention activities were conducted to ensure safety of citizens and enforcement measures were affected by officials who were seconded to Fire Prevention.

264 Building Plans were processed by the Fire Prevention team with 52 premises being inspected for compliance with the National Building Regulations and Building Standards Act and relevant National Standards.

### FIRE SAFETY PROGRAM

- 10 Wards visited for Fire Safety Awareness Talks (school visits and special programs)
- The department was also involved in the Child Protection Campaign which was coordinated by Department of Education and Ilembe District Municipality.

Below are some of the incidents which were attended to by the Fire-fighting team:

#### STRUCTURAL FIRE – OCEANVIEW, STANGER MANOR



- A formal house was completely gutted by flames and was extinguished by KwaDukuza Fire and Emergency Services.
- Load shedding is suspected to be the cause of fire.
- The Fire Department managed to stop the fire from spreading to neighboring houses.
- The incident resulted in three (3) Yellow Code patients and were stabilized by KwaDukuza Fire and Emergencies and other medical agencies.

#### STRUCTURAL FIRE – RUSSEL STREET, KWADUKUZA



- A church building was gutted by flames and was extinguished by KwaDukuza Fire and Emergency Services.
- A candle that was lit during load shedding is suspected to be the cause of fire.
- The Fire Department managed to stop the fire from spreading to neighboring houses.
- The incident resulted in one (1) Yellow Code patients and were stabilized by KwaDukuza Fire and Emergencies and other medical agencies.

#### TREE OBSTRUCTION – R74, BEFORE STANGER MANOR TRAFFIC LIGHTS



- A tree fell on the roadway due to heavy rainfall and was removed by KwaDukuza Fire and Emergency Services.
- No casualties were registered.

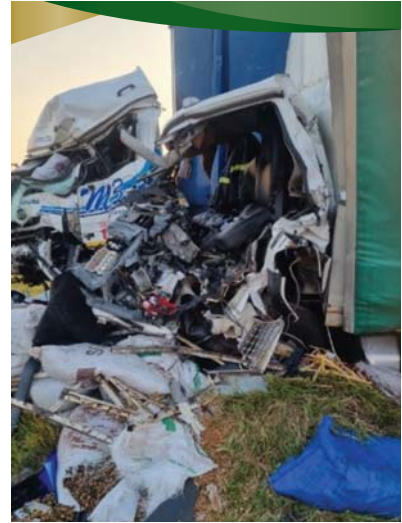
**MVA – R74, NEAR KWADUKUZA MALL**



- It is alleged that a light motor vehicle lost control and landed on the side of the road.
- The incident resulted in one (1) Yellow Code patient.
- Relevant agencies such as Fire Department and Medical services were summoned on scene to stabilize the patients.



**MVA – N2, ZINKWAZI**



- It is alleged that a heavy load motor vehicles lost control and collided.
- The incident resulted in four (4) Red Code patients.
- Relevant agencies such as Fire Department and Medical services were summoned on scene to stabilize the patients.

**MVA – N2, SOUTHBOUND, BALLITO OFF-RAMP**



- It is alleged that multiple vehicles, including a heavy load motor vehicle, lost control and collided.
- The incident resulted in three (3) Green Code patients and two (2) Yellow Code patients.
- Relevant agencies such as Fire Department and Medical services were summoned on scene to stabilize the patients.



## C) DISASTER MANAGEMENT

The purpose of this report is to highlight the achievements and shortcomings experienced within the KwaDukuza Local Municipal Disaster Management Unit during the period 01 July 2022– 30 June 2023 in compliance with the provisions of the Disaster Management Act 57 of 2002.

The KwaDukuza Local Municipality Disaster Management Unit has the mandate and responsibility to ensure that issues concerning disasters and disaster management are dealt with in an integrated and coordinated approach. KwaDukuza Local Municipality Disaster Management Unit acts as an advisory and consultative body on issues concerning disasters to all organs of state and stakeholders, NGOs, CBOs, private sector as well as communities within the Municipality. It is imperative that the KwaDukuza Local Municipality Disaster Management Unit has the responsibility to build the necessary capacity to implement the provisions of the Act as well as to raise awareness to the communities and individuals regarding the risks that affects the Municipality. KwaDukuza Local Municipality Disaster Management Unit Annual report reflects on the significant milestones achieved in line with the Disaster Management Act.

### **KEY PERFORMANCE AREA 1: INTERGRATED INSTITUTIONAL CAPACITY FOR DISASTER RISK MANAGEMENT**

Key Performance Area 1 focuses on establishing the necessary institutional arrangements for implementing disaster risk management within KwaDukuza Municipality. It specifically addresses the application of the principle of co-operative governance for the purpose of a comprehensive disaster management strategy for KwaDukuza Municipality. It also emphasizes the involvement of all stakeholders in strengthening the capability of the Municipality to reduce the likelihood and severity of disasters.

In creating institutional arrangements for cooperative governance and co-ordination, the emphasis is on facilitating co-operation and co-ordination among existing structures, organizations and institutions wherever possible and on harnessing existing skills and expertise. The institutional arrangements also facilitate

inclusivity, and their primary focus is on capacitating and building communities at risk KwaDukuza.

### **STATUS OF DISASTER MANAGEMENT UNIT**

The KwaDukuza Local Municipality Disaster Management Unit was established in December 2012. Although the municipality does not have an independent disaster management Centre, the current satellite disaster management office that is used for disaster management activities is located at KwaDukuza Local Municipality offices and is furnished with the required resources. The department falls within the Community Safety Business Unit and reports to the Municipal Services Portfolio Committee.

### **DISASTER RISK MANAGEMENT PLAN**

The Disaster management plan is crucial for the Municipality since the Municipal Systems Act No. 32 of 2000 requires all municipalities to undertake an integrated development planning process to produce currently relevant Integrated Development Plans (IDPs). The applicable Disaster Management Plan is a core component of the IDP as it is stipulated by Section 26 (g) of the Municipal Systems Act No. 32 of 2000 and furthermore Section 53 (2) (a) of Disaster Management Act stipulate that a disaster management plan for a municipal area must form an integral part of the municipality's IDP. KwaDukuza Disaster Management Plan has been developed and adopted by the Council in June 2016. The Disaster Management Plan shall be reviewed in the 2023/2024 financial year.

### **STATUS OF READINESS TO DEAL WITH DISASTERS**

KwaDukuza Local Municipality is prone to incidents such as heavy rain, floods, lightning, strong winds, fires and hail that can kill and injure people, destroy their homes and damage property. On an ongoing basis, the Disaster Management Practitioners has been capturing, monitoring and analysing minor and major incidents on an ongoing basis, as required by Disaster Management legislation. The Disaster Management Unit has been proactive in anticipating the types of disasters that may occur, planning ways of preventing or mitigating the major incidents and disasters. In its role of disaster management co-ordination, the Disaster Management Unit responds to reported incidents.



In line with the provisions of the Disaster Management Act as well as the National and Provincial Disaster Management Frameworks, KwaDukuza Local Municipality Disaster Risk Management Practitioners respond, assess and capture incidents as they occur. The early warning system from SAWS were crucial and helpful since the municipality managed to disseminate the warnings/alerts to the local stakeholders, including Ward Councillors, Amakhosi, Izinduna, for ultimate dissemination to affected communities. KwaDukuza Local Municipality also plays a meaningful role towards recovery and rehabilitation, by engaging all the relevant line function departments in fulfilling their mandatory roles towards this process.

## STATUS OF INTER-GOVERNMENTAL RELATIONS (IGR) STRUCTURES

### MUNICIPAL DISASTER MANAGEMENT INSTITUTIONAL ARRANGEMENTS

The Municipality has the responsibility of establishing effective institutional arrangements for the development and approval of integrated disaster risk management matters. To achieve this responsibility, the Municipality has established a Municipal Services Portfolio, and a Management Committee. In the 2022-2023 financial year, disaster management issues were discussed in these committees.

- **Municipal Services Portfolio Committee:** The Municipal Services Portfolio Committee is internal portfolio committee that deals with matters relating to Disasters and Disaster Risk Management. The committee is fully functional and meet when it is necessary.
- **Management Committee (MANCO):** This is a senior management committee, which meets on a weekly basis where issues pertaining to disaster management are discussed on an ongoing basis.
- **Disaster Management Ward-Based Consultative Forum:** In the 2022-2023 financial year, The

KwaDukuza Disaster Management Unit started plans to revive the Disaster Management Ward-Based Consultative Forum to ensure effective community involvement in disaster management and Disaster Risk Reduction measures.

### MUNICIPAL DISASTER MANAGEMENT ADVISORY FORUM (DMAF)

To make provision for the integration and coordination of disaster management activities and to give effect to the principle of co-operative governance, KwaDukuza Local Municipality has established a Disaster Management Advisory Forum in accordance with Section 51 of the Disaster Management Act. KwaDukuza LM Disaster Management Advisory Forum was launched on 20 February 2015. The disaster risk management advisory forum meetings are held quarterly comprising of all relevant stakeholders. The private sector and civil society participates in the forum and have crucial roles to play. The fostering of partnerships between government, civil society and the private sector is a prerequisite for effective and sustainable disaster management. The Disaster Management Advisory Forum (DMAF) is a body in which all role players consult one another and coordinate their actions on matters relating to disaster management within the Municipality and meets on quarterly basis or as and when necessary. The forum is a fundamental disaster management IGR structure that provides a mechanism for relevant role players to participate in disaster management issues and provide advice to disaster management stakeholders, with the implementation of the Disaster Management Act.

The establishment of such a forum in the municipalities is in line with Section 44(1) (b) of the Disaster Management Act, which provides for an integrated and coordinated approach to disaster management in municipal areas, with special emphasis on prevention and mitigation. In the 2022-2023 Financial Year, the advisory meetings sat for all four quarters.

## KEY PERFORMANCE AREA 2: DISASTER RISK ASSESSMENT

A disaster risk assessment is the first step in planning an effective Disaster Risk Management policy. It aims to examine the likelihood of expected disaster events. This includes investigating related hazards and conditions of vulnerability that increase the chance of loss.

Section 52 of the Disaster Management Act states that each municipality must:

- Conduct a disaster risk assessment for its functional area;
- Identify and map risks, areas, ecosystems, communities and households that are exposed or vulnerable to physical and human-induced threats;
- Conducting disaster risk assessments is fundamental for the development and implementation of effective disaster risk management policies and plans in the KwaDukuza area. All disaster risk management planning and the development and application of disaster risk reduction policies in KwaDukuza and must therefore be informed by disaster risk assessment information. Disaster Risk Assessment information must also be used to guide priority setting for risk reduction programmes undertaken by role players.

## STATUS AND RESULTS OF DISASTER RISK ASSESSMENTS UNDERTAKEN

### LIST OF PRIORITY RISKS (HAZARDS)

The Municipality is prone to a number of natural and men-made hazards, inter alia, (veld fires and structural fires), heavy rain, lightning, strong wind, hail etc. In line with the Disaster Management Act and the Disaster Management Framework, it is necessary to conduct a Risk Analysis, which will identify and prioritize potential hazards and threats that are likely to occur within the Municipality. The vulnerability of communities within the Municipality varies, which mainly depends on socio-economic status as well as the exposure of a particular household or community to a specific hazard. The Risk Analysis conducted at all four local municipalities put emphasis on all specifics, which reflects the Hazards threatening the communities. The list of priority hazards that are affecting the Municipality, with spatial-temporal characteristics of these hazards well known since they have been observed and recorded continuously are illustrated below:

TABLE 51: PRIORITY HAZARDS IDENTIFIED WITHIN THE MUNICIPALITY

| HAZARD              | HAZARDS INDICES | VULNERABILITY INDICES | MANAGEABILITY/ CAPACITY | RELATIVE RISK RATING | RELATIVE RISK PRIORITY |
|---------------------|-----------------|-----------------------|-------------------------|----------------------|------------------------|
|                     | Hazard Rating   | Vulnerability Rating  | Manageability Rating    |                      |                        |
| Heavy Rainfall      | 9               | 9                     | 5                       | 10                   | Extreme                |
| Structural Fires    | 9               | 7                     | 7                       | 9                    | High                   |
| Strong Winds        | 8               | 8                     | 5                       | 8                    | High                   |
| Flooding            | 5               | 7                     | 5                       | 5                    | Moderate               |
| Lightning           | 5               | 6                     | 7                       | 5                    | Moderate               |
| Structural Collapse | 5               | 8                     | 4                       | 5                    | Moderate               |
| Veld Fires          | 3               | 4                     | 6                       | 3                    | Low                    |

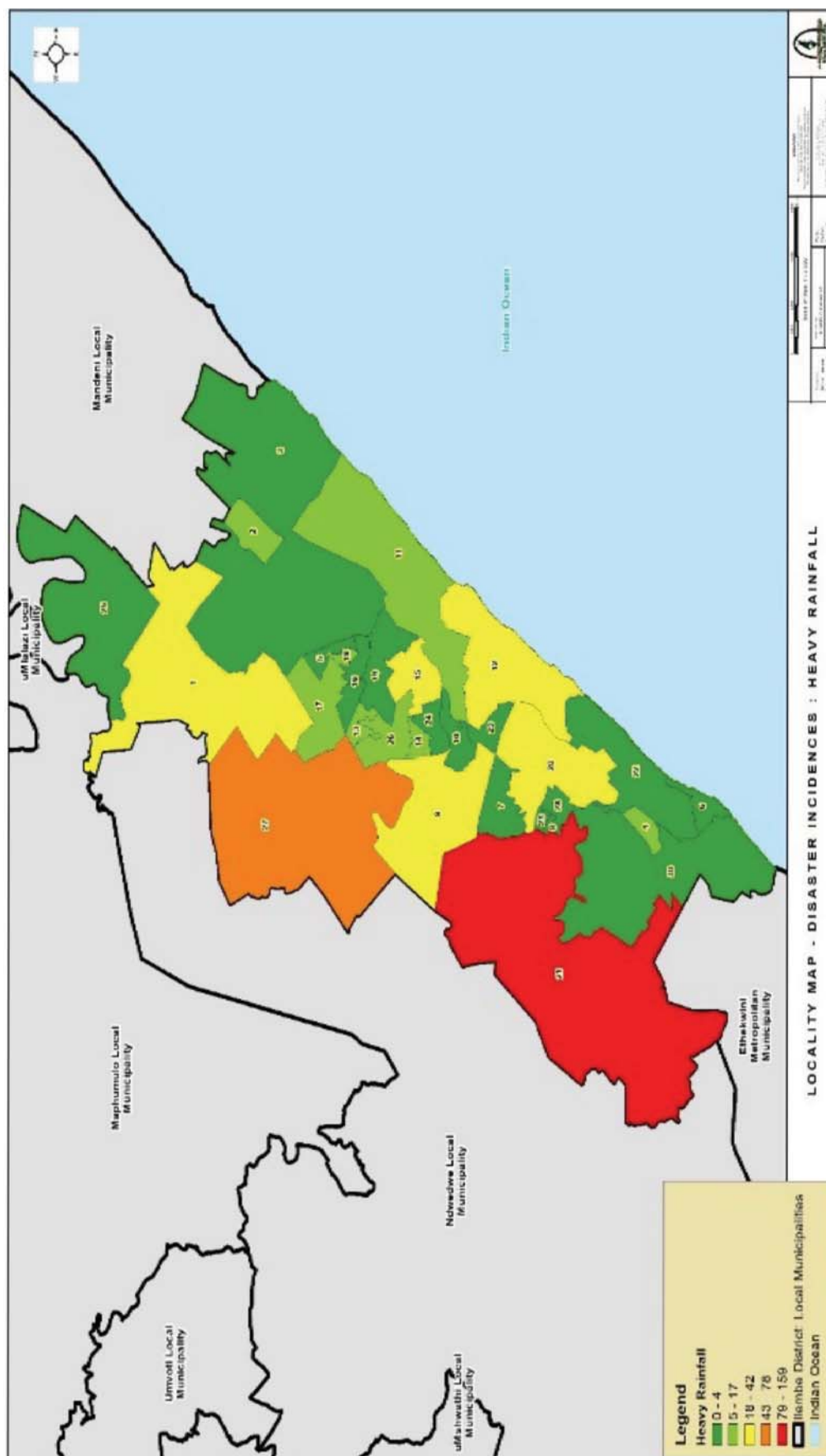


**FIGURE 5: HEAVY RAINFALL IN KWADUKUZA**

## KEY PERFORMANCE AREA 3: DISASTER RISK REDUCTION

The KwaDukuza Municipality Disaster Management Unit must develop, implement and maintain Disaster Risk Reduction measures for the Municipality after consultation with the Disaster Management Act, the District Municipality and other relevant stakeholders in order to provide a coherent, transparent and inclusive risk reduction for the KwaDukuza Local Municipality; and which anchors uniformity and joint standards of practice as cornerstones and is consistent with the national and provincial disaster risk management frameworks.

The KwaDukuza Disaster Risk Management Unit must ensure that all municipal entities and other institutional role players undertake coherent and relevant disaster risk management planning. Risk reduction plans providing for prevention and mitigation strategies have been compiled through a participative process and have not been vetted or submitted to feasibility studies. The risk reduction plans outlined in this document and its annexures which are implementable must be considered for inclusion within the IDP projects of the municipality and if included must be budgeted for in terms of the operating and capital budgets of the municipality. Each project should be evaluated to determine which municipal department could lead its implementation.

**TABLE 52: DISASTER RISK REDUCTION PROGRAMMES-KWADUKUZA DISASTER MANAGEMENT UNIT**

| DISASTER RISK REDUCTION PROGRAMME                                                                 | QUARTER 2022-2023                | TARGET AUDIENCE             | COMMENTS                                                                          |
|---------------------------------------------------------------------------------------------------|----------------------------------|-----------------------------|-----------------------------------------------------------------------------------|
| Capacity Building<br>• Ward 07 War Room                                                           | First Quarter                    | General Public              | Improve organizations performance ability to stay functional.                     |
| Awareness & Clean Up Campaigns<br>Tinley Manor Primary School<br>• R.A. Padayachee Primary School | First Quarter                    | Learners                    | Raising activation to encouraging beaches are clean.                              |
| Awareness Campaigns<br>• Prospect Farm Primary School                                             | Second Quarter                   | Learners                    | Summer Season Hazard awareness campaigns to reduce summer risks in targeted areas |
| Awareness Campaigns<br>• Stanger South Secondary School<br>• Qoqulwazi Secondary School           | Third Quarter                    | Learners                    | Incident of violence, substance abuse and bullying taking placing in KwaDukuza    |
| Capacity Building<br>• Driefontein War Room                                                       | Fourth Quarter                   | General Public              | Improve organizations performance ability to stay functional.                     |
| Child Protection Program<br>• Mavivane Primary School<br>• ML Sultan Secondary School             | Fourth Quarter                   | Learners                    | In collaboration with the Department of Education to reduce climate change risks. |
| 79 Units of Building Material                                                                     | Third Quarter and Fourth Quarter | People with affected houses | To reduce disaster risks by enabling affected people to build back better         |



## KEY PERFORMANCE AREA 4: DISASTER RESPONSE AND RECOVERY

The Objective of disaster response and recovery is to ensure a coordinated process of supporting emergency-affected communities in reconstruction of physical infrastructure and restoration of emotional, social, economic and physical wellbeing. The KwaDukuza Local Municipality Disaster Management Unit has an obligation to respond, assess and capture disaster incidents as they occur as per mandate stipulated on the Disaster Management Act. When an incident occurs, the disaster management Practitioner must coordinate disaster management activities and ensure adequate preparedness at all levels in order to meet major incidents and or disasters challenges..

**TABLE 53: INCIDENT STATISTICS**

| Quarter                           | Type of Incident |                 |             |                     |           |       | Total |
|-----------------------------------|------------------|-----------------|-------------|---------------------|-----------|-------|-------|
|                                   | Heavy Rainfall   | Structural Fire | Strong Wind | Structural Collapse | Lightning | Other |       |
| First Quarter (July-October)      | 4                | 34              | 5           | 0                   | 0         | 0     | 43    |
| Second Quarter (November-January) | 10               | 9               | 1           | 0                   | 0         | 1     | 21    |
| Third Quarter (February-March)    | 3                | 4               | 0           | 0                   | 0         | 0     | 7     |
| Fourth Quarter (April-June)       | 87               | 19              | 1           | 0                   | 0         | 0     | 103   |
| Total                             | 104              | 66              | 7           | 0                   | 0         | 1     | 179   |

The table above illustrates the number of incidents that were experienced at the Municipality from 01 July 2022–30 June 2023 period. A total number of **One Hundred and Seventy-Nine (179)** incidents were reported. The KwaDukuza Municipality Disaster Management Unit noted that Heavy rainfall incidents were dominant in the period under review. The May/June 2023 Heavy rainfall which occurred in the fourth quarter were the reason for the dominance. Fire incidents was also dominant in the period under review. It was noted that most of the fire related incidents were due to negligence since most of the reported fire incidents were due to unattended candles, illegal connection of electricity and gases.

**TABLE 54: DISASTER INCIDENTS**

| QUARTER                 | NUMBER OF INCIDENTS | HOUSEHOLDS AFFECTED | HOUSES PARTIALLY DESTROYED | HOUSES TOTALLY DESTROYED | HOMELESS | PEOPLE AFFECTED | FATALITIES | INJURIES |
|-------------------------|---------------------|---------------------|----------------------------|--------------------------|----------|-----------------|------------|----------|
| 1 <sup>ST</sup> QUARTER | 43                  | 59                  | 21                         | 19                       | 36       | 218             | 2          | 1        |
| 2 <sup>ND</sup> QUARTER | 21                  | 44                  | 16                         | 10                       | 3        | 102             | 3          | 0        |
| 3 <sup>RD</sup> QUARTER | 7                   | 9                   | 4                          | 3                        | 3        | 27              | 0          | 1        |
| 4 <sup>TH</sup> QUARTER | 103                 | 123                 | 90                         | 20                       | 13       | 267             | 2          | 6        |
| TOTAL                   | 174                 | 235                 | 131                        | 52                       | 55       | 614             | 7          | 8        |

The above figures illustrates the impact of the incidents during the 2022/2023 financial year. KwaDukuza Local Municipality accounted for a total number of Two Hundred and Thirty-Five (235) Households affected, One Hundred and Thirty-One (131) Houses Partially Destroyed, Fifty-Two (52) Houses Totally destroyed, Fifty-Five (55) families left homeless, and Six Hundred and Fourteen (614) people affected, Unfortunately during the course of these incidents, there were Eight (8) injuries and Seven (7) Fatalities.

## DISASTER INCIDENT PICTURES

### QUARTER 1 OF 2022/2023



Aftermath following a heavy rainfall incident in Ward 15 (Chris Hani) during the month of September 2022

### QUARTER 2 OF 2022/2023



Aftermath following a structural fire incident in Ward 04 (Shakashead) during the month of October 2022



Aftermath following a structural fire incident in Ward 27 (Madundube) during the month of December 2022

### QUARTER 3 OF 2022/2023



Aftermath following a structural fire incident in Ward 15 (Chris Hani) during the month of January 2023

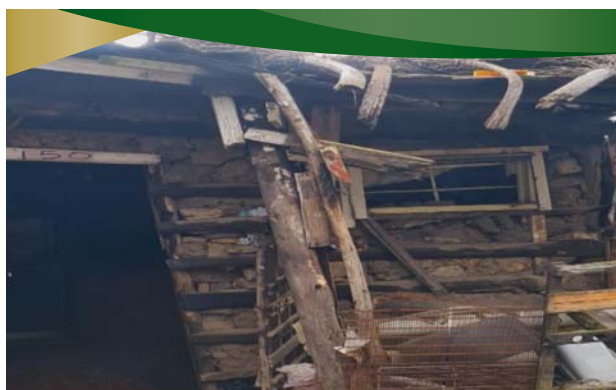


Aftermath following a structural fire incident in Ward 26 (Sofaya) during the month of February 2023



Aftermath following a heavy rainfall incident in Ward 16 (Nyoniyananzi) during the month of March 2023

## QUARTER 4 OF 2022/2023



Aftermath following a Heavy Rainfall incident in Ward 19 (Riverside) during the month of May 2023



Aftermath following a Heavy Rainfall incident in Ward 9 (Cranbrook) during the month of June 2023

## IMMEDIATE RESPONSE

A thorough assessment was conducted to get the magnitude of the damage caused by the incidents. During the 2022-2023 Financial year, KwaDukuza Local Municipality offered immediate assistance to the affected families in the following form of:

TABLE 55: IMMEDIATE RESPONSE RELIEF

| AID DISTRIBUTED     | TOTAL NO. OF AID DISTRIBUTED |
|---------------------|------------------------------|
| 1. Blankets         | 64                           |
| 2. Plastic Sheeting | 76                           |
| 3. Food Parcels     | 16                           |
| 4. Sponges          | 50                           |
| 6. Box B            | 11                           |
| 7. Gel Stoves       | 11                           |
| 8. Cosmetic Packs   | 5                            |
| TOTAL               | 233                          |

## ENABLER 1: INFORMATION MANAGEMENT AND COMMUNICATION

The objective of Enabler 1 is to ensure that there is a comprehensive information management and communication system in the KwaDukuza Municipality Disaster Management Unit and establish integrated communication links with all disaster risk management, Information management and communication enable the receipt, storage, dissemination and exchange of information. The system must fulfil the requirements stipulated in the National Policy Framework and be fully integrated into the national system network.

## EARLY WARNING SYSTEM

The KwaDukuza Municipality Disaster Management Unit operates a bulk information distribution system to disseminate early weather warnings received from South African Weather Services. Once a severe weather warning is received, it is passed on to disaster management stakeholders via telephone and social media groups so that vulnerable communities within KwaDukuza are alerted.

## INFORMATION MANAGEMENT SYSTEM

The KwaDukuza Municipality Disaster Management Unit has a system in place to receive, manage and store documents to facilitate effective disaster management in the Municipality. (Damage assessments to beneficiary lists, monthly reports to quarterly and annual reports) these documents are passed on to relevant stakeholders to determine the possible required interventions. The Unit plans to adopt a method of cloud storage for historical data to ensure that the data is stored safely for intervention purposes.

## ENABLER 2: EDUCATION, TRAINING, PUBLIC AWARENESS AND RESEARCH

It is the responsibility of the KwaDukuza Municipality Disaster Management Unit to create training programmes for the community that focus on disaster risk awareness, disaster risk reduction, volunteerism and preparedness. Indigenous knowledge must be harnessed and included in the training programme and its outcomes. The Unit must promote, support and monitor the implementation of knowledge management programmes for Disaster Risk management in KwaDukuza Municipality in accordance with national and provincial standards.



### COMMUNITY AWARENESS CAMPAIGNS

The KwaDukuza Disaster Management Unit conducted 6 Awareness Campaigns during the period under review were conducted in collaboration with the KwaDukuza Fire & Emergency Services, Social Crime Prevention, SAPS, Department of Social Development, Department of Education and Economic Development focusing on:

- Households and Veld Fires,
- Heavy rainfall
- Illegal Substance abuse
- Safety at School
- Child Protection
- Capacity Building

### EDUCATION AND TRAINING

In line with Section 44 of the Disaster Management Act, (Act 57 of 2002), the KwaDukuza Municipality Disaster Management Unit promotes capacity building, training and education. During the 2022-2023 financial year, the Unit took Two students from Institution of higher learning (Durban University of Technology and eThekweni City Collage) to provide them with the adequate training required to complete their Work Integrated Learning.

### ENABLER 3: FUNDING ARRANGEMENTS FOR DISASTER RISK MANAGEMENT FINANCIAL CAPABILITIES

During the 2022-2023 financial year, The Municipality has budgeted for Disaster Risk Management, and the budget included only:

- Emergency Relief (Blankets, Plastic Sheeting, Food Parcels & Sponges...etc)
- Temporary Shelter

The Municipality monitors the disaster management budget on an ongoing basis and conducts variances where applicable. The Municipal Disaster Management Unit has prepared and submitted a Sector Plan designed to establish the framework for implementation of the provisions of the Disaster Management Act and Disaster Risk Management Policy Framework, as well as the related provisions of the Municipal Systems Act No. 32 of 2000. The Sector Plan with the projects budgeted for is fundamentally, the identified disaster risk reduction activities which will be integrated and aligned with the main activities contained in the municipal IDP.

## SWOT ANALYSIS

| STRENGTHS                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | WEAKNESSES                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"><li>• Comprehensive programmes developed.</li><li>• Good institutional arrangements.</li><li>• Political buy in established</li><li>• Integration of disaster risk management issues with other municipal programmes</li><li>• Sharing of best disaster management practices with other stakeholders such as other local municipalities, the district disaster management centre and the provincial disaster management centre</li></ul> | <ul style="list-style-type: none"><li>• Insufficient human and physical resources to provide effective service delivery</li><li>• Small office space</li><li>• Storage space for relief</li><li>• Vehicles are not of the specification that is required by the terrain we navigate through</li><li>• Disaster Management Unit has no budget allocated, only relies on equitable share, which is utilized for relief.</li><li>• Lack of manpower to effect enforcement measures</li></ul> |
| OPPORTUNITIES                                                                                                                                                                                                                                                                                                                                                                                                                                                              | THREATS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <ul style="list-style-type: none"><li>• Employment of more disaster management personnel.</li><li>• Securing of political buy-in.</li><li>• Development or and review of disaster risk management plans</li></ul>                                                                                                                                                                                                                                                          | <ul style="list-style-type: none"><li>• Lack of comprehensive understanding of disaster risk management amongst other stakeholders.</li><li>• Lack of cooperation from other sectors.</li><li>• Climate change impact.</li><li>• Lack of budgeting for disaster management</li></ul>                                                                                                                                                                                                      |

## CONCLUSION

The KwaDukuza local Municipality Disaster Management unit has implemented a very strict proper coordination and integration of disaster related matters, which resulted in the effective monitoring and analyzing the incident that was experienced by the municipality. In line with the requirements of the disaster management act 57 of 2002, KwaDukuza local municipality must make a provision for resources to be allocated for immediate relief aid such as blankets, food parcels and sponges to the affected families. Additional staff to be employed and resources provided to the unit.



## D) MARINE SAFETY AND LAUNCH SITE MANAGEMENT

### HIGHLIGHTS

- Nil drownings on the main bathing beaches.
- 1 ocean drowning and 3 River and Dam drownings.
- Nil marine animals stranding.
- Daily safety and beach information on local radio station Life & Style 88.0 FM - Monday to Saturday performed by the Beach Manager.
- 1 Learn to Swim programmes conducted.
- 4 minor incidents at the launch sites and no issues with EDTEA and SAMSA.

### CHALLENGES:

- The high cost of keeping old equipment running (jet skis).
- Operating old vehicles.
- Shortage of staff which affects hours of duty and time off.
- Lack of promotions to motivate staff.



Lifeguards initiative of cleaning up the beach at Tinley Manor together with Community Services Business Unit's beach cleaners



The Marine Safety Section procured 4 disability chairs during 2022/2023. In the picture : Training of Community Safety and Community Services officials on how to operate the disability equipment



Water Safety Awareness talks by Lifeguards during Beach Clean-up



Successful beaches clean up at Willard Beach

## 2.5.4 CIVIL ENGINEERING AND HUMAN SETTLEMENTS

### A) CIVIL ENGINEERING

The Civil Engineering & Human Settlement Business Unit is responsible for the infrastructure development and service delivery to ensure that KwaDukuza Municipality's vision and mission are achieved as a legislative mandate in sections 152 & 153 of the Constitution for the planning and implementation in these performance areas:

- Human Settlement Projects
- Roads and Stormwater Projects

- Community Facilities Projects such as halls, creches, sports facilities, commuter shelter, etc.
- Maintaining of Civil Engineering Infrastructure
- Traffic Calming and Pedestrian facilities

The Civil Engineering and Human Settlement Business unit have a total staff complement of 129 employees. (103 in the Civil Engineering section, 22 staff in the Human Settlement section, and 4 staff in the Project management unit). The goals and objectives of the Civil Engineering & Human Settlement Business Unit is mandated from Integrated Development aligned to KZNPGDS and National Development Plan. The recent Lekgotla resolutions has since moved the Human Settlements Department to Economic Development, and Planning Business Unit. The move is effective as of 1 July 2023.



## CIVIL ENGINEERING AND PROJECT MANAGEMENT UNIT HIGHLIGHTS

The Business Unit has managed to achieve the following under the different stages of lockdown over the last 12 months:

The initial Municipal Infrastructure Grant (MIG) allocation for KwaDukuza Municipality was R68 871 000,00 for the 2022/2023 financial year which includes the 5% PMU Top slice. The allocation included R10 000 000,00 which was a ringfenced allocation from Department of Sport, Arts and Culture for construction of Groutville Market Sport field.

The Civil Engineering and Human Settlements initial Capital Budget for the 2022/2023 financial was R 155 730 993.

The KwaDukuza Municipality received R109 043 000,00 disaster response grant as a response to flood damages that occurred in April 2022. In trying to assist repairs of damaged infrastructure Council decided to reprioritize MIG and council funding to fund repairs of damaged infrastructure due to floods. Adjustment budget was done in August 2023 to accommodate disaster response grant and reprioritization of MIG. The total budget after first budget adjustment for Civil Engineering and Human Settlements was R 251 444 560. Excl. Vat

The KwaDukuza Municipality further received R1 271 098 930,72 grant for reconstruction and rehabilitation of flood damaged infrastructure. The funds were received in March 2023 and adjustment budget was approved in April 2023. The total capital for 2022/2023 after second budget adjustment was R 694 935 275,00 excl. vat.

**TABLE 56: EXPENDITURE ON CAPITAL BUDGET OUTLINED**

| FUNDING                               | ALLOCATION        | EXPENDITURE     | PERCENTAGE |
|---------------------------------------|-------------------|-----------------|------------|
| Council Funding R                     | R41 098 499,00    | R41 098 499,00  | 100%       |
| Municipal Disaster Response Grant     | R109 043 000,00   | R82 219 911,00  | 75.40%     |
| Municipal Infrastructure Grant        | R68 871 000       | R68 722 223     | 99.78%     |
| Reconstruction & Rehabilitation Grant | R1 271 098 930,72 | R375 431 064,24 | 29,5 %     |

The business unit has found a balance in terms of creating new infrastructure such a tarred/ surfaced roads and stormwater, halls and crossings vs maintaining and rehabilitation of existing road infrastructure.

Planning documents (Infrastructure master plans) are now in place which include the following:

- Roads Master Plan, 2021 - approved & implementation
- Pavement Management System (PMS) Road Master Plan, 2019 - approved & implementation
- Public Local Transport Plan, 2021 - approved & implementation
- Housing Sector Plan, 2018- - approved & implementation
- Restructured Zones, 2020 -- approved & implementation
- Stormwater Management Plan- incomplete

## STORM WATER DRAINAGE

The municipality through various funding sources implemented stormwater maintenance and upgrade projects. Most of these were in response to disaster that occurred in April 2022.

## RE-GRAVEL ROADS (OPERATION BUDGET)

The municipality as part routine maintenance and response disaster that occurred in April 2022, implemented re-gravelling projects under MN89/2021 of contractors for Betterment and Re-gravelling.

## BRIDGE REPAIRS AND CONSTRUCTION

The KwaDukuza Municipality implemented projects which included repairs to flood damaged bridges and reconstruction of flood damaged bridges. These projects were forming part of thirty (30) projects that were funded through Municipal Disaster Response Grant.

**PROJECTS UNDER CONSTRUCTION, COMPLETED PROJECTS AND HANDOVERS IN THE VARIOUS WARDS**

**VENUS DRIVE CULVERT BRIDGE**



**Before Construction**



**After Construction**

**SMITHERS BRIDGE**

**Before Construction**



**After Construction**





**MFECANE BRIDGE**  
**Before Construction**



**After Construction**



**RIVERSIDE BRIDGE**  
**Before Construction**



**After Construction**





## YELLOWWOOD BRIDGE

Before Construction



After Construction



## NKOBONGO BRIDGE

Before Construction



After Construction





### KWAMFANOMDALA BRIDGE

Before Construction



After Construction



### C1 SHISAMPAMA PEDESTRIAN BRIDGE

Before Construction



After Construction





### ETSHENI PEDESTRIAN BRIDGE

Before Construction



After Construction



### GROUTVILLE SPORT FIELD

Before Construction



After Construction





## B) HUMAN SETTLEMENTS

### 1. LEGISLATIVE MANDATE

Constitution of the Republic of South Africa, 1996 ( Act no. 108 of 1996) Section 26: Everyone has the right to have access to adequate housing. The state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realization of this right.

### 2. HOUSING ACT, 1997 (ACT NO. 107 OF 1997)

The national, provincial, and local spheres of government must give priority to the needs of the poor in respect to housing development and consult meaningfully with individuals and communities affected by housing development. Ensure that housing development provides a wide choice of housing and tenure options as is reasonably possible which is economically, fiscally, socially, and financially affordable and sustainable, is based on integrated development planning, and is administered in a transparent, accountable, and equitable manner, and upholds the practice of good governance.

### 3. KDM HUMAN SETTLEMENTS KEY FUNCTIONS

- Initiation of developments
- Planning and design of developments
- Package Applications for Human Settlements Projects
- Preparation of Project Development Applications and submission to relevant Authorities
- Implementation of Human Settlements Projects in accordance with agreements entered with KZNDHOS
- Coordination of Bulk Infrastructure
- Provide Basic Municipal Engineering services
- Transfer of Properties to successful owners
- Conduct Human Settlements Consumer Education
- Clearance of slums in Human Settlements developments
- Social Facilitation and Signing of beneficiaries for Human Settlements Developments

### 4. HUMAN SETTLEMENTS HIGHLIGHTS

During the 2022/23 Financial Year, the KwaDukuza Municipality achieved all the milestones that have designated the categorization of the 16 informal settlements of the National Upgrading Support Programme (NUSP) initiated by the National Department of Human Settlements supported by the Province. The categories are as follows:

**TABLE 57: SHOWING IN SITU,BASIC SERVICES & CATEGORY**

- A - In Situ Formalization
- B1 – In Situ Basic Services and Category
- B2 – Relocate with Interim Basic Services

| INFORMAL |                          |                   |               | IN SITU   |         |           |                     |               |           |          |                |                        |        |           |          |              |        |          |           | SDA'S            |                                   |                |               |                     |                               |         |
|----------|--------------------------|-------------------|---------------|-----------|---------|-----------|---------------------|---------------|-----------|----------|----------------|------------------------|--------|-----------|----------|--------------|--------|----------|-----------|------------------|-----------------------------------|----------------|---------------|---------------------|-------------------------------|---------|
| #        | INFORMAL SETTLEMENT NAME | NUMBER UNITS 2020 | NUSP CATEGORY | SAN SOUCI | OHLENGE | NTWASHINI | LINDELANI EXTENSION | SHAKA SPRINGS | DUMP SITE | HILLVIEW | NYONI YA MANZI | MURUGANS AREA, WARD 19 | MPONGO | SHAYAMOYA | MAWOWANE | EMADANISHINI | HANGOE | UMGABABA | SHEFFIELD | SUBTOTAL IN SITU | SDA: PTN 3 LOT 11 OF FARM 1676 FU | SDA 2: STANGER | SDA 3: HANGOE | SUBTOTAL RELOCATION | SUBTOTAL (INSITU +RELOCATION) | DEFICIT |
| 1.1      | San Souci                | 224               | A/B1          | 224       |         |           |                     |               |           |          |                |                        |        |           |          |              |        |          |           | 224              |                                   |                |               | 0                   | 224                           | -       |
| 1.2      | Ohlange                  | 1 499             | A/B1          | 1 499     |         |           |                     |               |           |          |                |                        |        |           |          |              |        |          |           | 1 499            |                                   |                |               | 0                   | 1 499                         | -       |
| 2.2      | Ntwashini                | 32                | B1            |           |         | 32        |                     |               |           |          |                |                        |        |           |          |              |        |          |           |                  | 32                                |                |               | 0                   | 32                            | -       |
| 3.1      | Lindelani Extension      | 444               | B1/B2         |           |         |           | 326                 |               |           |          |                |                        |        |           |          |              |        |          |           |                  | 326                               | 118            |               | 118                 | 444                           | -       |
| 3.2      | Shaka Springs            | 265               | B2            |           |         |           |                     |               |           |          |                |                        |        |           |          |              |        |          |           |                  | -                                 | 265            |               |                     | 265                           | -       |
| 3.3      | Dump Site                | 144               | B1/B2         |           |         |           |                     |               | 91        |          |                |                        |        |           |          |              |        |          |           |                  | 91                                | 53             |               | 53                  | 144                           | -       |
| 3.4      | Hillview                 | 416               | B1/B2         |           |         |           |                     |               |           | 286      |                |                        |        |           |          |              |        |          |           |                  | 286                               | 130            |               | 130                 | 416                           | -       |
| 3.5      | Nyoni ya Manzi           | 1 068             | B1/B2         |           |         |           |                     |               |           |          | 698            |                        |        |           |          |              |        |          |           |                  | 698                               | 370            |               | 370                 | 1 068                         | -       |
| 3.6      | Murugans Area, Ward 19   | 261               | B1/B2         |           |         |           |                     |               |           |          |                | 166                    |        |           |          |              |        |          |           |                  | 166                               | 95             |               | 95                  | 261                           | -       |
| 3.7      | Mpongongweni             | 293               | B1/B2         |           |         |           |                     |               |           |          |                |                        | 190    |           |          |              |        |          |           |                  | 190                               | 103            |               | 103                 | 293                           | -       |
| 3.8      | Shayamoya                | 292               | B1/B2         |           |         |           |                     |               |           |          |                |                        |        | 248       |          |              |        |          |           |                  | 248                               | 44             |               | 44                  | 292                           | -       |
| 4.1      | Mawowane                 | 150               | B1/B2         |           |         |           |                     |               |           |          |                |                        |        |           | 90       |              |        |          |           |                  | 90                                |                | 60            | 60                  | 150                           | -       |
| 4.2      | Emadanishini             | 123               | B1            |           |         |           |                     |               |           |          |                |                        |        |           |          | 123          |        |          |           |                  | 123                               |                |               | 0                   | 123                           | -       |
| 4.3      | Hangoes                  | 228               | B1/B2         |           |         |           |                     |               |           |          |                |                        |        |           |          |              | 171    |          |           |                  | 171                               |                | 57            | 57                  | 228                           | -       |
| 4.4      | Umgababa                 | 384               | B1/B2         |           |         |           |                     |               |           |          |                |                        |        |           |          |              |        | 260      |           |                  | 260                               |                | 124           | 124                 | 384                           | -       |
| 5.1      | Sheffield                | 167               | A/B1          |           |         |           |                     |               |           |          |                |                        |        |           |          |              |        |          | 167       | 167              |                                   |                |               | 0                   | 167                           | -       |
|          | Total                    | 5 990             |               | 224       | 1 499   | 32        | 326                 | 0             | 91        | 286      | 698            | 166                    | 190    | 248       | 90       | 123          | 171    | 260      | 167       | 4 571            | 265                               | 913            | 241           | 1 419               | 5 990                         | 0       |
|          | Surplus                  |                   |               | 37        | 891     | 66        | 0                   | 0             | 0         | 0        | 0              | 0                      | 0      | 0         | 0        | 11           | 0      | 0        | 533       | 1 538            | 0                                 | 0              | 0             | 0                   | 0                             | 1 538   |

It should be noted that within the 16 categorized informal settlements there are projects at the planning stage and some at the implementing stage and land identified for future projects. In the 2022/23 financial year the Municipality made an application and received approval to install the interim services for the Sheffield informal settlements which is in line with the above categorization A/B1 as per the table above.

## 5. LEVEL 2 ACCREDITATION

KwaDukuza Municipality as of 11 May 2023 signed a 3-Year Accreditation Level 2 with the KZN Department of Human Settlements. The KwaDukuza Municipality has been accredited in terms of Section 10 of the Housing Act to administer all the National Human Settlements program on its behalf, subject to certain conditions stipulated in the signed Implementation Protocol. It also ensures the capacitation of the Municipality on the assigned executive functions of administering the National housing programme, and clarifies, and ensure the performance of the respective roles and responsibilities of the National Human Settlements, Provincial Human Settlements, and the Municipality.

### SIGNING 3 YEAR MUNICIPAL ACCREDITATION PROGRAMME, 12 MAY 2023 AT EMPANGENI



KZN DHS MEC, Hon Dr. N.N.G Mahlaba & KwaDukuza Municipal Mayor, Cllr. L Nhaca

## 6. HOUSING SECTOR PLAN

The Housing Sector Plan is a Five-Year Strategic Plan that is intended to guide a Municipality to deliver housing in a planned and coordinated manner. This plan strengthens the strategic objectives of sustainable human settlement. KwaDukuza Municipality last reviewed the Human Settlements Plan in 2018 and also held the ILembe Human Settlements Summit on the 7th and 8th of June 2018 at Maphumulo Town Hall, Maphumulo. It should be noted that KwaDukuza was updating the plan with the information that was received on the yearly IDP roadshows and the Provincial yearly business plan. The KwaDukuza set aside funding in the 2022/23 and 23/24 financial year to review the whole sector plan that was approved in 2018. The review of the plan has progressed from Phase 1 (Inception) to Phase

5 consultation (Stakeholder engagement) which is the last phase before the Council approval.

## 7. HOUSING NEEDS REGISTER

The Provincial Department-appointed service provider undertaking to create a needs register for the KwaDukuza Local Municipality in June 2022. The National Housing Needs Register (NHNR) will be the tool to be utilized at a provincial and municipal level to enable households to register the need for adequate shelter as it is a web-based application that contains records related to the needs of households for adequate shelter based on captured housing needs questionnaires. As of the financial year ending in 2022/23, 10,000 questionnaires were captured, and the data collection is still in progress within KwaDukuza.

## 8. PRIORITY HUMAN SETTLEMENTS AND HOUSING DEVELOPMENT AREAS

The declaration of the Priority Human Settlements And Housing Development Areas (PHSHDAS) by the previous Minister I, LN Sisulu, Minister of Human Settlements, Water and Sanitation was realized on 15 May 2020 as per Gazette Notice No 43316 No 56. The declaration took cognizance of Section 3 of the Housing Act (No. 107 of 1997) read in conjunction with Section 7 (3) of the Housing Development Agency Act, 2008 (No. 23 of 2008), the Spatial Planning and Land Use Management Act (SPLUMA) (No. 16 of 2013), and the Infrastructure Development Act (No. 23 of 2014), hence the declaration of the 136 Priority Human Settlements and Housing Development Areas (PHSHDAs) in South Africa that include the two KwaDukuza areas as follows:

| DEVELOPMENT AREA                       | AREAS                                                                                                                                                                                                            | WARDS                                                       |
|----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|
| Ballito/Shakaskraal                    | (Ballitoville, Charlotte Dale, Etete, Groutville, Nkobongo, Royal Palm Estates, Shakas Head, Shakas Rock, Shakaskraal, Shakaville, Sheffield Beach, Sheffield Manor, Simbithi, Tinley Beach, Tinley Manor Beach) | 4, 7, 8, 12, 20, 21, 22, 23, 28,                            |
| KwaDukuza Town/ Hyde Park- Nonoti Area | KwaDukuza (Charlotte Dale, Groutville, Highridge, New Guelderland, Prince's Grant, Stanger, Townview, Warrenton)                                                                                                 | 3, 5, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 24, 26, 29 |

### 8.1 PROGRESS ON THE PHSHDAS IN KWADUKUZA

The South African Local Government Association (SALGA) appointed a service provider to assist with the development of a guideline for the PHSHDAs as well as the preparation of Development Plans for the KwaDukuza municipality for the two PHSHDA area namely KwaDukuza Ballito/ Shakaskraal Development Area and KwaDukuza Town/ Hyde Park – Nonoti Area. Further to this, the KwaZulu Natal Department of Human Settlements appointed a service provider to conduct the development plan focusing on the KwaDukuza Town/ Hyde Park/Nonoti Priority Human Settlement and Housing Development Area (PHSHDA).

### 8.2 THE DEVELOPMENT PLAN PURPOSE AND OBJECTIVES

The development plan together with other existing plans and/or frameworks is aimed at providing a concise overview of the development opportunities from a human settlements perspective that includes infrastructure, social development, economic development, and ecological considerations in and around the PHSHD. The high-level outcome of the development plan is to ensure human settlements' spatial transformation and consolidation. This requires that the implementation plan identify specific interventions that contribute to the transformation of the area, which should include human settlement projects and budgets, infrastructure programs and budgets, social infrastructure and budgets, economic development projects and budgets,

spatial alignment schedule linking to other spatial plans etc as well as the institutional arrangements to coordinate developments in the PHSHDA.

- Create opportunities for liveable, inclusive, and resilient towns and cities;
- Reverse the unjust and dysfunctional spatial legacy of apartheid;
- Improve participation of the disadvantaged in the residential property market; and
- Increase the asset creation potential of the state's investments in human settlements

It should be noted that the deliverables of both plans progressed to Phase 4 by the end of 2022/23 financial year the plans will be concluded in 203/24 financial year

## 9. RESTRUCTURING ZONES AND SOCIAL HOUSING

KwaDukuza Municipality has demarcated the below areas (Restructuring Zones):

TABLE 58: SOCIAL HOUSING

| RESTRUCTURING ZONE | AREAS                                                                                   |
|--------------------|-----------------------------------------------------------------------------------------|
| ZONE 1 Approved    | KwaDukuza CBD, Rocky Park, Stanger Heights, Doctorskop, Blythedale Beach, and Hyde Park |
| ZONE 2 Requested   | Shakaskraal, Umhlali, Salt, Rock Park, Ballito, Compensation and Greater Driefontein    |



### DEFINITION OF THE RESTRUCTURING ZONE:

The Restructuring Zone is a geographic area identified for targeted investment based on the need for social, spatial, and economic restructuring of the area/s. Individual sites do not constitute restructuring zones.

In terms of The Social Housing Act, defines Restructuring Zones as the geographic area which has been-

- Identified by the Municipality with the concurrence of the government for the purpose of Social Housing,
- Designated by the Minister in the Gazette for an approved project.

The Restructuring Zone will be identified by the Council and declared by the Minister of Human Settlements.

### PROGRESS TO DATE:

- Council has approved projects within KwaDukuza Restructuring Zones.
- KwaDukuza Civil Engineering and Human Settlement Business Unit are currently following SCM

Procedures for the appointment of the Panel of Social Housing Institutions.

- KwaDukuza Municipality has submitted the new restructuring zone boundaries for Zone 1 which is approved and gazetted
- KwaDukuza Municipality re applied for Zone 2 to Human Settlements

## 10. HOUSING PERFORMANCE STATISTICS FOR A 3-YEAR PERIOD

**TABLE 59: CONSTRUCTED, HANDED, AND SITE SERVICED**

| KPI                    | 2020/21 | 2021/22 | 2022/23 |
|------------------------|---------|---------|---------|
| New Houses Constructed | 275     | 73      | 87      |
| Houses Handed Over     | 275     | 58      | 87      |
| Sites serviced         | 268     | 460     | 1132    |

## 11. COMPLETED HOUSES

### NTSHAWINI HOUSING PROJECT (WARD 26)



### STEVE BIKO HOUSING PROJECT (WARD 13)



## 12. INSTALLATION OF SERVICES

### NYATIKAZI HOUSING PROJECT (WARD 3)



The municipality provided funding for retaining walls in Etete Ward 20, Lloyds Ward 14, and Steve Biko Ward 13

### STEVE BIKO HOUSING PROJECT (WARD 13) – CONSTRUCTION OF RETAINING WALLS





**LLOYDS HOUSING PROJECT (WARD 14) – COMPLETED RETAINING WALLS****13. TRANSITIONAL RESIDENTIAL UNITS (TRUS)**

During 8 – 11 April 2022, heavy downpours of rains and floods were experienced battering the Province of KwaZulu – Natal that has left a trail of destruction and damage to infrastructure. Communities were devastated and people have been left homeless and lives have been lost.

During our Disaster Assessments, some communities were displaced and some were temporally housed at Community Halls, Crèches, or Public Facilities. The KwaZulu Natal Department of Human Settlements constructed 253 Transitional Residential Units (TRU's) at KwaDukuza Municipality, Transitional Residential Units are Emergency Housing Intervention.

**TABLE 60: COMPLETED TRU'S**

| NO.          | WARD    | AREA / VILLAGE | TRU'S      | ELECTRICITY SUPPLY | SERVICES INSTALLATION |       |
|--------------|---------|----------------|------------|--------------------|-----------------------|-------|
|              |         |                |            |                    | WATER                 | SEWER |
| 01           | Ward 03 | Nyathikazi     | 01         | No                 | No                    | No    |
| 02           | Ward 05 | Lindelani      | 15         | Yes                | Yes                   | No    |
| 03           | Ward 09 | Malende        | 10         | No                 | No                    | No    |
| 04           | Ward 10 | Groutville     | 12         | No                 | No                    | No    |
| 05           | Ward 11 | Thembeni       | 11         | Yes                | No                    | No    |
| 06           | Ward 13 | Glenhills      | 27         | Yes                | Yes                   | Yes   |
| 07           | Ward 15 | Tshawini       | 32         | Yes                | Yes                   | Yes   |
| 08           | Ward 17 | Highridge      | 30         | Yes                | Yes                   | Yes   |
| 09           | Ward 20 | Etete          | 10         | Yes                | Yes                   | Yes   |
| 10           | Ward 21 | Driefontein    | 60         | No                 | Yes                   | Yes   |
| 11           | Ward 23 | Shayamoya      | 05         | Yes                | No                    | No    |
| 12           | Ward 24 | Sihle Phakathi | 40         | No                 | Yes                   | Yes   |
| <b>TOTAL</b> |         |                | <b>253</b> |                    |                       |       |

## TRANSITIONAL RESIDENTIAL UNITS (TRU) – COMPLETED (VARIOUS WARDS)



## 14. FINANCIAL PROJECTIONS AS PER NATIONAL AND PROVINCIAL BUSINESS PLAN

TABLE 61: FINANCIAL PROJECTIONS - NATIONAL AND PROVINCIAL BUSINESS PLAN

| PROJECT NUMBER         | PROJECT NAME                          | 2019/20 BUDGET | 2020/21 BUDGET | 2021/22 BUDGET | 2022/23       |
|------------------------|---------------------------------------|----------------|----------------|----------------|---------------|
| K15100002              | Charlottedale                         | R3 365 000     | R1 000 000     | R1 000 000     | R500 000      |
| K07080006              | Groutville Priority 1 Ph 2 Lloyds     | R34 564 126    | R18 292 934    | R7 446 362.10  | R6 000 000    |
| K07080004              | Groutville Ntshawini Priority 1 Ph 2  | R34 564 125    | R18 292 934    | R7 446 362.10  | R8 332 800    |
| K04010006<br>K20020027 | Ethafeni                              | R0             | R0             | R300 000       | R367 900      |
| K04090001              | Etete Phase 4                         | R30 890 190    | R18 362 501    | R13 140 369.00 | R29 590 640   |
| K07080005              | Groutville Priority 1 Ph 2 Chris Hani | R34 564 125    | R18 292 934    | R10 512 511.20 | R4 000 000    |
| K06020002              | Sakhamkhanya Phase 2 Housing Project  | R26 993 820    | R18 827 934    | R7 669 020.00  | R3 250 000    |
| K11080002              | Sokesombone                           | R16 085 524    | R25 507 045    | R0             | R0            |
| K03090001              | Steve Biko Ph 2                       | R34 875 267    | R27 357 546    | R13 637 700.00 | R7 272 574    |
| K10110002              | Rocky Park                            | R0             | R0             | R19 000 000    | R5 808 135.62 |



## 14. FINANCIAL PROJECTIONS AS PER NATIONAL AND PROVINCIAL BUSINESS PLAN *...continued*

TABLE 61: FINANCIAL PROJECTIONS - NATIONAL AND PROVINCIAL BUSINESS PLAN *...continued*

| PROJECT NUMBER | PROJECT NAME                                   | 2019/20 BUDGET | 2020/21 BUDGET | 2021/22 BUDGET | 2022/23       |
|----------------|------------------------------------------------|----------------|----------------|----------------|---------------|
| K11110008      | Nonoti Mouth                                   | R0             | R0             | R2 475 994.00  | R372 256,58   |
| K08120001      | Madundube                                      | R0             | R0             | R0             | R7 983 816,00 |
| K1930002       | Mgigimbe                                       | R1 000 000     | R2 000 000     | R8 803 400.00  | R8 332 800    |
| K1510005       | Sihle Phakathi                                 | R0             | R19 992 934    | R 0            | R3 900 000    |
| K10110001      | Nyathikazi                                     | R0             | R0             | R0             | R4 641 652.25 |
| K03090004      | Driefontein Replanning                         | R1000 000      | R1 500 000     | R 400 000      | R0            |
| K13090006      | Hyde Park                                      | R0             | R0             | R0             | R0            |
| K21030004      | Shakasprings                                   | R0             | R350 000       | R350 000       | R0            |
|                | Shakashead replanning                          | R0             | R0             | R0             | R200 000      |
| K03100012      | Groutville P5 implementation and replanning    | R400 000       | R0             | R200 000       | R367 900      |
|                | Chief Albert Luthuli (Engineering ASSESSMENTS) | R0             | R0             | R0             | R680 000      |
| K03100011      | Groutville P2 implementation and Replanning    | R0             | R0             | R300 000       | R376 985      |
| K22030006      | Shakaville Integrated                          | R0             | R0             | R0             | R1 600 000    |
| K22050005      | Sheffield                                      | R0             | R0             | R0             | R1 200 000    |
| K22030007      | Rocky Ridge                                    | R0             | R0             | R0             | R1 200 000    |

## 15. BLOCKED AND CLOSEOUT PROJECTS

The Projects that fall within this category are mostly old Projects where some construction has been completed with only Subsidy Administration issues and social facilitation is required to resolve beneficiary issues. Some Projects at close out require funding to complete some milestones namely Town Planning, Conveyancing, and expropriation, etc., some projects have been funded using Special Funding from the Swiss Economic Corporation Office and World Bank and this funding is mainly for those projects that require registering of Property (Title Deeds Restoration Programme).

TABLE 62: BLOCKED HOUSING PROJECTS

| NO | PROJECT NAME                        |
|----|-------------------------------------|
| 1  | Lindelani Phase2                    |
| 2  | Ext 46 Lindelani Phase1             |
| 3  | Mbozamo Phase 1                     |
| 4  | STANGER EXTENSION 46: Senzangakhona |
| 5  | Steve Biko Phase 1                  |
| 6  | Nkobongo Phase1                     |
| 7  | Nkobongo Phase2                     |
| 8  | Shakashead Phase 2                  |
| 9  | Ethafeni                            |
| 10 | Chief Albert Luthuli (CALLRUP)      |
| 11 | Groutville Priority 5               |
| 12 | Shayamoya Phase 2                   |
| 13 | Groutville 1                        |
| 14 | Groutville Priority 2               |
| 15 | Dube Village                        |
| 16 | Aldenville                          |

## 16. HOUSING RECTIFICATION

Rectification Programme that aims to assist projects that were implemented between 1996 -2002. These are projects that were implemented when the subsidy was too minimum, and the product resulted in being small and with poor workmanship. KwaDukuza Municipality has nine (9) projects that meet the criteria of a rectification program.

| PROJECTS THAT WERE SUBMITTED BY KWADUKUZA MUNICIPALITY UNDER THE RECTIFICATION PROGRAMME  |                                               |                                                                                              |
|-------------------------------------------------------------------------------------------|-----------------------------------------------|----------------------------------------------------------------------------------------------|
| Nkobongo Phase 1 & 2 (494 & 1009)<br>Stanger Ext 46 (284)<br>Umdlebeni (936)<br>Shayamoya | The Projects were assessed by NHBRC           | The Municipality received a correspondence that the rectification programme was discontinued |
| Shakashead Phase 1(382)<br>Lindelani (272)<br>Steve Biko Phase 1 (198)                    | The projects were not approved for assessment | The Municipality received correspondence that the rectification program was discontinued     |

## 17. AFFORDABLE HOUSING

KwaDukuza Municipality took a resolution to initiate Integrated Developments. The main objective of this initiative was to promote people of different income brackets to live together. These developments will have various programs within one development such as Low Income, Affordable (FLIPS), Community Residential Units (CRU), Social Housing, etc. The following are the projects that have been initiated and are at various stages of implementation:

**TABLE 63: AFFORDABLE HOUSING PROJECT**

| NO. | WARD         | PROJECT NAME             | IMPLEMENTING AGENT              | PROJECT STATUS     |
|-----|--------------|--------------------------|---------------------------------|--------------------|
| 1.  | 19           | Rocky Park               | Likhanyile Consulting Engineers | Blocked            |
| 2.  | 11           | Hyde Park Country Estate | Vumesa (PTY) LTD                | Planning Stage     |
| 3.  | 7/8/20/23/28 | Vlakspruit Farm          | BVI                             | Pre-Planning Stage |
| 4.  | 18           | Shakaville Extension     | SMA Consultants                 | Planning Stage     |
| 5   | 4            | Shakashead development   | SCM Process                     | SCM Process        |

## 18. HUMAN SETTLEMENT DEVELOPMENT CHALLENGES

- The scarcity of land for human settlement development;
- In cases where land is available, the landowners are asking for extremely high compensation;
- Urban poor living in very squalor or difficult conditions. This then necessitates KwaDukuza Municipality to be proactive in providing decent living conditions for these people e.g. Shakasprings;
- Unavailability of Funds for Land Acquisition;
- The lack of Council-owned land for human settlement in Ballito makes it impossible for the Council to ensure the integration of communities;
- Insufficient Funds for Bulk Infrastructure e.g., bulk electricity, roads, sewerage, and water;
- Land Invasion; Selling of Council Land;
- The rapid increase in population adds to the housing backlog,
- unavailability of accommodation;
- The influx of people coming to KwaDukuza to seek job opportunities;
- Budget -Cut/Constraints;
- Discontinuing of Rectification Programme;
- None-Prioritisation of Rural Development.

## 2.5.5 ECONOMIC DEVELOPMENT AND PLANNING

The Economic Development and Planning Business Unit is in the forefront in dealing with and facilitating economic development within the municipal jurisdiction. The Business Unit (BU) is comprised of three directorates, namely:

- **DEVELOPMENT PLANNING,**
- **DEVELOPMENT ENFORCEMENT AND**
- **LOCAL ECONOMIC DEVELOPMENT.**

Under Development Planning department, the following functionaries are discussed:

- Forward / Spatial Planning: SPLUMA Implementation.
- Municipal Planning Tribunal Activities
- Land Use Management (Town Planning) Activities
- Building Control Activities
- Outdoor Advertising Activities
- Environmental management and Climate Change Activities
- Summary of challenges and mitigation measures.

### A. FORWARD / SPATIAL PLANNING: SPLUMA IMPLEMENTATION

The municipality first adopted the Spatial Planning and Land Use Management (SPLUM) By-law in 2015 and the policy has been reviewed twice and latest review in operation was gazetted in September 2018 (By-law No. 2002). The By-law provides for several elements including the establishment of decision-making structures i.e., Municipal Planning Approval Authorities, namely: Authorized Officials (AA), Municipal Planning Tribunal (MPT) Municipal Planning Appeal Authority (MPRAA) and the Municipal Planning Enforcement Authority.

All the decision-making authorities are established and in operation. The current five (5) year term for the MPT, MPRAA commence in November 2020 and expired in October 2025. The committees are comprised of a pool of members / professionals sourced from public (government), private sector and senior municipal officials (i.e., KwaDukuza). Thus, in scheduling meetings, members are selected from the pool available based on expertise required for applications to be considered – and this is on a rotational basis.

### I) SPLUMA APPLICATIONS PROCESSED

The following development applications under Category 1: Scheme amendments, Rezoning, Subdivision, Consolidation were processed for the reporting year (2022/23) and the requisite revenue generated (municipal tariffs):

**TABLE 64: SPLUMA APPLICATIONS PROCESSED**

| ITEM                | TYPE OF APPLICATION |             | TOTAL       |
|---------------------|---------------------|-------------|-------------|
|                     | PRE-SUBMISSION      | FORMAL      |             |
| No. of Applications | 97                  | 127         | R952,222.45 |
| Revenue Generated   | R75,116.24          | R877,106.21 |             |

### II) DECISIONS BY MUNICIPAL DECISION-MAKING AUTHORITIES:

The decision-making process (outcome) of the Municipal Decision-Making Authorities as compared to the previous financial year is summarized below:

**TABLE 65: DECISIONS BY MUNICIPAL DECISION-MAKING AUTHORITIES**

| APPLICATION PROGRESS                                                                                                                                                                                                                                                                                                                    | NUMBER OF APPLICATIONS |           |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|-----------|
|                                                                                                                                                                                                                                                                                                                                         | 2021/2022              | 2022/2023 |
| Number of applications approved                                                                                                                                                                                                                                                                                                         | 31                     | 65        |
| Number of applications disapproved                                                                                                                                                                                                                                                                                                      | 1                      | 5         |
| Number of pending applications                                                                                                                                                                                                                                                                                                          | 28                     | 15        |
| NOTE: Pending applications include applications awaiting MPT and MPAO decision, deferred applications by the MPT, pre-submission applications to be assessed and pre-submission application deferred by the Municipal Planning Registrar. These remaining applications have now overlapped into the current financial year (2023/2024). |                        |           |

In comparison to the last financial year, there has been a significant increase in the number of applications that have been approved, these include applications submitted in the 2021/2022 and 2022/2023 financial years. The increase has also had a positive impact on the revenue generated for the past financial year. This positive trend can be directly attributed to the following, amongst other issues:

- (a) Availability of planning interns available for the processing of applications, which includes 3 interns as part of the MISA programme (increased capacity).
- (b) Increased number of Authorised official applications which are quicker and simpler to process
- (c) Increase in the number of MPT Sittings and applications considered by the same authority

Looking at the stats in context, the trend seems to be a continuation of the 'recovery' and further sustenance of positive sentiment relating to new developments after the Covid period.

## B. MUNICIPAL PLANNING TRIBUNAL ACTIVITIES

The KwaDukuza Municipal Planning Tribunal (MPT) has been in operation for the past seven (7) years and it sat thirteen (13) times in the financial year – this is two more than the last financial year. During the same period, 52 applications were considered with 32 (61%) approvals, 5 disapprovals (10%), 15 (29%) deferrals with one of the deferrals referred to a technical advisor. The number of applications considered increased in comparison to the previous financial year and this includes increase in the number of refusals. The refusals were well substantiated and it must be noted that none of the decisions for refusal were appealed.

**TABLE 66: COMPARISON OF THE ACTIVITIES IN THE LAST THREE FINANCIAL YEARS**

| ITEM                                                          | 2020/21 | 2021/22 | 2022/23 |
|---------------------------------------------------------------|---------|---------|---------|
| 1. Sittings                                                   | 12      | 11      | 13      |
| 2. Development Applications considered (incl. deferred items) | 39      | 40      | 52      |
| 3. Approvals                                                  | 22      | 27      | 32      |
| 4. Disapprovals                                               | 3       | 1       | 5       |
| 5. Deferrals                                                  | 14      | 12      | 14      |
| 6. Refer to Technical Advisor                                 | -       | -       | 1       |

Whilst MPT activities have ran relatively smoothly, there has been some of the challenges experienced in the reporting year including the interruption caused by loadshedding as meetings are held virtually, coordination of sittings to align with availability of key members, availability of resources, etc. These issues are progressively being addressed through forward planning and allocations.

## C. LAND USE MANAGEMENT (TOWN PLANNING) ACTIVITIES

Land Use management activities relate to Category 2 applications, namely consent (i.e., relaxations, Special consent, encroachments, etc.). Some of the activities discussed include, amongst others, activities relating to issuance of zoning applications, processing of building plans from a scheme compliance point of view.

**TABLE 67: LAND USE APPLICATIONS PROCESSED:**

| TYPE OF APPLICATION                 | APPROVED   | DISAPPROVED |
|-------------------------------------|------------|-------------|
| 1. Special Consent                  | 13         | 1           |
| 2. Relaxation                       | 90         | 0           |
| 3. Encroachments                    | 20         | 0           |
| 4. Pre-Submissions                  | 11         | 0           |
| 5. Site Development Plans           | 16         | 0           |
| <b>TOTAL APPLICATIONS SUBMITTED</b> | <b>150</b> | <b>1</b>    |

**TABLE 68: OTHER LAND USE MANAGEMENT ACTIVITIES**

| NATURE OF APPLICATION                         | TOTAL |
|-----------------------------------------------|-------|
| 1. Building Plan Assessment                   | 685   |
| 2. Business License Applications              | 167   |
| 3. Zoning Certificates                        | 73    |
| 4. Town Planning Contravention Notices Issued | 23    |
| 5. Town Planning Prohibition Notices Issued   | 22    |



## D. BUILDING ACTIVITIES

In terms of the provisions of Section 156 of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), the legislative and the executive functions in respect of the Building Regulations have been allocated to all municipalities. In terms of the National Building Regulations and Standards Act, 1977 (Act No. 103 of 1977), the Building Control Section is responsible for, amongst other things, the circulation and approval of building plans, for any building works to be executed on site, the erection of boundary walls and advertising signs and the construction of swimming pools.

The section is also responsible for issuance of completion certificates for all buildings that are constructed and comply with the relevant legislation. The section is also tasked with ensuring uniformity with regards to the submission, consideration and approval of the building plans with the KwaDukuza area of jurisdiction, in line with the provisions of the Building Regulations.

## • STATS SA: KEY FINDINGS ON SELECTED BUILDING STATISTICS (2022)

In their report issued in June 2023, Statistics South Africa reported that nationally, "the value of building plans passed by larger municipalities (at current prices) increased by 7,7% (R8 431,7 million) in 2022 compared with 2021. Increases were reported for non-residential buildings (17,3% or R3 259,6 million), additions and alterations (11,0% or R3 279,4 million) and residential buildings (3,1% or R1 892,7 million).

The value of buildings reported as completed (at current prices) increased by 14,3% (R8 498,9 million) in 2022 compared with 2021. Increases were reported for residential buildings (13,2% or R4 330,6 million), additions and alterations (17,8% or R2 397,3 million) and non-residential buildings (13,6% or R1 771,0 million)."

In relation to the province of KwaZulu Natal, the largest contributors to the value of building plans passed and buildings reported completed are reflected below:

**TABLE 69: APPROVALS: LARGEST MUNICIPAL CONTRIBUTORS TO VALUE OF BUILDINGS PLANS PASSED FOR 2022**

| PROVINCE / MUNICIPALITY | VALUE OF BUILDING PLANS PASSED AT PROVINCIAL/ MUNICIPAL LEVEL (R MILLION) | MUNICIPAL CONTRIBUTION TO THE VALUE OF BUILDING PLANS PASSED AT PROVINCIAL LEVEL (%) |
|-------------------------|---------------------------------------------------------------------------|--------------------------------------------------------------------------------------|
| <b>KWAZULU-NATAL</b>    | <b>19 750,6</b>                                                           |                                                                                      |
| eThekweni Metro         | 12 894,4                                                                  | 65,3                                                                                 |
| KwaDukuza Municipality  | 3 148,6                                                                   | 15,9                                                                                 |
| Umgeni Municipality     | 1 210,1                                                                   | 6,1                                                                                  |
| Msunduzi Municipality   | 750,8                                                                     | 3,8                                                                                  |
| Newcastle Municipality  | 511,6                                                                     | 2,6                                                                                  |

**TABLE 70: COMPLETIONS: LARGEST MUNICIPAL CONTRIBUTORS TO VALUE OF BUILDINGS REPORTED AS COMPLETED 2022**

| PROVINCE / MUNICIPALITY | VALUE OF BUILDING PLANS PASSED AT PROVINCIAL/ MUNICIPAL LEVEL (R MILLION) | MUNICIPAL CONTRIBUTION TO THE VALUE OF BUILDING PLANS PASSED AT PROVINCIAL LEVEL (%) |
|-------------------------|---------------------------------------------------------------------------|--------------------------------------------------------------------------------------|
| <b>KWAZULU-NATAL</b>    | <b>9 770,9</b>                                                            |                                                                                      |
| eThekweni Metro         | 6 805,3                                                                   | 69,6                                                                                 |
| KwaDukuza Municipality  | 1 655,2                                                                   | 16,9                                                                                 |
| Umgeni Municipality     | 766,4                                                                     | 7,8                                                                                  |
| Msunduzi Municipality   | 116,6                                                                     | 1,2                                                                                  |
| Newcastle Municipality  | 116,4                                                                     | 1,2                                                                                  |

NOTE: Selected areas for KwaDukuza include Ballito, Blythedale Beach, Shakaskraal, Stanger, Tinley Manor Beach, Zinkwazi Beach.

The above clearly indicate that for the calendar year 2022, KwaDukuza Municipality remains the focal point in relation to development activities behind eThekweni Metro. This trend has been the case for more that a decade.

## • DETAILED BUILDING ACTIVITIES FOR KWADUKUZA

**Submissions:** The total number of building plans submitted for the 2022/2023 financial year is 946. This is a 289 (23%) decrease in comparison with the previous financial year. The total income generated from the building plans submission for the 2022/2023 financial year amounts to R 9 848 613. 54. This is less than that generated in the previous financial year (2021/2022) which was R 10 942 855. 82, with a difference of R 1 094 242. 28.

**Approvals:** The total number of building plans approved for the 2022/2023 financial year is 1 055. This represents an increase of 477 (82%) more building plan approved from previous financial year, as a total of 578 building plans were approved. The total value of the property of the approved building plans for the 2022/2023 financial year is about R 2.5 Billion, which is a decrease of about R 477 595 100 from the 2021/2022 financial year, which was about R 3 Billion.

**Completions:** A total of 616 certificates of occupancy were issued for the 2022/2023 financial year. This is a decrease of 139 from the previous 2021/2022 financial year, as a total of 755 occupation certificate were issued.

## • BUILDING ACTIVITIES REFORMS

The municipality has been dealing with Construction Permits reforms in partnership and support of Vuthela Ilembe and International Finance Corporation (IFC). Whilst the support has ended and a final close out report submitted in January 2023, the reforms that were introduced are still being implemented and there is ongoing review of business processes to improve efficiencies. Below is an extract from the close out report which itemizes the journey travelled in trying to improve 'the system' – reflecting on the challenge/s that the programme sought to address and some of the interventions that were s introduced over a period of 3-5 years:

### CHALLENGE:

The Municipality Development Planning department was faced with an outcry from the private sector (developers and architects) on the lengthy processes and timelines for the approvals of building plans, a high amount of referrals, poor customer centricity, the absence of external stakeholder engagements, lack of prioritisation of building plans, inter/intra-departmental communications, unnecessary inspections, and long turnaround times for the issuance of occupancy certificates. The key performance indicators were not identified, and hence not measured, and continuous improvement also not being affected.

The developers engaged with the local Chamber of Commerce who tried to foster relationships with the Municipality due to various slandering in the local newspapers. The reputation of the Municipality was at stake. Some developers are seasoned and know the regulations, by-laws, Land Use Schemes, while others have expectations that these regulations can be bent, or processes need to be circumvented to facilitate faster development. This results in expectation mismatches.

The referral rate of building plans was at 93.4% which was a hinderance to economic development.

A system was piloted at KwaDukuza, but never adopted by the Municipality as it never worked for them.

It is important to note that the COVID pandemic took the municipality and the rest of the world by storm, with hard lockdowns and uncertainty during the period. It was also observed that sometimes, private sector expectations tend to ignore catastrophes and expect business-as-usual, most unfortunately. Nevertheless, the Municipality even with constrained resources were able to make reforms.

## IFC INTERVENTION

The IFC provided technical assistance to the Municipality (2018 to 2022) that has led to an improved process and turnaround times. The technical support facilitated external stakeholder engagements increasing the transparency of the Municipality, fostering positive relationships, and increased accountability from the Municipality and the private sector. A monitoring mechanism was recommended to the Admin department for regular reporting to ensure that processes and turnaround times are adhered to. In collaboration with the Vuthela programme, funds were motivated for the implementation of a system, review of their by-laws, etc.

The Municipality will build on the strengths of the reforms through the digitisation efforts.

### REFORM DESCRIPTION:

The IFC engaged with the KwaDukuza Municipality by:

1. Conducting workshops and focus interviews for situation appraisal (SWOT analysis, problem identification, change management),
2. Conducting workshops to map the as-is process, to-be process and interim solutions,
3. Analysis of the high percentage of referrals,
4. Conducting workshops and interviews to understand the system shortcomings,
5. Making recommendations to achieve quick wins, and longer-term institutionalised process optimisations,

6. Conducting quarterly Stakeholder Engagements with the private sector (Developers, Architects, Runners, Industry bodies),
7. Conducting surveys to obtain feedback and develop a continuous improvement culture,
8. Peer learning with other cities,
9. Solidifying the need for SANS10400 training and licenses,
10. Drafting of the Developers Guide,
11. Signing of Memorandum of Understanding (MOU) with SACAP,
12. Assisting with communications, and
13. Providing input into the systems requirements.

#### THE REFORMS CAN BE IDENTIFIED AS:

1. Reduction of referrals: Continuous assessment of the referrals; improved Pre-Scrutiny desk by increasing the resources; introduction of checklists at the Front desk and online; making the Land Use Management Scheme free of charge (was charged at R1580 for softcopy and R1975 for a

hardcopy); communication to Architects through external Stakeholder Engagements and dedicated technical sessions; signing of the SACAP MOU to share the referrals so that Continuous Professional Development (CPD) can be done; and SACAP now provides the SANS10400 licenses to its members for free, which was facilitated during the SABS SANS10400 development of the training.

2. Improved processes (reduction of steps for circulation for high impact projects through the Development Assessment Committee [DAC], updated Standard Operating Procedures),
3. Improved turnaround times (for Site Development Plans and Building Plans, prioritisation of Minor Building Works),
4. Improved communications and stakeholder engagements,
5. Reduction of the number of inspections,
6. Combined inspections (Fire inspection with Final Inspection) for high impact projects (that went to the DAC).

**TABLE 71: OUTCOMES & IMPACT**

| KPI                                    | BASELINE                                    | Q1 FY23                                                                                                                                                                                                              |
|----------------------------------------|---------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Referral Rate                          | 93.4%                                       | 80.5% (n=161/200)                                                                                                                                                                                                    |
| Site Development Plans                 | ~6 months                                   | {n=8}<br>Average Days to approve = 17<br>Average Days to refuse = 25<br>Average days = 20                                                                                                                            |
| DAC – high impact developments         | Non-existent                                | Held when necessary, on demand                                                                                                                                                                                       |
| Building Plans >500 SQM                | 60 days legislated                          | {n=67}<br>Average days to make a decision = 13.4                                                                                                                                                                     |
| Building Plans <500 SQM                | 30 days legislated                          | {n=339}<br>Average days to make a decision = 13.3                                                                                                                                                                    |
| Minor Building Works                   | 35 days                                     | Q1 FY23 (n=53)<br>Average days to make a decision = 5.94                                                                                                                                                             |
| Building Inspections                   | 6 inspections                               | 3 mandatory inspections as per NBR                                                                                                                                                                                   |
| Joint Inspections                      | Separate inspections for Final Inspection   | Joint Inspections (e.g., Fire and Final for large projects)                                                                                                                                                          |
| Reduction of steps                     | 30 steps                                    | 15 steps [see graphic – Process ]                                                                                                                                                                                    |
| Overall turnaround time reduction      | 280 days                                    | 91 days [see graphic - Process]                                                                                                                                                                                      |
| Issuance of Occupancy Certificates     | Legislated 14 days (was not measured)       | 3.9 days average (n=97)                                                                                                                                                                                              |
| Stakeholder Engagements                | Non-existent                                | Quarterly                                                                                                                                                                                                            |
| <b>ADDITIONAL ACHIEVEMENTS</b>         |                                             |                                                                                                                                                                                                                      |
| Land Use Management Scheme             | R1580 for softcopy and R1975 for a hardcopy | Free of Charge (7466 downloads have been made from the website): as at 8 Oct 2022: <a href="http://www.kwadukuza.gov.za/index.php/sdc/kdm-lums-scheme">http://www.kwadukuza.gov.za/index.php/sdc/kdm-lums-scheme</a> |
| Memorandum of Understanding with SACAP | Non-existent                                | Signed MOU with regular engagements                                                                                                                                                                                  |

## REFERRAL RATE:

The referral rate is the number of building plans that is refused due to non-compliance to the National Building Act, National Building Regulations, SANS10400 standards and any other applicable laws. The quality of the building plan submission is from the applicant (Registered Professional with the South African Council of Architectural Professionals - SACAP) is poor. The Municipality is therefore unfairly judged on the referral rate but has taken steps to assist the applicants with Checklists and a Pre-Scrutiny desk.

Therefore, we have arranged for the signing of a Memorandum of Understanding with SACAP and the Municipality so that the types of referrals can be sent to SACAP so that their members can be trained in the compliance aspects of the National Building Regulations and the SANS10400. The Municipality has analysed the referrals and the areas for priority are Part A (application) and Part P (Plumbing) of SANS10400. The Municipality has communicated this to the applicants and provided some information on how to comply in the quarterly stakeholder engagement meetings and also with certain Architectural Practices (one-on-one sessions).

## SITE DEVELOPMENT PLANS

The Site Development Plan (SDPs) is a concept document whereby a Town Planner would check the development controls against the Land Use Management Scheme. Procedures have been reduced as the SDPs are not required to be circulated by the applicant to the various departments for comments/stamps. The Municipality has become more customer-centric by accepting the SDP and circulating it to the relevant departments themselves. KDM has updated their Standard Operating Procedure and communicated to their Town Planners.

## DEVELOPMENT ASSESSMENT COMMITTEE (DAC)

High Impact Projects are prioritised, and the Admin Department calls the DAC (comprised of the relevant departments) for an assessment and approval of the plans.

The purpose of the Development Assessment Committee is:

- To assess strategic high impact development applications within KwaDukuza and make use of an integrated approach to decision making.
- To assist with the short-circuiting comment process for major/high impact development applications, with the aim of enabling local economic development whereby all decisions and discussions can be taken and recommended for approval.
- To minimize the red tape in the processing of development applications by improving the turnaround time for providing comments for strategic high impact development applications submitted formally.

The IFC together with the Municipality developed the Terms of Reference and mobilised the DAC. The DAC started off by having meetings every three weeks, but this stopped due to low applications of high impact projects. The DAC also experienced issues when there was non-attendance of some departments. This was escalated to the Executive Team and the department representatives attended regularly. The Civils Department is the only department that generally holds back the process.

The DAC is now demand-driven and is facilitated by Admin and Land Use Management.

## BUILDING PLANS

South African legislation categorises building plans of greater than 500 square metres and less than 500 square metres. The timelines for making a first-time decision (approval or refusal) is 60 days and 30 days respectively. IFC analysed the monthly stats and made recommendations to the Municipality to place focus on reducing the turnaround times.

The monitoring has resulted in improved turnaround times of an average of 13.4 days and 13.3 days respectively for the building plans greater than 500 SQM and less 500 SQM for the first quarter of FY23.

## MINOR BUILDING WORKS

Minor Building Works is categorised in the National Building Regulations. IFC has recommended to the KDM that they treat Minor Building Works applications separately as it can be approved/refused much faster by the Building Control Officer. The Minor Building Works is now on their tracking mechanism (departmental scorecard) to ensure that they continuously monitor and improve their turnaround times.

The Building Control Officer spends a lot of time scrutinizing building plans even though they have already been assessed by the Plans Examiners. This has led to a bottleneck. This has been raised with KDM Management and the BCO will now train Plans Examiners and arrange a delegation of authority for them to approve/refuse a plan with an extremely fast turnaround time. These types of building plans are of a low risk.

## BUILDING INSPECTIONS:

Building Inspections were analysed by IFC and found that additional inspections were being conducted which was unnecessary and causing delays. The National Building Regulations specify certain mandatory inspections. Therefore, it was recommended to concentrate on the mandatory inspections. The inspections were reduced from 6 to 3 (setting out and open trench done together, open drain and final inspection). The final inspection for high impact projects is coordinated to include the fire inspection as well where there is a rational design. In this fiscal year (FY21), KDM will also reduce the Open Trench Inspection where a rational design is done.



## REDUCTION OF STEPS

The IFC mapped 30 steps during the as-is process mapping. To this end, KDM has reduced 15 steps in the process by:

- A) Removing the need for circulations to the various departments for comments/stamps; (7 steps)
- B) Removal of inspections (3 steps i.e., commencement, surface bed, roof) and then combining of fire inspection into the final inspection for high impact projects.”

## REDUCTION OF TURNAROUND TIMES

IFC worked with KDM to become more customer centric. The plans are to be submitted to the Municipality without the need for obtaining comments from the various departments. The Plans Examiners/Town Planners assess a plan and only if a comment is required, then only it is submitted to them for comment. This has resulted in a reduction of steps and turnaround times. It used to take 60 days to obtain comments from the departments for a Site Development Plan (SDP) and 30 days for building plans. In some instances, the circulations were duplicated when done for building plans.

SDPs were not well coordinated in the department and the turnaround times was not monitored. Just by monitoring, and adjusting the SOP, the turnaround times were improved. The Land Use Management section is held accountable to the private sector by being transparent in their reporting at the Quarterly Stakeholder meetings.

## OCCUPANCY CERTIFICATES

Occupancy certificates are issued within 4 days if the Final Inspection is compliant, i.e., what is built on-the-ground complies to what is on the building plans, with the requisite Certificates of Compliance. Developers have been known to deviate from their building plans and expect Occupancy Certificates to be issued, which is unreasonable. Developers, who knowingly deviate, should liaise with the Municipality in advance by resubmitting their plans for approval, instead of at the end.

## CONCLUSION

KwaDukuza Municipality took on the challenge of making reforms although they were heavily challenged with resource constraints and fury existed amongst the private sectors. KwaDukuza Development Planning management engaged with the IFC and private sector to understand the realities through various workshops and external stakeholder engagements. The journey was arduous with the COVID pandemic, but the Municipality went through trials and tribulations. The Municipality has made significant progress albeit without automation and will continue to improve in their digitisation efforts.

The IFC team recommends that the reforms were further strengthened and continuous engagement with the private must still happen. Difficult conversations must be held, and transparency of the performance must always be shared openly.

The IFC team would like to congratulate the KwaDukuza Municipality on their achievements.”

## E) OUTDOOR ADVERTISING ACTIVITIES

The Outdoor Advertising Unit falls under the Building Control Section and regulates advertising within the area of jurisdiction of the Municipality. The advertising referred to herein are all advertising structures in all forms (i.e., permanent, temporary )that are visible to the public, which could be on Council property and private property. All outdoor adverts are regulated by the Outdoor Advertising By-Laws as well as the Outdoor Advertising Policy as adopted by Council.

In relation to advertising activities, the number of permanent applications received and approved in the 2022/2023 financial year has decreased in comparison to 2021/2022 financial year, whereas temporary applications received and approved in the 2022/2023 financial year has increased in comparison to the 2021/2022 financial year. The function generated a combined (i.e., permanent, and temporary signage) revenue of R 4 069 721.89, representing 2.7% increase from the previous financial year. Please refer to schedules below:

**TABLE 72: PERMANENT APPLICATIONS**

| CATEGORY OF APPLICATIONS                                                          | YEAR           |                 |
|-----------------------------------------------------------------------------------|----------------|-----------------|
|                                                                                   | 2021/22        | 2022/23         |
| NO. OF APPLIC. RECEIVED                                                           | 41             | 22              |
| NO. OF APPLIC. APPROVED                                                           | 31             | 22 <sup>a</sup> |
| NO. OF APPLIC. DISAPPROVED/ PENDING                                               | 7 <sup>b</sup> | 3               |
| ANNUAL DISPLAY FEES, TEMPORARY APPLIC. FEES AND CHARGES.                          | R 3 140 212.89 | R 2,911,432.46  |
| NOTES:                                                                            |                |                 |
| <sup>a</sup> = includes 3 pending applications from the 2021/2022 financial year. |                |                 |
| <sup>b</sup> = includes 3 pending applications as at 30th June 2022.              |                |                 |

TABLE 73: TEMPORARY APPLICATIONS

| ITEM/ CATEGORY OF APPLICATIONS                           | YEAR         |                |
|----------------------------------------------------------|--------------|----------------|
|                                                          | 2021/2022    | 2022/2023      |
| NO. OF APPLIC. RECEIVED                                  | 79           | 79             |
| NO. OF APPLIC APPROVED                                   | 93           | 93             |
| NO. OF APPL. DISAPPROVED/ PENDING                        | 0            | 0              |
| ANNUAL DISPLAY FEES, TEMPORARY APPLIC. FEES AND CHARGES. | R 818 702.54 | R 1,158,289.43 |

TABLE 74: CONCESSIONARIES: THE STATUS QUO FOR CONCESSIONARIES AS AT 30 JUNE 2023

| CATEGORY          | TENDER NO.  | SERVICE PROVIDER  | CONTRACT DETAILS                                      |                  |
|-------------------|-------------|-------------------|-------------------------------------------------------|------------------|
|                   |             |                   | COMMENCEMENT DATE                                     | EXPIRY DATE      |
| Street Name Signs | MN 71/2022  | Primedia AD Lites | 01st Mar. 2023                                        | 28th Feb. 2026.  |
| Street Pole Signs | MN 211/2019 | Masakhe Media     | 01st May 2021                                         | 30th April 2024. |
| Billboards        | MN 127/2020 | Primedia Outdoor  | 01st Jan. 2022                                        | 28th Feb. 2025.  |
|                   |             | Outdoor Network   | 01st Apr. 2022                                        | 31st Mar. 2025.  |
| Litter Bins       | MN 66/2014  | Outdoor Network   | Month to Month applications. Tender process underway. |                  |

## F) ENVIRONMENTAL MANAGEMENT AND CLIMATE CHANGE ACTIVITIES

The Environmental Management Unit also is advocating for a low emission trajectory wherein municipal planning and decision making are assessed for adhering to the KDM green building guidelines. In addition, the Unit assists with the implementation of education and awareness programmes by international organizations, national and provincial departments through increasing community participation on climate change response related projects. This section will elaborate on Community and School Awareness Programmes, the municipalities' Affirmation of Low Emission Trajectory and Implementation of the Natural Resource Management: Mavivane Transformative Riverine Management Programme

### COMMUNITY AND SCHOOL AWARENESS PROGRAMMES:

- Willard Beach and Blythedale COASTAL AWARENESS AND CLEAN-UP DAY:** objective is to reiterate the importance of keeping our beaches clean and safe for all beach goers – the ultimate goal is aligned with achieving objectives relating to Blue Flag status.
- Career Expo/ Awareness Programme:** this was hosted in collaboration with Umfolozi TVET College with a key focus on environmental management related careers – an invitation was extended to two High Schools Grade 12 learners to partake in this awareness programme. Various stakeholders participated including Department of Forestry, Fishery & the Environmental Affairs, Sharks Board,

Umfolozi TVET College and Central Application Office (CAO)

### AFFIRMATION OF LOW EMISSION TRAJECTORY:

- KwaDukuza Municipality receives the Covenant of Mayors in Sub-Saharan Africa (CoM SSA) Compliance Badges:** In the past years, as part of Global Covenant of Mayors for Climate & Energy compliance (GCoM compliance), cities including the Municipality have been obligated to report their climate commitments, actions and inventories on reporting platforms. From 2019, local and regional governments for the first time have started reporting climate action data through one unified reporting system. CDP-ICLEI unified reporting provides for data-driven decision-making. Furthermore, understanding what sectors of our cities are generating GHG emissions allows cities to set informed emissions reduction targets and meet the requirements of the Paris Agreement and leveraging data for making climate-smart decisions now is crucial for city governments to enhance resilience and reduce emissions over the coming decades.

In the above regard, the Municipality has been reporting its climate actions via the unified reporting system for GCoM compliance purposes and received positive feedback from Covenant of Mayors in Sub-Saharan Africa (CoM SSA) in March 2023 a formal correspondence congratulating the municipality was addressed to Her Worship the Honourable Mayor of KDM. Likewise, the correspondence was shared with the Mayors office and KDM Corporate Communication unit for their consideration and noting.

The reporting feedback from CoM SSA confirmed that from the climate action data reported by the municipality

in 2022, the municipality has received compliance badges highlighted below:

## Mitigation Badge

Awarded as soon as one of the steps (i.e., Inventory, Target, or Plan) is accomplished



### Inventory

GHG baseline emissions inventory submitted and validated (including all mandatory criteria)

### Target

GHG emissions reduction/ low emissions development target set and validated

### Plan

Separate or integrated climate action plan for climate change mitigation submitted and validated

## Adaptation Badge

Awarded as soon as one of the steps (i.e., Assessment, Goal, or Plan) is accomplished



### Assessment

Climate risk & vulnerability assessment (RVA) submitted and validated

### Goal

Goal(s) for climate change adaptation goal(s) submitted and validated

### Plan

Separate or integrated climate action plan for climate change adaptation submitted and validated

## Compliance Badge



The 'Compliance' badge is awarded to cities that have accomplished all steps under all three pillars: mitigation, adaptation, and access to energy\*. They will keep the badge as long as they keep submitting progress monitoring reports within the required timeframe, validated for meeting GCoM requirements.

\*Please note: GCoM has not yet formalized the energy access pillar. Until its requirements have been adopted, full badge compliance is already achieved once all requirements under the mitigation and the adaptation pillars have been fulfilled.

Figure 6: Compliance Badges

## IMPLEMENTATION OF THE NATURAL RESOURCE MANAGEMENT: MAVIVANE TRANSFORMATIVE RIVERINE MANAGEMENT PROGRAMME :

The municipality participated in the Natural Resource Management Municipality Competition (NRM 2021/22) that took place in 2022 and received 2nd place and prize money (grant funding) to the value of R1, 700 000.00. During the 2022/2023 Financial Year, the conditional grant was to be used to enhance the performance of the municipality in implementation of Ilembe Climate Change Strategy and Climate Change Response Plan, in particular in the areas of natural resource management area(s) which was/were focal point(s) of the competition. In implementing the project, the Mavivane River (MR) was selected as a pilot project. This selection was based on the fact that the river was part of an assessment which was undertaken in partnership with the C40 Climate Finance Facility which provided technical and financial support to KwaDukuza. The Mavivane river is 6.4 kilometres long and flows through Ward 16 and 19 and joins the Mbozamo River, which forms part of the Umvoti catchment.

The grant received from EDTEA required that 500 green jobs are created thus, the preferred option was that all 500 beneficiaries must be selected from Ward 16 and 19 as this had implications for the ownership of the project, continuous management and monitoring which must

be done by people who constantly interacting with the river. As part of successes of the project, the following items formed part of milestone achievements:

- Flood debris was removed from key infrastructure such as bridges and tree planting was undertaken in Ward 16 and 19.
- All bridges within the catchment that were affected by the April/May 2022 Floods have been cleared and the river is flowing uninhibited
- A total of 200 trees were planted to stabilise the riverbanks
- The project created 500 green job opportunities as per the condition of the Natural Resource Management Grant
- The total area of alien plant species cleared is 32.18 hectares within the 6.4 kilometres stretch of the river.
- A total of 13 tons (which is equivalent 12000kg) of solid waste were eradicated from illegal dumpsites as well as within the community and the stream.

## G) DEVELOPMENT ENFORCEMENT

The Development Enforcement section has been able to achieve good results during the 2022/2023 financial year. It must be noted that this sections work is dependent on the cooperation and support of other key sections within the EDP business unit in particular, Development Planning. This section also requires the continuous support of both Community Safety and Finance Business Unit for effective operation.

## ACTIVE HIGH COURT MATTERS

The Municipality is empowered in terms of the constitution and laws of the country to uphold the laws. Legislation compels the municipality to act against illegal developments and the transgression of the bylaws. The municipality will be failing in its duty if it does not act accordingly to bring order within its area of jurisdiction, which is to be in the best interest of its community.

The Development Enforcement section takes matters to court as a last resort, with focus on those declared as repeat offenders, and those which totally ignore the safety of our community.

The table below depicts the active matters for the 2022/23 financial year that have since been finalized by the court.

**TABLE 75: ACTIVE MATTERS**

| PROPERTY DESCRIPTION                                                             | NATURE OF APPLICATION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | STATUS OF MATTER                                                                                                                                                                                                        |
|----------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| KDM VS<br>ESSIENNA<br>PROPERTY CC<br><br>ERF PTN 4/166<br>28 King Shaka<br>Road. | The owner of the property has been conducting illegal building works on the property. Furthermore, the property does not comply with the parking provisions, fire, and safety requirements, and Electricity compliance. The property is also poorly maintained, is dilapidated and deficient in various respects, and is noncompliant with the National Building Regulations. This matter came before the court on 23rd August 2016 in which the municipality was successful. Due to blatant disregard and contempt of the court order, we proceeded with an application for demolition for certain parts of the building that are noncompliant with previously approved building plans.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | This matter was heard on the 9th of March 2023 in the Durban High court. Judgement for the demolition was delivered on the 24th of March 2023 in favour of the municipality with costs on an Attorney and client scale. |
| ERF 771 –<br>3 MAHATMA<br>GANDHI<br>STREET                                       | This matter relates to the illegal occupation and operation of a motor vehicle repair shop on Erf 771 Mahatma Gandhi Street. Despite various notices being issued, the owners made no attempts to stop the illegal use. This forced the municipality to approach the courts for relief against the owners of the property and the twenty-four illegal occupants. The matter was heard in the PMB High court on the 1st of October 2020. The application was opposed by the owners. A default judgement was issued by the court against the twenty-four illegal occupiers. The illegal occupiers were removed from the property on the 10th of December 2020. The matter was eventually set down for hearing on the 27th of February 2023, for determination of the final relief against the owners of the property.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | This matter was heard on the 27th of February 2023 in the Pietermaritzburg High court. Judgement was delivered on the 17th of March 2023 in favour of the municipality with costs on an Attorney and client scale.      |
| ERF 981,<br>KING SHAKA<br>STREET<br>KWADUKUZA<br>CBD<br>(JABULA<br>HARDWARE)     | <p>Illegal operation of hardware and illegal building works on a MUCO 3 Zone.</p> <p>The Municipality as part of its enforcement of bylaws identified illegal building works and the operation of a Hardware (Jabula Hardware) without municipal land use approvals, plan approvals and a certificate of occupation. After Jabula Hardware ignored several notices issued by the municipality, it was forced to launch an application in the high court to get relief in the form of an interdict.</p> <p>The matter was heard by Judge Kruger in the Durban High Court on the 26th of November 2020. The court did not deal with the merits of the matter, but instead began to entertain claims that the municipality is using selective enforcement and that officials are acting on behalf of their competitor (Singh's Hardware). The judge further indicated that the municipality was supposed to use an alternative remedy of opening a criminal case against the offender (Jabula Hardware) rather than approaching the courts. The municipality's arguments were ignored, and the Judge ruled in favour of Jabula Hardware.</p> <p>The municipality, in consultation with its legal team, evaluated the judgement and decided to appeal the judgment, in particular (1.) to ensure that the merits of the case is being heard, (2) to set aside the reasons of the judge relating to the perception that the municipality's officials were enforcing the bylaws on behalf of Singh Hardware, and (3.) to set aside the reasons of the judge that the municipality must use the route of criminal case, instead of a court interdict to stop illegal activities. The municipality thereafter petitioned the Supreme Court of Appeal (SCA) on the 26th of November 2021, to allow the municipality the right to appeal. The Supreme Court of Appeal granted the municipality condonation and referred the matter back to the full bench of KZN High Court.</p> <p>The matter was set down for hearing on the 23rd of April 2023.</p> | This matter was heard on the 23rd of April 2023 in the Durban High court. Judgement was reserved. We are still awaiting the judgment in this matter.                                                                    |

It must be noted that we have not taken any new matter to Court during the 2022/2023 financial year. The abovementioned matters are old matters that are before the court.



## INTEGRATED BLITZ ENFORCEMENT OPERATIONS

In dealing with the enforcement of bylaws, an integrated approach is used where all departments work together to bring about order within the KwaDukuza area of jurisdiction. The blitz operation is coordinated by the EDP Enforcement Section, and all other internal directorates are invited, i.e., Community Safety, Civil Department, Electrical Department; Fire department; Building Control; Town Planning; Environmental unit; including the SAPS, iLembe health, KZN Liquor.

During the 2022/23 financial year the department has conducted thirteen (13) Enforcement operations.

These were reported to Council via the ESY Portfolio Committee meeting during the financial year.

**TABLE 76: DATES AND FOCUS AREAS WHEREIN THESE OPERATIONS TOOK PLACE:**

| QUARTER 1                                                                                                                                                               | QUARTER 2                                                                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|
| 01st July 2022 – KwaDukuza.<br>19th August 2022 – KwaDukuza.<br>2nd September 2022 – Ballito Business Park.<br>26th September 2022 – Groutville/Shakaskraal/Shakashead. | 17th October 2022 – KwaDukuza.<br>01st December 2022 – KwaDukuza.<br>02nd December 2022 – Ballito |
| QUARTER 3                                                                                                                                                               | QUARTER 4                                                                                         |
| 26th January 2023 – Ballito/KwaDukuza.<br>30th March 2023 – KwaDukuza.<br>31st March 2023 – Ballito.                                                                    | 12th May 2023 – KwaDukuza.<br>20th June 2023 – Ballito.<br>22nd June 2023 – KwaDukuza.            |

## ENFORCEMENT IN GATED ESTATES

Further to the normal Blitz Enforcement operations done, the Enforcement Department also coordinates operations on a minimum of two Gated Estates every quarter. The purpose is to ensure that our legislation/ regulations have been complied within these Estates. Since the start of these operations, we have noticed a decline in illegal development within gated estates.

During the 2022/2023 financial year, ten (10) Gated Estates were targeted as part of the Blitz Enforcement Operation:

**TABLE 77: BLITZ ENFORCEMENT OPERATIONS**

| QUARTER 1                                                 | QUARTER 2                                                      | QUARTER 3                                       | QUARTER 4                                                                                            |
|-----------------------------------------------------------|----------------------------------------------------------------|-------------------------------------------------|------------------------------------------------------------------------------------------------------|
| 1. Springvale Country Estate<br>2. Elaleni Coastal Estate | 3. Palm Lakes Estate<br>4. Zimbali Estate<br>5. Seaward Estate | 6. Simbithi Eco Estate<br>7. Brettenwood Estate | 8. Elaleni Coastal Estate (Sheffield)<br>9. Springvale Country Estate<br>10. Palm Lakes -Sugar Ridge |

## TARGETED ENFORCEMENT OPERATIONS - SCRAP YARD/SCRAP METAL DEALERS

Scrapyards and scrap metal dealers are regulated in terms of the Second-Hand Goods Act, 2009 (Act No 6 of 2009), of which the SAPS remains the custodian. Every person, business or organization that carries on a business of dealing in second-hand goods, must register with the South African Police Service. This includes an auctioneer, general dealer, jeweller, motor vehicle dealer and scrap metal dealer / recycler.

The theft of copper cables and other metals from public infrastructure has crippled power supplies in many municipalities, left trains unable to operate and damaged public facilities in many parts of South Africa. At a local level, Kwadukuza municipality is a regular victim of theft and vandalism of public infrastructure,

which contributes to this multi-billion-rand industry. This is one of the contributing factors for the high energy losses experienced by Kwadukuza Municipality, which has led us to zoom in on these establishments to ensure compliance.

Within the Kwadukuza area, we have approximately nine established scrapyards of which we are aware of. Most of these scrapyards are licensed by the SAPS, and the transgressions relate mainly to contravention of the Planning and Building regulations. Unfortunately, KDM are not part of the application and/or approval process, hence we are always on the backfoot of trying to enforce compliance after the damage is done. We will however be robustly engaging with SAPS to raise our concerns as a Municipality, and to ensure that KDM is fully represented in the decision-making process.

A targeted Enforcement operation was conducted on the 26th of January 2023. Notices were issued to the relevant scrapyards calling for compliance with Building and Planning regulations. Going forward, scrapyards will feature as part of the quarterly blitz operations planned by the department.

**TABLE 78: BLITZ ENFORCEMENT STATISTICS**

| TOTAL NUMBER OF BLITZ ENFORCEMENT OPERATIONS: | TOTAL NUMBER OF NOTICES ISSUED (CONTRAVENTION NOTICES; SECT. 341 NOTICE; FINES) |
|-----------------------------------------------|---------------------------------------------------------------------------------|
| <b>Gated Estates 10</b>                       | Gated Estates 47                                                                |
| Integrated CBD/Residential 11                 | Integrated CBD/Residential 52                                                   |

## IMPLEMENTATION OF THE ILLEGAL RATE CATEGORY

One of the objectives of the EDP Enforcement Strategy was the introduction of the “Unauthorized or Illegal development or use and Abandoned Property or Building” rate category, which we refer to in short as “Illegal Rate coding.” This is a punitive rate category in terms of Council’s Rate Policy, which is five times the normal rates. The implementation is intended to be a deterrent for illegal activities and should not be construed or interpreted as a fine.

Council has, over the years been losing substantial revenue due to illegal developments, while at the same time incurring huge costs due to litigation. When people build or use the property in contravention of the scheme, Council loses revenue in terms of plan fees payable, developers’ contribution, verge deposits, planning application fees, basis service charges, rates that are incorrectly levied, encroachment fees, etc.

It must be noted that the provision of this punitive “Unauthorized or illegal development or use and abandoned property or building” category intervention currently serves as one of the key effective tools to deal with the non-compliance of Bylaws, and has considerably decreased our legal matters, and costs associated in respect thereof.

We have implemented the “illegal rate coding” during the 2022/2023 financial year on thirty-nine properties that were in gross non-compliance of the applicable legislation.

During the 2022/2023 financial year, the municipality has collected more than R 3 956 198.44 of the R6,562,101.12 billed, as additional revenue paid as the punitive fee for non-compliance with the municipal Bylaws.

Total billed for the 2022/23 financial year : R 6,562,101.12  
Total payment for the 2022/23 financial year : R 3,956,198.44

The illegal rate coding will only be removed when there is compliance with the regulations. In terms of the above, it must be noted that only five (5) properties have complied with the regulations by rectifying non-compliance with Town planning and National building regulations.

## PROBLEM BUILDINGS FOR THE 2021/2022 FINANCIAL YEAR

Problem Buildings – is defined as buildings that are derelict in appearance, overcrowded or is showing signs of becoming unhealthy, unsanitary, unsightly, or objectionable and offensive and which causes the value of surrounding properties to be detrimentally affected. The process of declaring a building a “Problem Building” – involves identification of the building, notifying the owner in writing to fix it and if there is no positive response, then the building can be classified as Problem building. Once the building is classified as problem building the municipality has the following options:

- Get a court order to compel the owner to rectify or demolish the building. If owner does not comply, the municipality can also demolish at owner’s account.
- To rate code this building as “Illegal” in terms of Council Rates Policy.

During the 2022/23 financial year, the department has identified twenty-three (23) buildings that have been causing problems within the CBD and surrounding areas. These building are currently being dealt with in terms of the Problem Building Bylaws and are at various stages in the process.

**TABLE 79: PROBLEM BUILDINGS IDENTIFIED**

| PROBLEM BUILDINGS      | NUMBERS |
|------------------------|---------|
| Commercial Properties  | 6       |
| Residential Properties | 17      |
| TOTAL                  | 23      |

## BUILDINGS DECLARED A “PROBLEM BUILDING”

Of the twenty-three (23) buildings identified, one building has fully complied and has been demolished, one (1) building is currently being renovated, two (2) building are awaiting AMAFA approval for demolition and nine (9) properties are in the final stage of notice. The other eleven (11) buildings have not made any progress and was declared as “Problem Building” in terms of the Problem Building Bylaws.

## ESTABLISHMENT OF A MUNICIPAL COURT

One of the main priorities for Local Government is to strive and achieve an acceptable quality of life for the residents and visitors within its area of jurisdiction. In pursuing this primary goal, it is a constitutional mandate of Local Government to ensure the safety and well-being of its residents. By so doing, a climate for sustainable development and prosperity is achieved at the same time.

One of the major challenges facing local Government is the effective implementation and prosecution of municipal bylaws.

A key to protecting and promoting a safe and healthy environment for the community is arguably applying and enforcing relevant municipal by-laws. This is because many municipal by-laws regulate activities that are associated with working and residing in an environment free from health and safety risk. For this reason, municipalities could fulfil their constitutional mandate through establishing a visible judicial institution (a municipal court) that is dedicated to the handling and prosecution of non-compliance with relevant by-laws. A "Municipal court" is understood to refer to a division of a magistrate's court that has powers and functions in the handling of municipal matters only. Municipal courts are described as specialist "district magistrates' courts dealing with municipal matters" and as separate lower courts. This court, however, remains a district magistrate's court that operates in terms of the Constitution and legislation. This means that a municipal court is not autonomous or a separate lower court but has delegated authority under legislation from the Department of Justice and Constitutional Development (DoJ & CD) and the National Prosecuting Authority (NPA) to conduct prosecutions.

## LACK OF BYLAW ENFORCEMENT

Council will recall that the Enforcement of Bylaws was always, and is still an issue of concern, and the Council has always raised concerns about lack of enforcement of Bylaws within Kwadukuza. The lack of enforcement is also a serious risk to the financial viability of the municipality. Some of the challenges include the following:

- Reluctance by the magistrate's court to prosecute Bylaw offences due to work overload.
- Outdated municipal Bylaws.
- Limited court dates for municipal fines.
- Offenders are let off the hook easily.

- No proper Admission of Guilt Fine structures endorsed by the court.
- High legal costs in dealing with matters in the High courts.
- Fines struct of the court roll due to mistakes.

It must be noted that the municipality is currently in the process of reviewing/updating its bylaws. This process should run concurrently with the process of establishing the municipal court. This will ensure that by the time we get the necessary approvals, we will be ready to hit the ground running.

## ROLE OF THE MUNICIPAL COURT

The role of the court will be to prosecute Bylaws and legislation that fall under the custodianship of the municipality. This includes but not limited to the following:

- Building Control legislation and Bylaws.
- Problem Building Bylaws
- Spatial Land use management Act (SPLUMA) and Bylaws.
- Fire Bylaws
- Environmental laws and Bylaws
- Traffic Bylaws and National Road Traffic Act
- Illegal dumping Bylaws
- All other municipal Bylaws and legislation.

## BENEFITS OF A MUNICIPAL COURT FOR KWADUKUZA

- Improved enforcement of Bylaws will be made possible.
- If a dedicated court is established, it will sit full time for effective prosecution.
- Improved and effective action against offenders will promote a positive tourism environment and mitigate against unnecessary financial risks.
- It will restore public trust in the justice system and largely contribute to the realization of the fundamental rights contained in the Constitution.
- There is a strong indication that, if managed well, the municipal court will be financially self-sustainable in the long run.

We have had the opportunity to visit the Stellenbosch municipal courts on the 1st of March 2023, during peer-to-peer learning exchange facilitated by GIZ. We are currently doing the necessary research and a report will be presented to Council for consideration.

## WAY FORWARD

To move forward with the process, the following actions are required:

- Initiating resolution of Council for the establishment of a Municipal court.
- Meeting with the Senior Public Prosecutor of the KwaDukuza magistrate's court.
- Development of a comprehensive Business plan and Implementation Plan.
- Approval of the Business Plan by Council.
- Submission of application to the Department of Justice.
- Provision made in the IDP and budget for implementation.

## PEER LEARNING EXCHANGE

Participated in the Germany-South African Peer Learning Network Programme for Integrated and Safer neighborhoods, which was held from 9 to 13 September 2022.

## CURRENT CHALLENGES FACED BY THE SECTION

- Lack of awareness of Bylaws by the public.
- Delaying tactics by habitual/repeat offenders in complying, which forces the municipality to approach the courts for relief.
- Legislated fines are too low and outdated. Various pieces of Legislation make provisions for fines and penalties. These fines and penalties are extremely low and outdated and do not serve as a deterrent to stop illegal activities and uses.
- The magistrate's courts do not have the expertise and capacity to deal with the enforcement of Bylaws. This forces the municipalities to seek relief from the high court which is an expensive option. We are currently in the process of doing the necessary feasibility study for the establishment of a Municipal Court.
- There has been a spike in illegal activities from the start of the pandemic. During COVID many people took advantage of the fact that the municipality was not fully operational and proceeded to build illegally.

## H) LOCAL ECONOMIC DEVELOPMENT OPPORTUNITIES AND GROWTH

The Local Economic Development Unit falling under the Economic Development and Planning Business Unit of the Municipality is tasked to undertake the objectives of stimulating and advancing the economic development.

Therefore, KwaDukuza strives to improve the economy, creating job opportunities, and alleviate poverty and ensuring a balanced dissemination of prosperity for all KwaDukuza residents. In line with KwaDukuza Integrated Development Plan (IDP), the economic development function has two strategic objectives to fulfil:

- Positioning KwaDukuza as preferred tourism and investment destination
- Developing a prosperous, inclusive, transform and diverse local economy

To realize this strategic vision, the unit engages in several initiatives such as enterprise and sector development, provision of access to information and market opportunities, investment promotion and facilitation, facilitating strategic collaborations with LED actors, stimulating the development of priority economic sectors through business support services and building a thriving tourism industry.

During 2022/2023 the local economy was still recovering from 2022 floods disaster which impacted negatively to our local economy. The recovery plan which was implemented during 2022/2023 focused on ensuring that the economic recovery plan which has been amended to accommodate various economic shocks, was able to ensure faster recovery of our economy and restoration of public infrastructure which was damaged during the 2022 Floods.

## 2022/2023 ECONOMIC SHOCKS RECOVERY AND PROGRESS

Whilst the local economy was still recovering from the effects of Covid 19 pandemic, it was hit by two shocks, the 2021 July Public unrest and 2022 April Floods. These two economic shocks reversed the progress that had been made in overcoming the effect of Covid 19. Jobs and infrastructure were lost during these devastating events in our area. KwaDukuza Council responded with its limited legislative power and resources towards the support of those affected by the two events. This situation did have an impact on various municipal programmes, which led to reprioritisation of budgets to deal with human catastrophe (floods disaster).

There were number of strategic infrastructure which supported mobility goods, services and people that were damaged, which impacted negatively in various economic sectors. The comprehensive business plan to restore beach amenities, major connecting roads and settling those who were displaced, resulted in KwaDukuza Municipality getting a big share of the national disaster grant. This has built business confidence to our economy and a believe that we are on the path to sustainable economic recovery.



Below is the report of highlighting activities for the 2022/23 period as follows:

## I. BUSINESS LICENSING

The Business Licensing was the function identified as one of the pillars of post Covid economic recovery of the hospitality and tourism sector. On the 16th of July 2021, The Minister of Small Business published a government Gazette 44853, Disaster Directives on Business Licenses and permits. The main thrust of this gazette as interpreted and implemented by KwaDukuza Municipality is as follows:

The published gazettes ceased on the 31st of December 2022, which meant that all businesses that were supposed to operate with a business license, should renew or apply for new from the 1st of January 2023 and pay various tariff charges.

During the 2022/2023 financial year, two hundred and thirty-five (235) permits were issued. These permits are broken down as follows:

**TABLE 80: BUSINESS PERMITS**

| TYPE OF APPLICATIONS                                  | MONTH                  | TOTAL NO OF APPLICATIONS RECEIVED AND PROCESSED | TOTAL      |
|-------------------------------------------------------|------------------------|-------------------------------------------------|------------|
| New Applications                                      | July 2022 to June 2023 | 103                                             | 103        |
| Renewal of Business License Applications              | July 2022 to June 2023 | 72                                              | 72         |
| New - Prescheme Business Applications                 | July 2022 to June 2023 | 22                                              | 22         |
| Renewal - Prescheme Business Applications             | July 2022 to June 2023 | 14                                              | 14         |
| Renewal - Entertainment Business License Applications | July 2022 to June 2023 | 8                                               | 8          |
| Entertainment Business License Applications           | July 2022 to June 2023 | 16                                              | 16         |
| <b>TOTAL</b>                                          |                        |                                                 | <b>235</b> |

During the 2022/2023 financial year, Council adopted two critical policy documents for public participation purposes:

- a) KwaDukuza Business Licensing Policy,
- b) KwaDukuza Business License Bylaw.

The public participation has been completed and these policies will be adopted and gazetted respectively during the 2023/2024 financial year.

Several inspections have been conducted in relation to business license function, in both urban and peri-urban areas of KwaDukuza Municipality. The focus of these inspections is aimed at bringing the attention of existing and prospective business licensees that there are expected to comply as the moratorium as per Disaster Directives cease to exist on the 31st of December 2023. The response has been phenomenal.

## II) INFORMAL TRADING

Informal trading is one of the constitutional function of local government. The municipality as per this function is a regulator, developer and investor. The main objective of this programme is to promote informal trading businesses within KwaDukuza. The implementation of this function involves ensuring that all informal traders comply with the relevant by- laws, provision of working

materials, capacity building initiatives, conducive working space and issuing of trading permits. The informal traders during this financial year were hard hit by both July 2021 public unrest and 2022 floods.

## KEY INITIATIVES IMPLEMENTED IN 2022/23

- A total number of 402 permits were issued to informal traders during 2022/23.
- The municipality has continued to work with this sector, to support it and ensure it flourishes.
- The municipality has continued its work in making follow-ups with both SEFA and Nedbank to ensure that the applications that were sent in 2021/2022 financial year are processed and paid. This remains unresolved.

During the 2022/2023 financial year, council has adopted two critical policy documents for public participation purposes:

- a) KwaDukuza Informal Business Policy.
- b) KwaDukuza informal business bylaw.

The public participation has been completed and these policies will be adopted and gazetted respectively during the 2023/2024 financial year.

### III) CONSTRUCTION OF NEW KWADUKUZA MUSUEM, WHICH INCORPORATE TOURISM OFFICE IN THE NORTHEN AREA OF KWADUKUZA

The Economic Development and Planning (EDP) BU implemented its major capital project of R22, 5 million (excluding professional fees), which is known as KwaDukuza Museum. The project is joint funded by the KZN Department of Arts and Culture and KwaDukuza Municipality, with R10 million and R14 million respectively. This project is one of the strategic project for KwaDukuza CBD Regeneration and forms part of our tourism sector economic recovery plan. The museum incorporates the tourism information office in the Northern Area. The new tourism office will contribute towards the tourism transformation. Huge progress has been made in 2022/2023 financial year, whereby the project was at 98% complete by the 30th of June 2023.



**Figure 7:Artistic impression of the new KwaDukuza Museum under construction.**

During the 2022/2023 financial year, the municipality in partnership Amafa KZN appointed the researcher to conduct research which will inform what will be exhibited in the new museum. The pre-exhibition installation and artifacts procurement will be done in the next financial year. The Museum is envisaged to be opened during 2023/2024 financial year.

### IV) TOURISM MARKETING

KwaDukuza Municipality adopted the use of events as a springboard for destination marketing tool targeting both domestic and foreign tourists. During the 2022/2023 the KwaDukuza Municipality number of events were approved to be hosted during the cause of this financial year. Most of the events were organised as part of offerings to the travellers and potential tourists. During this financial year, the municipality hosted biggest events which include 2022/2023 Ballito Pro International Surfing Event, Ballito Rage, Umkhosi WeLembe, Blythedale Beach Festival, Ballito Summer Festival and Big Ballito Week. These events

have contributed to marketing our destination through various media platforms, which include streamline channels, DSTV, radio, social media, and use of influencers. According to the two Ilembe Business Confidence Surveys conducted jointly by the District Economic Development Agency (Enterprise Ilembe) and Ilembe Chamber of Business, Industry and Tourism, has indicated the significant recovery of the tourism sector, and attributed this to various events.

During the same period, the municipality in partnership with Enterprise Ilembe attended the tourism trade shows, which targeted travel and tourism agents and buyers in general.

**TABLE 81: TOURISM EVENTS ATTENDED**

| NAME OF THE TOURISM SHOW    | VENUE                              | DATES                |
|-----------------------------|------------------------------------|----------------------|
| Meetings Africa 2023        | Sandton Convention Centre, Gauteng | 28 Feb-01 March 2023 |
| World Travel Market 2023    | Cape Town International            | 03- 05 April 2023    |
| Africa's Travel Indaba 2023 | Durban ICC                         | 09-11 May 2023       |

In addition, the Trade shows exist to provide the ideal platform for tourism exhibitors to showcase their offerings to international and local buyers destination marketing companies and leisure tourism companies. Tourism marketing shows enables an environment that is conducive for networking with buyers and industry colleagues.

## V) HIGH ECONOMIC IMPACT PROJECT (HIGHLIGHTS)

Hesto Harness (PTY) LTD was officially opened President CR Ramaphosa on the 13th September 2023. This investment was facilitated successfully by KwaDukuza Municipality supported by Trade and Investment KwaZulu Natal. This investment forms part of the Annual President Investment Conference, whereby Ford Manufacturing South Africa committed to invest about R10billion in its new plant in Silverton, Pretoria which in turn created downstream and upstream opportunities for various component suppliers including HESTO. Hesto Harness (PTY) LTD recruited 4000 employees for its new factory, which made them the biggest employer in our region. HESTO in KwaDukuza employs more than 7000 employees, which more than 75% are unskilled labour, who have been trained by HESTO to work in this labour-intensive factory. The project has developed a blueprint on how to facilitates the investment in the state-owned land, the localisation of recruitment of labour and use of local suppliers. These 4000 jobs created translate into a R30 million monthly spent on salaries and wages being injected into the Ilembe District Municipality.

The official opening of new HESTO factory has seen the expansion of some of their key suppliers and

sister companies within KwaDukuza. Unitrade (PTY) LTD has completed building of new factory in the land KwaDukuza Municipality contributed to HESTO, as part of the investment initiative. This new factory has created additional 120 new jobs. Further, to this factory, HESTO has relocated its Durban Warehouse to KwaDukuza and currently renting a big warehouse at Woodmead Industrial Estate. All these investments are positioning KwaDukuza as the next Auto Component Cluster in the Province. These investments has created a number of other downstream opportunities to local businesses, including more business opportunities for public transport operators and informal traders.

During the same financial year, the Development Planning Unit has approved a number of other strategic and anchor projects, which amongst include the following:

1. The expansion of Ballito Junction regional shopping centre – with new additional shops, offices and workstations. It will be opened in December 2023 and January 2024 respectively.
2. North Point Industrial Park is currently underway, with earthworks and buildings being constructed.

There has been significant confirmation of the two new biggest investments in our region, which both will be constructed in the next financial year. These investments projects include the R2 billion investment by international acclaimed resort developer, Club Med and a proposed state of the art PET bottle recycling plant on a 90000 square metre plot, with an investment of Euro 60 million by Apla Investments. These two investments continues to show vote of confidence in our municipality, as the good investor host.



**Figure 8:** KwaDukuza Mayor welcomes the President to the launch of a multi-million rand automotive- project that has created over 4000 new jobs.



# 03

## ANNUAL PERFORMANCE REPORT







### ANNUAL PERFORMANCE REPORT

I certify that the performance reporting of the municipality has been done in line with the 6 national KPA's and is the focus of the MSA Section 46 requirements as set out from pages 148 to 192 and therefore reflects the performance of the municipality for the financial year 2022/2023, comparisons to performance of the previous financial year and measures to improve performance.

A handwritten signature in black ink, appearing to be 'N.J. MDAKANE', is written over a dotted line.

**NJ. MDAKANE (MUNICIPAL MANAGER)**

**DATE : 31 AUGUST 2023**

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# ABBREVIATIONS

|               |                                                           |
|---------------|-----------------------------------------------------------|
| 1. AFS        | Annual Financial Statements                               |
| 2. APR        | Annual Performance Report                                 |
| 3. AR         | Annual Report                                             |
| 4. AGSA       | Auditor-General South Africa                              |
| 5. AUDCOM     | Audit Committee                                           |
| 6. BU         | Business Unit                                             |
| 7. BAC        | Bid Adjudication Committee                                |
| 8. BEC        | Bid Evaluation Committee                                  |
| 9. BSC        | Bid Specification Committee                               |
| 10. CAPEX     | Capital Budget Expenditure                                |
| 11. CLO       | Community Liaison Officer                                 |
| 12. COGTA     | Cooperative Governance and Traditional Affairs            |
| 13. COMM SERV | Community Services Business Unit                          |
| 14. DOHS      | Departmental of Human Settlement                          |
| 15. IGR       | Intergovernmental Relations                               |
| 16. ELTT      | Energy Loss Task Team                                     |
| 17. EPWP      | Extended Public Works Programme                           |
| 18. EEDBS     | Enhanced Extended Discount Benefit Scheme                 |
| 19. EXCO      | Executive Committee                                       |
| 20. EBU       | Electrical Services Business Unit                         |
| 21. FY        | Financial Year                                            |
| 22. FBU       | Finance Business Unit                                     |
| 23. ICT       | Information and Communication Technology                  |
| 24. IDP       | Intergrated Development Plan                              |
| 25. IA        | Implementing Agent (housing)<br>Internal Audit (auditing) |
| 26. KDM       | KwaDukuza Municipality                                    |
| 27. KPA       | Key Performance Area                                      |
| 28. KPI       | Key Performance Indicator                                 |

|              |                                                 |
|--------------|-------------------------------------------------|
| 29. KZNDHS   | KwaZulu-Natal Department of Human Settlement    |
| 30. LED      | Local Economic Development                      |
| 31. LPA      | Local Public Administration                     |
| 32. LR       | Labour Relations                                |
| 33. MANCO    | Management Committee                            |
| 34. MFMA     | Municipal Finance Management Act                |
| 35. MIG      | Municipal Infrastructure Grant                  |
| 36. MSA      | Municipal Systems Act                           |
| 37. mSCOA    | Municipal Standard Chart of Accounts            |
| 38. OHS      | Occupational Health & safety                    |
| 39. OPEX     | Operating Budget Expenditure                    |
| 40. ORG      | Organisational                                  |
| 41. OSS      | Operation Sukuma Sakhe                          |
| 42. PAC      | Performance Audit Committee                     |
| 43. PPPF     | Preferential Procurement Policy Framework       |
| 44. PMS      | Performance Management System                   |
| 45. PME      | Performance Monitoring and Evaluation           |
| 46. POPI ACT | Protection of Personal Information Act          |
| 47. POE      | Portfolio of evidence                           |
| 48. Q        | Quarter                                         |
| 49. RMC      | Risk Management Committee                       |
| 50. SCM      | Supply Chain Management                         |
| 51. SCADA    | Supervisory control and data acquisition        |
| 52. SDBIP    | Service Delivery and Budget Implementation Plan |
| 53. SETA     | Sector Education and Training Authority         |
| 54. SMME's   | Small Medium Micro Enterprises                  |
| 55. SPLUMA   | Spatial Land Use Management Act                 |
| 56. WSP      | Workplace Skills Plan                           |
| 57. WULA     | Water Use License Application                   |

## 1. INTRODUCTION:

This section indicates, in more detail, the performance of the municipality for the financial year and refers to the supporting documentation, including the Organisational Service Delivery and Budget Implementation Plan (SDBIP). The report has been compiled taking cognisance of the relevant Legislations guiding the development and implementation of the Performance Management System of a Municipality as outlined hereunder.

- *The Municipal Systems Act of 2000, Chapter 6 & Section 46.*
- *The Municipal Finance Management Act 56 of 2003, Chapter 12*
- *Treasury Regulations, Circular 63*

- *2001 Municipal Planning and Performance Management Regulations*
- *2006 Section 57 Performance Management Regulations*

The performance reporting of the municipality is done in compliance with the 9 national Key Performance Indicators (KPI's) and is the focus of the MSA Section 46 requirements and therefore reflects the performance of the municipality for the financial year, comparisons to performance of the previous financial year and measures to improve performance. The 9 National KPIs listed below can be found within the Annual Performance Report across all the Business Units under each legislated Key Performance Area (KPA's), they are:

| NATIONAL KPI'S AS PER – LOCAL GOVERNMENT : MUNICIPAL PLANNING AND PERFORMANCE MANAGEMENT REGULATIONS, 2001.                                                                                    | ADJUSTED (SHOWN IN ITALICS) IN TERMS OF MUNICIPAL SYSTEMS ACT 32 OF 2000, SECTION 38(A)(II) TO THE FOLLOWING KPI'S TO ENABLE KWADUKUZA MUNICIPALITY TO REPORT EFFECTIVELY :                                                                                                                                                                                        |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a) The percentage of households with access to basic level of water, sanitation, electricity and solid waste removal;                                                                          | 1. The number of households with access to basic level of electricity.<br>2. The percentage of households with access to basic level of solid waste removal.                                                                                                                                                                                                       |
| b) The percentage of households earning less than R1100 per month with access to free basic services;                                                                                          | 3. 100% of indigent households, as per Council's Indigent Register, earning less than R4 000 per month with access to Free Basic Electricity.<br>4. 100% of indigent households, as per Council's Indigent Register, earning less than R4 000 per month with access to basic level of free solid waste removal.                                                    |
| c) The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan. | 5. The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan                                                                                                                                                                      |
| d) The number of jobs created through municipality's local, economic development initiatives including capital projects.                                                                       | 6. The number of jobs created through municipality's local economic development initiatives.<br>7. Number of jobs created through municipality's Capital Projects in the IDP                                                                                                                                                                                       |
| e) The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan.           | 8. The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan<br>Highest Three levels :-<br>1) Top Management MM, ED, and Directors (Task Grade 19 -26)<br>2) Senior Management (Task Grade 16 - 18)<br>3) Professionals (Task Grade 14 -15) |
| f) The percentage of a municipality's budget actually spent on implementing its workplace skills plan.                                                                                         | 9. The percentage of a municipality's budget actually spent on implementing its workplace skills plan                                                                                                                                                                                                                                                              |
| g) Financial viability as expressed by the following ratios : Debt coverage, cost coverage & outstanding service debtors to revenue                                                            | Financial Management and viability expressed in the ff ratios:                                                                                                                                                                                                                                                                                                     |
|                                                                                                                                                                                                | 10. Debt coverage ratio. Total operating revenue received - operating grants/ debt service payments                                                                                                                                                                                                                                                                |
|                                                                                                                                                                                                | 11. Ratio of Current Assets: Current Liabilities                                                                                                                                                                                                                                                                                                                   |
|                                                                                                                                                                                                | 12. Ratio: Total operating revenue divided by debt service payments (i.e., interest plus redemption).                                                                                                                                                                                                                                                              |
|                                                                                                                                                                                                | 13. Ratio of Outstanding service debtors to annual revenue actually received for services (i.e., electricity and refuse)                                                                                                                                                                                                                                           |

Table 1 APR National Key Performance Indicators



The different KPAs which form the basis of the reporting as legislated and found across all Business Units are:

- **Municipal Institutional Development & Transformation (MID&T)**
- **Good Governance & Public Participation (GG&PP)**
- **Local Economic Development (LED)**
- **Financial Viability and Management (FV& M)**
- **Basic Service Delivery and Infrastructure Development (BSD)**
- **Spatial Planning & Environmental Management (SP& E)**

KwaDukuza Municipality's Annual Performance Report has therefore complied with all the relevant legislation in terms of the setting of performance indicators and targets, alignment to the IDP and the Performance Agreements of the Section 56 and Section 57 Senior Managers that have been developed from the Top Layer of the SDBIP as prescribed by Circular 13 of the MFMA 56 of 2003. The performance indicators and targets have been set in line with a SMART principal model, which states that they should be simple, measurable, achievable, realistic and time bound.

The Annual Report of the Municipality covers in detail the assessment of Service Providers as required by "Circular 63 on the compilation of the Annual Report," which will appear on Appendix I of the Annual Report. This assesses the efficiency and effectiveness of the services acquired from the service providers to ensure value for money for the municipality.

In this Annual Performance Report, in terms of the Municipal Systems Act, Section 76, the service provider performing a core function of the Municipality at KwaDukuza Municipality is Dolphin Coast Waste Management and an assessment of the service provider can be found below under "Performance of Service Providers."

## BACKGROUND TO THE ORGANISATIONAL SDBIP

### SUMMARY OF PAST PERFORMANCE - 2021/2022 AG REPORT ON PERFORMANCE INFORMATION.

During the 2021/2022 financial year, the Auditor-General South Africa (AGSA), conducted an audit of predetermined performance objectives. The focus being on Basic Service Delivery.

There were no material findings on the usefulness and reliability of the reported performance information for the selected key performance area.

*"In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected objective presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.*

*My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.*

*I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the basic service delivery and infrastructure development objective presented in the municipality's annual performance report for the year ended 30 June 2021.*

*I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.*

*I did not identify any material findings on the usefulness and reliability of the reported performance information for the selected key performance area."*

The opinion expressed by AGSA was an Unqualified Opinion with no findings.

## 2. PERFORMANCE MANAGEMENT PROCESSES 2022/2023

The Municipal Systems Act (MSA) of 2000, Section 38(a) mandates municipalities to establish performance management systems, and the Planning and Performance Management Regulations of 2001, describes the municipality's Performance Management System (PMS) as consisting of a framework that articulates and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed as well as to determine the roles of different stakeholders

Performance management is a process that measures the implementation of an organisation's strategy. It provides a mechanism to measure whether targets to meet its strategic objectives set by municipalities and its employees are met. The PMS implementation and management process is carried out at KwaDukuza Municipality in different phases namely:

Phase 1: Planning

Phase 2: Monitoring and managing  
performance information

Phase 3: Performance measurement and analysis

Phase 4: Performance review and improvement

Phase 5: Performance report

Co-ordination involves the overall responsibility of being the custodian of the municipality's performance management system and managing the system on behalf of the Municipal Manager. This is a strategic function which resides in the Office of the Municipal Manager.

The co-ordination of the implementation phases of performance management is the function of the Performance Monitoring and Evaluation (PME) department who are responsible for the following core activities:

- Co-ordination of the development and implementation activities of the organisational PMS, through interaction with all relevant stakeholders;
- Ensuring and overseeing the implementation of the Performance Management Framework and compliance to all performance legislative requirements in respect of the implementation of the PMS;

- Providing regular support and capacity to the different departments in developing departmental Service Delivery and Budget Implementation Plans (SDBIP);
- Continuously providing technical support to the Municipal Manager and the senior management team with implementation, assessment, review, monitoring and information management;
- Providing capacity for analysing organisational performance information submitted by Senior Managers on a quarterly, mid-term and annual basis in preparation for reporting;
- Responsible for co-ordination and compiling the annual Section 46 performance report;
- Ensuring that all quarterly, mid-term and annual organisational performance reports are submitted to relevant stakeholders timeously, for example, quarterly, mid-term and annual performance reports to EXCO, Council, the Auditor-General South Africa, MEC of Cooperative Governance and Traditional Affairs (COGTA) and the public (through website; print media notification and copies are made available for viewing at municipal venues).

## 3. EXECUTIVE SUMMARY OF PERFORMANCE FOR THE 2022/2023 FINANCIAL YEAR (FY)

Below is a summary of the performance results of all performance targets included in the Organisational Service Delivery and Budget Implementation Plan (SDBIP) for the 2022/2023 Financial Year. The Organisational SDBIP can be found below, in Section 5 of the Annual Performance Report : -

The traffic light system that is used to report performance is as follows:

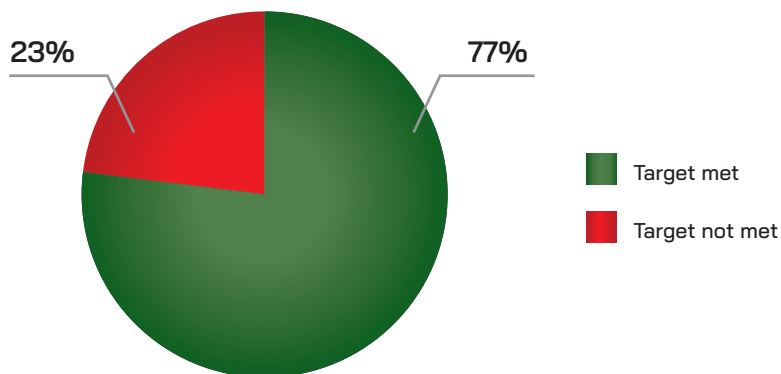
- **Blue** – Performance targets exceeded (overachieved)
- **Green** – Performance target met
- **Red** – Performance target not met (needs urgent intervention)

There was a total of one hundred and four (104) performance targets for 2022/2023.

- 80 targets were fully achieved (77%)
- 24 targets were not met (23%)

A matter of concern is that the number of targets that were not met is above 5%. The overall achievement for the 2022/2023 Financial year was 77% as graphically illustrated below:

#### 2022/2023 overview of targets met and not met



Graph 1: APR Performance 2022/2023: Targets Met and Targets Not Met

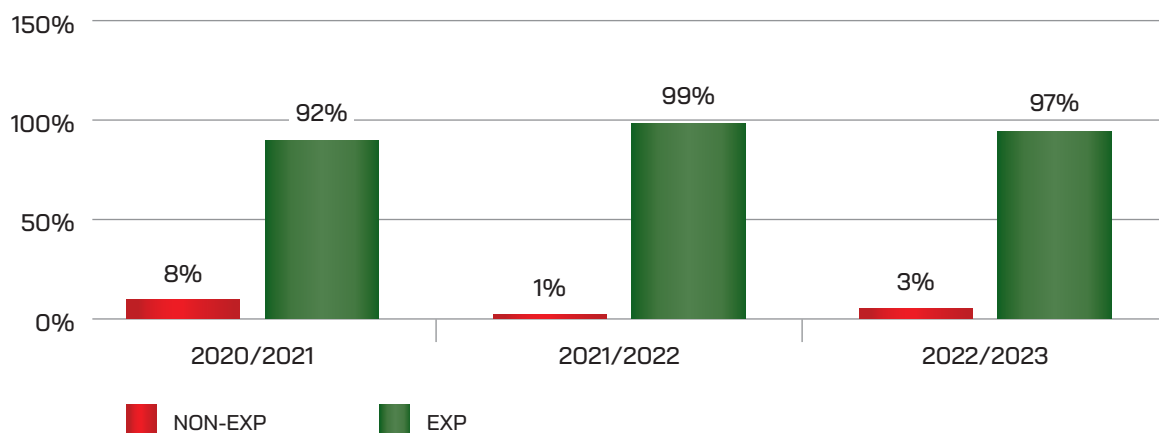
#### BUDGET SPENDING: OVERALL OPERATING BUDGET EXPENDITURE (OPEX) AND CAPITAL BUDGET EXPENDITURE (CAPEX)

##### OPEX

| BUDGET EXPENDITURE | 2020/2021 | 2021/2022 | 2022/2023 |
|--------------------|-----------|-----------|-----------|
| Expenditure        | 92%       | 99%       | 97%       |
| Non-Expenditure    | 8%        | 1%        | 3%        |
| TOTAL              | 100%      | 100%      | 100%      |

Table 2 – APR 3 Year Opex Comparison

##### OPEX BUDGET OVER 3 YEARS



Graph 2: APR 3 Year Opex Comparison

### SUMMARY OF OPEX BUDGET : -

The Expenditure on the Operating Budget for the 2022/2023 FY was 97% (R2 188 413 299,13 out of R2 244 964 833), which shows a 2% decrease when compared to the 2021/2022 FY.

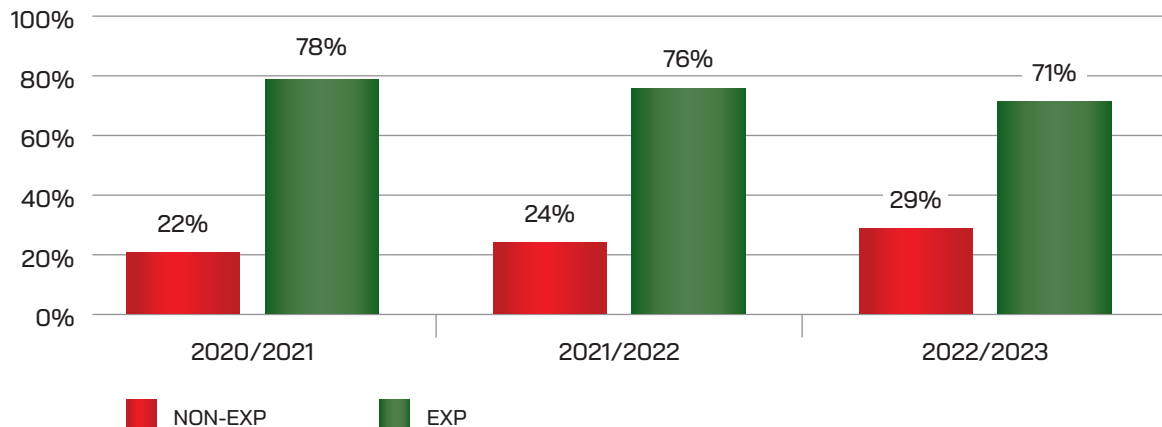
Reasons for lower operating expenditure can be attributed to savings being realised on the Operating budget for example through vacancies, resignations, employees not attending physical training and opting for virtual ones and fewer employees attending conferences.

### CAPEX

| BUDGET EXPENDITURE | 2020/2021 | 2021/2022 | 2022/2023 |
|--------------------|-----------|-----------|-----------|
| Expenditure        | 78%       | 76%       | 71%       |
| Non-Expenditure    | 22%       | 24%       | 29%       |
| TOTAL              | 100%      | 100%      | 100%      |

Table 3 -APR 3 Year Capex Comparison

### CAPEX BUDGET OVER 3 YEARS



Graph 3: APR 3 Year Capex Comparison

### SUMMARY OF CAPEX BUDGET

The expenditure on Capital Budget for 2022/2023 FY was 71% (R726 409 789,86 out of R1 023 113 853), which shows a 5% decrease when compared to the 2021/2022 FY(76%).

Reasons for lower capital spend may be attributed to :

- The disaster grant and the subsequent increase in the capital budget amount.
- R109 043 000 was received during July 2022 and R1 271 098 000 was received during March 2023 in addition to our existing capital budget. R501 992 904 was targeted to be spent from the Disaster Grant, by 30 June 2023.
- There was a large number of tenders that were taking longer to processes, with the existing number of staff.
- There were instances of under-quoting by service providers, resulting in cash flow challenges which led to delays on completion of projects.
- There were instances of business forums disrupting processes and refusing to follow correct sub-contracting processes stipulated on the municipal supply chain management policy.



## SUMMARY OF 2022/2023 PERFORMANCE OF NATIONAL KPAS:

| KPA                                                                          | NO OF STRATEGIC OBJECTIVES | TOTAL NO. OF TARGETS ON THE SDBIP | ACHIEVED   | NOT ACHIEVED | % ACHIEVED PER KPA |
|------------------------------------------------------------------------------|----------------------------|-----------------------------------|------------|--------------|--------------------|
| Municipal Transformation & Institutional Development                         | 2                          | 18                                | 16         | 2            | 89%                |
| Spatial Planning, Environmental Management & Social Services (Cross Cutting) | 7                          | 7                                 | 7          | 0            | 100%               |
| Local Economic Development                                                   | 2                          | 6                                 | 4          | 2            | 67%                |
| Municipal Financial Viability & Management                                   | 7                          | 26                                | 18         | 8            | 69%                |
| Basic Service Delivery                                                       | 13                         | 33                                | 25         | 8            | 76%                |
| Good Governance & Public Participation                                       | 10                         | 14                                | 10         | 4            | 71%                |
| TOTAL                                                                        | 41                         | 104                               | 80         | 24           | 77%                |
| <b>Overall Achievements in for 2022/2023 in %</b>                            |                            |                                   | <b>77%</b> | <b>23%</b>   |                    |

Table 4 : APR - KPA Overview 2022/2023

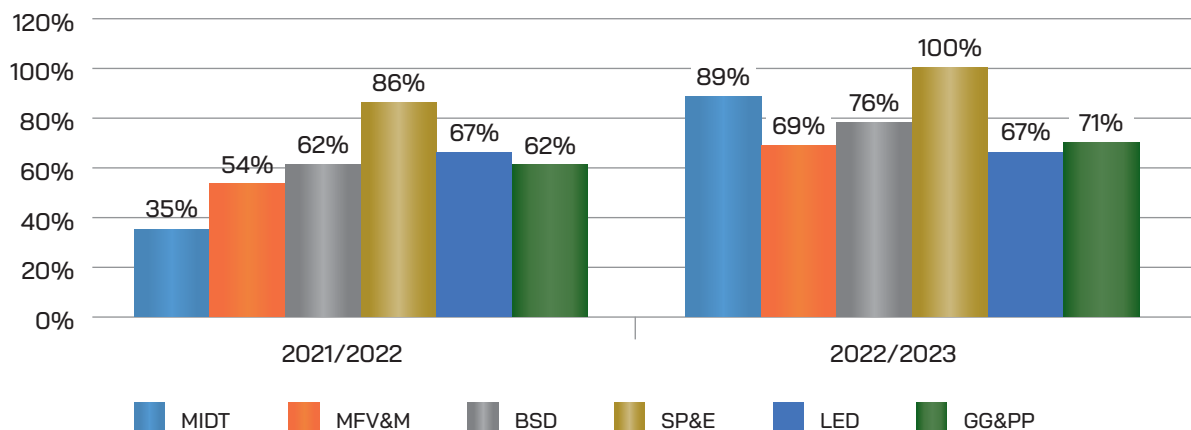
Table of comparison of KPA's over the 2021/2022 and 2022/2023 Financial Year

| KPA                                                                                            | 2021/2022 FY (% ACHIEVED) | 2022/2023 FY (% ACHIEVED) | INCREASE (+)<br>DECREASE (-)<br>FROM 21/22 |
|------------------------------------------------------------------------------------------------|---------------------------|---------------------------|--------------------------------------------|
| Municipal Transformation & Institutional Development <b>(MIDT)</b>                             | 35%                       | 89%                       | 54+                                        |
| Spatial Planning, Environmental Management & Social Services (Cross Cutting) <b>(SP&amp;E)</b> | 86%                       | 100%                      | 14+                                        |
| Local Economic Development <b>(LED)</b>                                                        | 67%                       | 67%                       | N/A                                        |
| Municipal Financial Viability & Management <b>(MFV&amp;M)</b>                                  | 54%                       | 69%                       | 15+                                        |
| Basic Service Delivery <b>(BSD)</b>                                                            | 62%                       | 76%                       | 14+                                        |
| Good Governance and Public Participation <b>(GG&amp;PP)</b>                                    | <b>62%</b>                | <b>71%</b>                | <b>9+</b>                                  |

Table 5 : APR -KPA's performance over the past 2 years

Graphical representation of performance : comparison of KPAs from 2021/2022 to 2022/2023 Financial year

#### KPA Performance over the past 2 years.



Graph 4: APR -KPA's performance over the past 2 years

#### OVERALL ACHIEVEMENT OF TARGETS OVER THE PAST 2 YEARS

|           |     |
|-----------|-----|
| 2021/2022 | 57% |
| 2022/2023 | 77% |

The 2022/2023 FY indicates an increase of 20% when compared to the 2021/2022 FY.

There has been an increase in performance on all KPA's with LED remaining the same for the past 2 years.

## 4. PERFORMANCE AND SUPPORTING INFORMATION

This section indicates, in more detail, the performance of the municipality for the financial year and refers to the supporting documentation, including the Municipal SDBIP. A comparative summary of each KPA is provided over 2021/2022 and 2022/2023 financial years.

### 4.1 MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

The overall performance for this KPA was 35% in the 2021/2022 financial year and has significantly increased to 89% in 2022/2023.

| KPA                          | 2021/2022 FY<br>(% ACHIEVED) | 2022/2023 FY<br>(% ACHIEVED) | % INCREASE<br>(+) DECREASE<br>(-) FROM 21/22 |
|------------------------------|------------------------------|------------------------------|----------------------------------------------|
| Institutional Transformation | 35%                          | 89%                          | 54+                                          |

The performance highlights for 2022/2023

- 5 Successful candidates were employed in the Top management, Senior Management and Professionals category against a target of 4.
- The target to maintain women and youth at 50% was met at 54% & 50% respectively.
- The Municipal SDBIP and Annual Report met all timeframes.
- Very good progress has been made on training, the target was set at achieving 90% spend on training and equipping municipal employees, the target was exceeded (96%).
- The targeted 8 for 2022/2023, Information Technology (IT) Auditor General Queries were fully addressed.

**CHALLENGES AND MEASURES TO IMPROVE PERFORMANCE**

| CHALLENGES                                                                                                                                                                                  | MEASURES TO IMPROVE PERFORMANCE                                                                                                                                                                                                                 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 0 Persons with disabilities were employed. Non-achievement was due to Structure and Organogram not being finalised.                                                                         | The Corporate Service BU, to review the Structure and Organogram including the identification of posts.                                                                                                                                         |
| Finalising of registrations and transfer processes for the new Office Building was not done. (OK Mall)                                                                                      | Approved sectional title plans are still outstanding, which are needed to accompany the transfer documents. Corporate Services to speed up the process of approval of sectional title plans in Q1 of 2023/2024.                                 |
| 2023/2024 Risk based Annual Internal Audit Plan was not approved by the Audcom. The plan focused on more compliance & the Committee requested more risk-based audit assignments be included | A revised Risk Based Annual Internal Audit Plan will be submitted to the Audcom Meeting to be held in Quarter 1 of 2023/2024.                                                                                                                   |
| The target was not met for, Quarterly reports on organisational compliance with relevant laws and regulations compiled by Internal Audit and submitted to MPAC.                             | The report on compliance with applicable laws and regulations was finalised at the time when MPAC has dedicated its ensuing meetings to deal with Oversight Report. Compliance report will be submitted to MPAC scheduled to take place in July |

**4.2 GOOD GOVERNANCE AND PUBLIC PARTICIPATION**

The overall performance for this KPA was 62% in the 2021/2022 financial year and has increased to 71% in 2022/2023.

| KPA                                             | 2021/2022 FY<br>(% ACHIEVED) | 2022/2023 FY<br>(% ACHIEVED) | % INCREASE<br>(+) DECREASE<br>(-) FROM 20/21 |
|-------------------------------------------------|------------------------------|------------------------------|----------------------------------------------|
| <b>Good Governance and Public Participation</b> | <b>62%</b>                   | <b>71%</b>                   | <b>9%+</b>                                   |

The performance highlights for 2022/2023

- The strategic compliance matters such as the approval of the Integrated Development Plan (IDP) (23/24); Organisational Compliance Reports and Risk based Internal Audit Plan (22/23) were done timeously with Council approval.
- The Audit Committee and Performance Audit Committee submitted 2 reports as required by legislation, to Council in August 2022 and March 2023.
- All Risk Reports were submitted to the Risk Management Committee (RMC) timeously.

**CHALLENGES AND MEASURES TO IMPROVE PERFORMANCE**

| CHALLENGES                                                                                                                                                                                                                                                                                                                         | MEASURES TO IMPROVE PERFORMANCE                                                                      |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|
| 2023/2024 Risk based Annual Internal Audit Plan was not approved by Audcom and subsequently could not be approved by Council. Audcom members requested more time to review and consult about the plan.                                                                                                                             | Risk-Based Annual Internal Audit Plan to be presented to Audcom meeting schedule for 31st July 2023. |
| Quarterly reports on organisational compliance with relevant laws and regulations was not submitted to Council as required. 1 of the 2 reports were submitted. The report on compliance with applicable laws and regulations was finalised at the time when MPAC has dedicated its ensuing meetings to deal with Oversight Report. | Compliance report will be submitted to MPAC scheduled to take place in July 2023.                    |
| Progress reports on the percentage of AG findings resolved in the AG action plan was not submitted to MPAC as required. 1 of 2 reports was submitted. AG Action Plan progress report was finalised at the time when MPAC has dedicated its ensuing meetings to deal with Oversight Report.                                         | Progress reports will be submitted to MPAC scheduled to take place in Quarter 1 of 2023/2024.        |

## 4.3 MUNICIPAL FINANCIAL MANAGEMENT AND VIABILITY

The overall performance for this KPA was 62% in the 2021/2022 financial year and has increased to 69% in 2022/2023.

| KPA                                | 2021/2022 FY<br>(% ACHIEVED) | 2022/2023 FY<br>(% ACHIEVED) | % INCREASE<br>(+) DECREASE<br>(-) FROM 20/21 |
|------------------------------------|------------------------------|------------------------------|----------------------------------------------|
| Financial Management and Viability | 62%                          | 69%                          | 7+                                           |

The performance highlights for 2022/2023

- The revenue collected from traffic licenses was targeted at R5 000 000 but far exceeded, R6 278 389 was collected.
- The annual budget for 2023/2024 was approved timeously by Council on the 31 May 2023.
- All compliance information such as the MFMA, Section 52(d) and 72 reports were submitted to Council on time.
- The targets for the National Key Performance Indicators for ratios were all exceeded.
- The AFS was submitted to the AGSA timeously on the 31 August 2022.
- Indigent register updates went well and 8979 were registered on Council's approved indigent register.
- There were 100% spends on upgrades to networks across the municipal area.
- There was a 100% spend on streetlight infrastructure and 572 streetlights were re-furbished.

### CHALLENGES AND MEASURES TO IMPROVE PERFORMANCE

| CHALLENGES                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | MEASURES TO IMPROVE PERFORMANCE                                                                                                                                                                                                                             |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The target of R2 500 000, revenue collected from outstanding fines and other traffic offences was not met, because there was a failure to implement planned warrant roadblocks due to the shortage of vehicles. The bus that is utilised for warrant roadblocks has to have COF done.                                                                                                                                                                                                                                                                                                                                | Increase roadblocks and driver awareness campaigns during the 2023/2024 financial year.                                                                                                                                                                     |
| The target of 100% expenditure on implementation of MIG infrastructure projects was not met. There are two invoices that were referred back by COGTA but have been processed by the municipality. The municipality was supposed to resubmit but could not because it required CFO for approval and at that time he was on suspension and no acting was appointed. On the municipality side the expenditure is 100%.                                                                                                                                                                                                  | An application for roll over will be submitted to COGTA for the balance of 11%.                                                                                                                                                                             |
| The target of 100% spend on the National Flood Disaster Grant was not met. There were delays in the implementation of projects as there were appeals against the appointment of some service providers and also delays attributed to the disruption of work by business forums. The delays thus resulted in poor expenditure.                                                                                                                                                                                                                                                                                        | Application for rollover of remaining grant allocation has been submitted to National Treasury. KDM is awaiting a response.                                                                                                                                 |
| The target of 90% of a municipality's capital budget was not met.<br>a) Due to the disaster grant and the subsequent increase in the capital budget amount, there was a large number of tenders that were taking longer to processes, with the existing number of staff.<br>b) There were instances of under-quoting by service providers, resulting in cash flow challenges which lead to delays on completion of projects.<br>c) There were instances of business forums disrupting processes and refusing to follow correct sub-contracting processes stipulated on the municipal supply chain management policy. | Application for the rollover of grant funds has been done and sent to National Treasury.<br>All matters that have been placed before the TAC have been resolved and contractors appointed.<br>Monies have been rolled over to the 2023/2024 financial year. |
| The target for 80% expenditure on MV Network upgrades in Cluster A to Cluster G was not met. Letter of award was issued dated 04/04/2023.<br><br>Tender was submitted to IA on 24/05/2023 Internal audit for Circular 62 verification still not confirmed as yet.                                                                                                                                                                                                                                                                                                                                                    | Letter to MM has been sent dated 22/05/2022 For intervention                                                                                                                                                                                                |



## 4.4 SPATIAL PLANNING & ENVIRONMENTAL MANAGEMENT & SOCIAL SERVICES (CROSS CUTTING ISSUES)

The overall performance for the KPA was 86% for 2021/2022 and has significantly increased to 100% in 2022/2023.

| KPA                                                    | 2021/2022 FY<br>(% ACHIEVED) | 2022/2023 FY<br>(% ACHIEVED) | % INCREASE<br>(+) DECREASE<br>(-) FROM 20/21 |
|--------------------------------------------------------|------------------------------|------------------------------|----------------------------------------------|
| <b>Spatial Planning &amp; Environmental Management</b> | 86%                          | 100%                         | 14+                                          |

The performance highlights for 2022/2023

- There were 119 multi-disciplinary law enforcement operations conducted against a targeted 80.
- There were 64 outreach programmes on fire safety, social crime prevention, and schools/community road safety, conducted in the various wards.
- All SPLUMA applications were done within 90 days from the closing date of advert.
- Targets were exceeded on, consent applications processed within 60 days and building plans more & less than 500m<sup>2</sup> processed within 60 days of submission.
- 10 Environmental Management Community awareness programmes were targeted but 14 were conducted.

## 4.5 LOCAL ECONOMIC DEVELOPMENT

The overall performance for this KPA was 67% in the 2021/2022 financial year and remained at 67% in 2022/2023.

| KPA                               | 2021/2022 FY<br>(% ACHIEVED) | 2022/2023 FY<br>(% ACHIEVED) | % INCREASE<br>(+) DECREASE<br>(-) FROM 20/21 |
|-----------------------------------|------------------------------|------------------------------|----------------------------------------------|
| <b>Local Economic Development</b> | 67%                          | 67%                          | No change.                                   |

The performance highlights for 2022/2023

- The number of jobs created through the Municipality's Expanded Public Works Programme (EPWP) was exceeded. The target was to create 80, however 86 was created, as additional funds were provided by Council.
- The total number of jobs created through capital projects were 383. Due to more labour-intensive methods being applied. The target was exceeded against a predetermined 345 jobs.
- There were 10 more business sessions held(30) than a targeted 20.
- There were 844 jobs created through LED initiatives against a target of 120.

## CHALLENGES AND MEASURES TO IMPROVE PERFORMANCE

| CHALLENGES                                                                                                                                                                                                                                                 | MEASURES TO IMPROVE PERFORMANCE                                                                   |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|
| The target for Completion of Construction of Museum was not achieved. There was a snag list that was being attended to, which will only be finished by July 2023.                                                                                          | The painting of parking spaces and other item on the snag list will be completed by 31 July 2023. |
| Advertisement & TSC approval for the LED Strategy was not completed. The submissions of tender specifications have been delayed as the new manager LED, joined the municipality in May and have to deal with other outstanding issues with skeleton staff. | The tender specifications will be submitted before 15 August 2023, for consideration by TSC.      |

## 4.6 BASIC SERVICE DELIVERY

The overall performance for the KPA was 62% in the 2021/2022 financial year and has significantly increased to 76% in 2022/2023.

| KPA                    | 2021/2022 FY<br>(% ACHIEVED) | 2022/2023 FY<br>(% ACHIEVED) | % INCREASE<br>(+) DECREASE<br>(-) FROM 20/21 |
|------------------------|------------------------------|------------------------------|----------------------------------------------|
| Basic Service Delivery | 62%                          | 76%                          | 14%+                                         |

The performance highlights for 2022/2023

- The number of sites that were serviced were 584 against a targeted 450 to ensure improved access to adequate housing.
- EEDBS target was exceeded, with 30 being transferred against a planned 20.
- Capital Projects that were completed: Steve Biko Housing Retaining Walls and Access Roads; Stone City 2 retaining wall and sewer line; Gravel Road Upgrade to Blacktop in Ward 8; roads rehabilitated and Townsend Road/Avondale Stormwater Upgrade.
- There were 1299 new household electricity connections.
- Electrical projects that were completed: Tinley Manor 11kV OHL Phase 6; Replace NV Grid Prot Relays 11K; Replace 33kV Cable between Lavopiere and Industrial Sub and Gizenga Substation.
- Community Services Projects that were completed: Beach Facilities; Nonoti Beach Node Development Phase 2; Basketball court Stanger High School; Combo Court Ward 9; Shayamoya Sport field and Recycling and Waste Buyback Centre.

## CHALLENGES AND MEASURES TO IMPROVE PERFORMANCE

| CHALLENGES                                                                                                                                                                                                                                                                                                                                                                       | MEASURES TO IMPROVE PERFORMANCE                                                                                                                                                                                                                                                                                       |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The target for construction of houses was not met 82 out of 90 was achieved, due to Budgetary Constraints. Housing Units are being refurbished due to vandalism. Local Labour Workforce demanded more money. Local Suppliers blocked the Supply of Materials and wanted to be considered for Supply at an unreasonable rate. Contractual challenges between the IA & Contractor. | Additional Budget is currently being sourced from the KZNDHS to complete the balance of vandalised Units.<br><br>Continuous engagement with contractors to prevent work stoppages. Undertaking social facilitation. Slum clearing of illegal structures will be done in 2023/2024 and the outer years.                |
| Delays in the handing over of houses to beneficiaries. 77 out of 120 handed over. Local Labour Workforce demanded more money, Local Suppliers blocked the Supply of Materials and wanted to be considered for Supply at an unreasonable rate, Contractual challenges between the Implementing Agent (IA) & Contractor                                                            | All Parties have been engaged and all Issues were resolved, the IA had to take into consideration and give into these demands for the sake of Progress. The hand over will continue in 2023/2024.                                                                                                                     |
| That target of 100 Post 1994 units to be transferred was not met. The Post 1994 projects have to be replanned, the land surveyors and the Town planners are redesigning to produce the as built layouts that will trigger the SPLUMA application and approval in order to effect transfers                                                                                       | The Provincial Department Of Human Settlement has set aside funds to proceed with the project. There is currently a 24-month programme by KDM and human settlement to mitigate these challenges.                                                                                                                      |
| Completion of Lloyds retaining housing walls were not completed, Stormwater drainage and guardrails not done. Insufficient funds to complete the project.                                                                                                                                                                                                                        | Project rolled over to 2023/2024. Project to be completed in the 2023/2024 financial year.                                                                                                                                                                                                                            |
| Groutville Market Sportsfield was not completed. There were delays in the project due to labour disputes with the project. The allocated budget was also a factor that delayed the project                                                                                                                                                                                       | The project has been rolled over to the 2023/2024 financial year and will be completed during 2023/2024.                                                                                                                                                                                                              |
| 11 out of the 17 damaged bridges were completed. There were many reasons for non-completion e.g., financial constraints by the contractors, landslides on some projects, disputes raised by contractors, numerous stoppages from business forums and Inadequate budget.                                                                                                          | Projects rolled over to the new financial year 2023/2024.                                                                                                                                                                                                                                                             |
| The target for Energy kilowatts loss reduced by 10% (from 26% to 16%) was not met. Energy losses stands at 25.39%.                                                                                                                                                                                                                                                               | <ol style="list-style-type: none"> <li>1. Continue with meter audit and replacement</li> <li>2. Capacitate Revenue Protection Unit for effective Raids</li> <li>3. Ensure ELTT meet bi-weekly.</li> <li>4. New programmes that are currently implemented to curb energy losses listed in the EBU scorecard</li> </ol> |

## 5. 2022/2023 ANNUAL PERFORMANCE REPORT: COMPARISON OVER 2 FINANCIAL YEARS

| OPMS NO.                                                           | STRATEGIC OBJECTIVE FROM THE IDP                        | KEY PERFORMANCE INDICATOR                                                                                                                                                                                                                                                                                                                                          | 2021/2022 TARGET                                                                                                                                                              | 2021/2022 ACTUAL                                                                                                                                                                                                          | 2022/2023 TARGET                                                                                                        | 2022/2023 ACTUAL                                                                                                                                                                   | REASON FOR NON-ACHIEVEMENT | MEASURES TO IMPROVE | STATUS                                                                                |
|--------------------------------------------------------------------|---------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|---------------------|---------------------------------------------------------------------------------------|
| <b>KPA: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT</b> |                                                         |                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                               |                                                                                                                                                                                                                           |                                                                                                                         |                                                                                                                                                                                    |                            |                     |                                                                                       |
| OPMS 01                                                            | To build capable and transformed institutional capacity | The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan (NKPI) Highest Three levels:-<br>1) Top Management MM, ED, and Directors (Task Grade 19 -26)<br>2) Senior Management (Task Grade 16 - 18)<br>3) Professionals (Task Grade 14 -15) | 3 people employed from employment equity target groups in the three highest levels of management by 30 June 2022                                                              | Target exceeded 8 people employed from employment equity target groups in the three highest levels of management                                                                                                          | <b>4 people employed from employment equity target groups in the three highest levels of management by 30 June 2023</b> | Target exceeded as 8 people were employed in total from equity target groups in the three highest levels of management.                                                            | N/A                        | N/A                 |    |
| OPMS 02                                                            | To build capable and transformed institutional capacity | Number of reports on trainings provided for Councillors and staff conducted, submitted to Finance & Local Public Administration Portfolio Committee (FLPA) by target date                                                                                                                                                                                          | 4 quarterly reports submitted to the Corporate Services and Finance Portfolio Committee (CSFP) on the number of trainings of Councillors and staff conducted by 30 June 2022. | Target not met 3 Quarterly reports submitted, on trainings conducted for staff and councillors. Q1 report submitted on 09/09/2021-LPA 137, Q2 report submitted on 10/02/2022, Q3 report submitted on 22/06/2022, FLPA 182 | <b>4 reports on trainings provided for Councillors and staff conducted, submitted to FLPA by 30 June 2023</b>           | Target met 4 reports on Trainings were provided for Councillors and staff conducted and submitted to FLPA by 30 June 2023 (dates – 16/11/2022; 15/02/2023; 19/04/2023; 21/06/2023) | N/A                        | N/A                 |  |
| OPMS 03                                                            | To build capable and transformed institutional capacity | % maintenance of employment of women at all levels by target date.                                                                                                                                                                                                                                                                                                 | Maintaining 50% employment of women at all levels by 30 June 2022                                                                                                             | Target not met 31% (19 out of 62 people appointed) of women employed in all levels                                                                                                                                        | <b>Maintain 50% employment of women at all levels by 30 June 2023</b>                                                   | Target Exceeded 54%. (43 Actual/80 Target x 100)                                                                                                                                   | N/A                        | N/A                 |  |
| OPMS 04                                                            | To build capable and transformed institutional capacity | % maintenance of employment of youth at all levels by target date.                                                                                                                                                                                                                                                                                                 | Maintaining 50% employment of youth at all levels by 30 June 2022                                                                                                             | Target not met 40% (25 out of 62 people appointed annually) of youth appointed in all levels                                                                                                                              | <b>Maintain 50% employment of youth at all levels by 30 June 2023</b>                                                   | Target Met 50%. (40 Actual/80 Target x 100)                                                                                                                                        | N/A                        | N/A                 |  |

## 5. 2022/2023 ANNUAL PERFORMANCE REPORT: COMPARISON OVER 2 FINANCIAL YEARS ...continued

| OPMS NO.                                                           | STRATEGIC OBJECTIVE FROM THE IDP                        | KEY PERFORMANCE INDICATOR                                                                                | 2021/2022 TARGET                                                                                     | 2021/2022 ACTUAL                                                        | 2022/2023 TARGET                                                                                                          | 2022/2023 ACTUAL                                                                                                                                                                                  | REASON FOR NON-ACHIEVEMENT                                                                                    | MEASURES TO IMPROVE                                                                                          | STATUS                                                                                |
|--------------------------------------------------------------------|---------------------------------------------------------|----------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| <b>KPA: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT</b> |                                                         |                                                                                                          |                                                                                                      |                                                                         |                                                                                                                           |                                                                                                                                                                                                   |                                                                                                               |                                                                                                              |                                                                                       |
| OPMS 05                                                            | To build capable and transformed institutional capacity | Number of disabled persons employed in line with the Employment Equity Plan by target date.              | Appointment of 1 disabled person in line with the Employment Equity plan by 30 June 2022             | Target not met<br>0 disabled persons appointed.                         | <b>2 disabled persons employed in line with the Employment Equity Plan by 30 June 2023.</b>                               | Target Not Met.<br>0 People with disabilities appointed in line with employment equity plan.                                                                                                      | Non-achievement was due to Structure and Organogram not being finalised                                       | To review the Structure and Organogram including the identification of posts and implement during 2023/2024. |    |
| OPMS 06                                                            | To invest in skills development                         | The percentage of a municipality's budget spent on implementing its workplace skills plan (WSP)(NKPI)    | 90% of a municipality's training budget spent on implementation of the WSP by 30 June 2022           | Target not met<br>59% spent on WSP.                                     | <b>90% of a municipality's training budget spent on implementation of WSP by 30 June 2023.</b>                            | Target Exceeded<br>96% spent.<br>R1 076 418.38/R1 124 000.00 x 100/1 = 96%                                                                                                                        | N/A                                                                                                           | N/A                                                                                                          |    |
| OPMS 07                                                            | To build capable and transformed institutional capacity | Percentage IT activities raised by the AG audit contained in the AG action plan resolved by target date. | 90% of IT activities raised by the AG audit contained in the AG action plan resolved by 30 June 2022 | Target not met. 44% of the AG audit findings have been fully addressed. | <b>73% (8 out of 11) of IT activities raised by the AG audit contained in the AG action plan resolved by 30 June 2023</b> | Target met<br>8 of the 11 IT AG findings were fully addressed the other 3 are in still progress.                                                                                                  | The 3 remaining queries will be done in 2023/2024 as these required additional resources.                     | N/A                                                                                                          |   |
| OPMS 08                                                            | To build capable and transformed institutional capacity | Procurement of new office building by target date.                                                       | N/A                                                                                                  | N/A                                                                     | <b>Finalising of registrations and transfer processes for the new Office Building by 30 June 2023.</b>                    | Target not met. Awaiting transfer and registration. The Purchase Agreement between the seller and the purchaser was concluded on the 23rd of March 2023. Payment was done on the 28 of April 2023 | Approved sectional title plans are still outstanding, which are required to accompany the transfer documents. | The process of approval of sectional title plans to be done in Q1 of 2023/2024.                              |  |
| OPMS 11                                                            | To enhance organisational performance                   | Adoption of reviewed PMS Framework by target date                                                        | Adoption of PMS Framework by Council by 30 June 2022.                                                | Target met<br>PMS Framework adopted by council on 30/06/2022. C705/2022 | <b>Adoption of reviewed PMS Framework by Council by 31 May 2023.</b>                                                      | Target met.<br>Minutes dated 30 May 2023. C 2323.                                                                                                                                                 | N/A                                                                                                           | N/A                                                                                                          |  |



## 5. 2022/2023 ANNUAL PERFORMANCE REPORT: COMPARISON OVER 2 FINANCIAL YEARS ...continued

| OPMS NO.                                                           | STRATEGIC OBJECTIVE FROM THE IDP      | KEY PERFORMANCE INDICATOR                                                                                                                                               | 2021/2022 TARGET                                                                                                     | 2021/2022 ACTUAL                                                                                                                                                                                  | 2022/2023 TARGET                                                                                                                                 | 2022/2023 ACTUAL                                                                                                                                                                | REASON FOR NON-ACHIEVEMENT | MEASURES TO IMPROVE | STATUS                                                                                |
|--------------------------------------------------------------------|---------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|---------------------|---------------------------------------------------------------------------------------|
| <b>KPA: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT</b> |                                       |                                                                                                                                                                         |                                                                                                                      |                                                                                                                                                                                                   |                                                                                                                                                  |                                                                                                                                                                                 |                            |                     |                                                                                       |
| OPMS 12                                                            | To enhance organisational performance | Date of Adoption of the Top layer of the Service Delivery and Budget Implementation Plan (SDBIP) and Organisational Scorecard for 2023/2024 within specified timeframe. | Adoption of PMS Framework by Council by 30 June 2022.                                                                | Target met PMS Framework adopted by council on 30/06/2022. C705/2022                                                                                                                              | <b>Adoption of top layer of the SDBIP and Organisational Scorecard for 2023/2024, within 28 days of the approval of the budget.</b>              | Target met. Budget approved on 31 May 2023 SDBIP approved by Mayor, letter dated, 22 June 2023. Council Adoption 28 June 2023.                                                  | N/A                        | N/A                 |    |
| OPMS 13                                                            | To enhance organisational performance | Submission of Performance Agreements to MEC for Local Government within specified timeframe.                                                                            | Submission of the Performance Agreements to the MEC for Local Government within 14 days after approval of the SDBIP. | Target not met 8 performance agreements were submitted on 14 August 2021 to the MEC in line with Chapter 2 (4) (5) the LG: Municipal Regulations for MM and Managers accountable to the MM, 2006. | <b>Submission of the Performance Agreements to the MEC for Local Government within 14 days after the approval of the Top Layer of the SDBIP.</b> | Target met 8 Performance Agreements submitted to MEC for Local Government on 05/07/2022 within 14 days after the approval of SDBIP on 15/06/2022-C637/2022)                     | N/A                        | N/A                 |    |
| OPMS 14                                                            | To enhance organisational performance | Publication of Performance Agreements on the municipal website within specified timeframe                                                                               | Publication of the Performance Agreements on the municipal website 14 days after the approval of the SDBIP.          | Target not met 8 Performance Agreements publicised on municipal website on 27/09/2021                                                                                                             | <b>Publication of the Performance Agreements on the municipal website 14 days after the approval of the Top Layer of the SDBIP.</b>              | Target exceeded Performance Agreements publicized on the municipal website on (29/06/2022) within 9 working days after the approval of SBDIP which was approved on (15/06/2022) | N/A                        | N/A                 |  |
| OPMS 15                                                            | To enhance organisational performance | Submission of the Annual Performance Report (APR) to the Auditor General (AG) by target date.                                                                           | Submission of 2020/2021 APR & AFS to AG by 31 August 2021                                                            | Target met APR and AFS submitted to AG on 31/08/2021.                                                                                                                                             | <b>Submission of the 2021/2022 Annual Performance Report (APR) to the Auditor General (AG) by 31 August 2022</b>                                 | Target Met 2021/2022 KDM APR submitted to Auditor General on 31/08/2022.                                                                                                        | N/A                        | N/A                 |  |

## 5. 2022/2023 ANNUAL PERFORMANCE REPORT: COMPARISON OVER 2 FINANCIAL YEARS ...continued

| OPMS NO.                                                           | STRATEGIC OBJECTIVE FROM THE IDP      | KEY PERFORMANCE INDICATOR                                                                                        | 2021/2022 TARGET                                                                                                             | 2021/2022 ACTUAL                                                                                                                                                                          | 2022/2023 TARGET                                                                                                             | 2022/2023 ACTUAL                                                                                                                                                                                                                                                                                                                                                     | REASON FOR NON-ACHIEVEMENT | MEASURES TO IMPROVE | STATUS                                                                                |
|--------------------------------------------------------------------|---------------------------------------|------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|---------------------|---------------------------------------------------------------------------------------|
| <b>KPA: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT</b> |                                       |                                                                                                                  |                                                                                                                              |                                                                                                                                                                                           |                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                      |                            |                     |                                                                                       |
| OPMS 16                                                            | To enhance organisational performance | KDM Annual Report submitted to Council by target date                                                            | N/A                                                                                                                          | N/A                                                                                                                                                                                       | <b>KDM Annual Report submitted to Council by 31 January 2023.</b>                                                            | Target met<br>Annual report submitted to council on 26/01/2023 -C1808/2023                                                                                                                                                                                                                                                                                           | N/A                        | N/A                 |    |
| OPMS 17                                                            | To enhance organisational performance | Date submission of the Oversight report to Council for adoption                                                  | Submission of the Oversight report to Council for adoption by 31 March 2022                                                  | Target met<br>Oversight report submitted to council on the 31/03/2022 (C-178)                                                                                                             | <b>Submission of the Oversight report to Council for adoption by 31 March 2023</b>                                           | Target met<br>Oversight report submitted to council on 31/03/2023-C1988/2023                                                                                                                                                                                                                                                                                         | N/A                        | N/A                 |    |
| OPMS 18                                                            | To enhance organisational performance | Publication of the Oversight report on the municipal website and the local newspaper within specified timeframe. | Publication of the Oversight report 7 days after approval by Council                                                         | Target met.<br>Oversight report approved by Council on 31 March 2022. Advertised in local newspaper which was made public on 6/04/2022 - Xpress Times.                                    | <b>Publication of the Oversight report on the municipal website and the local newspaper 7 days after approval by Council</b> | Target met.<br>Advert in the local newspaper - 31 March 2023. Submitted to communications section on 5 April 2023. Link : <a href="http://www.kwadukuza.gov.za/index.php/reports/ann-2022">http://www.kwadukuza.gov.za/index.php/reports/ann-2022</a>                                                                                                                | N/A                        | N/A                 |    |
| OPMS 19                                                            | To enhance organisational performance | Number of quarterly performance reports submitted to the EXCO/ Council by target date.                           | 2 quarterly performance reports submitted to Exco, and 2 quarterly performance reports submitted to Council by 30 June 2022. | Target not met.<br>2 Reports submitted to EXCO. 1 Report to Council. Q4 (2020/21) & Q1 (21/22) submitted to Exco on 08/12/2021 – C56 & C 57. Q2 21/22 submitted to Council on 27/01/2022. | <b>4 quarterly performance reports submitted to the EXCO/ Council by 30 June 2023.</b>                                       | Target met<br>4 reports submitted to Exco/Council.<br>1. Quarter 4 of 2021/2022 performance report to Council on 29/09/2022-C1305<br>2. Quarter 1 Performance Management report submitted to EXCO on 09/11/2022. C1481.<br>3. Quarter 2 2022/2023 Performance Report submitted to council by 26/01/2023-C 1810<br>4. Q3 was submitted to EXCO on 10 May 2023. C2320. | N/A                        | N/A                 |  |

## 5. 2022/2023 ANNUAL PERFORMANCE REPORT: COMPARISON OVER 2 FINANCIAL YEARS ...continued

| OPMS NO.                                                           | STRATEGIC OBJECTIVE FROM THE IDP                                                                                       | KEY PERFORMANCE INDICATOR                                                                                      | 2021/2022 TARGET                                                                                                                                                      | 2021/2022 ACTUAL                                                                                                                                                                 | 2022/2023 TARGET                                                                                                                              | 2022/2023 ACTUAL                                                                                                                | REASON FOR NON-ACHIEVEMENT | MEASURES TO IMPROVE | STATUS                                                                                |
|--------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|----------------------------|---------------------|---------------------------------------------------------------------------------------|
| <b>KPA: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT</b> |                                                                                                                        |                                                                                                                |                                                                                                                                                                       |                                                                                                                                                                                  |                                                                                                                                               |                                                                                                                                 |                            |                     |                                                                                       |
| OPMS 20                                                            | To enhance organisational performance                                                                                  | Number of Performance reviews and performance assessments for Section 56/57 Managers conducted by target date. | i) 1 mid year review for 2021/2022 financial year conducted by 31 March 2022.<br>ii) 1 Performance evaluation for 2020/2021 financial year conducted by 30 June 2022. | Target not met.<br>i) Mid year formal review for 2021/2022 – was held on 10; 11 and 17th May 2022.<br>ii) Year End Assessment for 2020/2021 – was held on 4 and 5th of May 2022. | <b>i) 1 Formal Review for Mid year 2022/2023 conducted by 31 March 2023.</b><br><b>i) 1 Annual Assessment for 2021/2022, by 30 June 2023.</b> | Target met<br>1. 2022/2023 Mid Year reviews conducted on 27/03/2023<br>2. Annual assessments conducted on 1, 2, 3 February 2023 | N/A                        | N/A                 |    |
| <b>KPA: GOOD GOVERNANCE &amp; PUBLIC PARTICIPATION</b>             |                                                                                                                        |                                                                                                                |                                                                                                                                                                       |                                                                                                                                                                                  |                                                                                                                                               |                                                                                                                                 |                            |                     |                                                                                       |
| OPMS 21                                                            | To ensure co-ordination and alignment of developmental programmes of the municipality with other spheres of government | Approval and adoption of the 2023/2024 IDP in line with S129 MFMA & Chapters 5&6 MSA by Council by target date | 2022/2023 IDP in line with Chapters 5&6 MSA approved by Council 31 May 2022                                                                                           | Target met.<br>2022/2023 IDP adopted on 25/05/2022 -C571/2022                                                                                                                    | <b>Approval and adoption of the 2023/2024 IDP in line with S129 MFMA &amp; Chapters 5&amp;6 MSA by Council by 31 May 2023</b>                 | Target met<br>2023/24 IDP adopted by council on 31/05/2023. (C2347/2023)                                                        | N/A                        | N/A                 |   |
| OPMS 22                                                            | To provide effective and efficient Internal Audit services for Council                                                 | 2022/2023 Risk based Annual Internal Audit Plan to be approved by Audit Committee by target date.              | 2021/2022 Risk based Annual Internal Audit Plan to be approved by Audit Committee and Council by 30 September 2021.                                                   | Target met<br>2021/2022 Risk based annual internal audit plan was submitted to Council on 30 September 2021. C 1472.                                                             | <b>2022/2023 Risk based Annual Internal Audit Plan to be approved by Audit Committee 30 September 2022.</b>                                   | Target met<br>2022/2023 Risk based Annual Internal Audit Plan approved by Audit committee on 15/08/2022.                        | N/A                        | N/A                 |  |
| OPMS 23                                                            | To provide effective and efficient Internal Audit services for Council                                                 | 2022/2023 Risk based Annual Internal Audit Plan to be approved by Council by target date.                      | 2021/2022 Risk based Annual Internal Audit Plan to be approved by Audit Committee and Council by 30 September 2021.                                                   | Target met<br>2021/2022 Risk based annual internal audit plan was submitted to Council on 30 September 2021. C 1472.                                                             | 2022/2023 Risk based Annual Internal Audit Plan to be approved by Council by 30 September 2022.                                               | Target met<br>2022/2023 Risk based Annual Internal Audit Plan approved by Council by 31/08/2022 - C1141                         | N/A                        | N/A                 |  |

## 5. 2022/2023 ANNUAL PERFORMANCE REPORT: COMPARISON OVER 2 FINANCIAL YEARS ...continued

| OPMS NO.                                               | STRATEGIC OBJECTIVE FROM THE IDP                                       | KEY PERFORMANCE INDICATOR                                                                                                                           | 2021/2022 TARGET                                                                                                                                                               | 2021/2022 ACTUAL                                                                                                                                                                                                                                        | 2022/2023 TARGET                                                                                                                                                    | 2022/2023 ACTUAL                                                                                                                                                 | REASON FOR NON-ACHIEVEMENT                                                                                                                                          | MEASURES TO IMPROVE                                                                                                                                                         | STATUS                                                                                |
|--------------------------------------------------------|------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| <b>KPA: GOOD GOVERNANCE &amp; PUBLIC PARTICIPATION</b> |                                                                        |                                                                                                                                                     |                                                                                                                                                                                |                                                                                                                                                                                                                                                         |                                                                                                                                                                     |                                                                                                                                                                  |                                                                                                                                                                     |                                                                                                                                                                             |                                                                                       |
| OPMS 23a                                               | To provide effective and efficient Internal Audit services for Council | 2023/2024 Risk Based Internal Audit Plan to be approved and adopted by Audit Committee by target date.                                              | N/A                                                                                                                                                                            | N/A                                                                                                                                                                                                                                                     | <b>2023/2024 Risk based Annual Internal Audit Plan to be approved and adopted by Audit Committee 30 June 2023</b>                                                   | Target not met Risk-Based Annual Internal Audit Plan was submitted to the Audcom meeting held on 26/06/2023 but was not approved by audcom                       | Audcom members requested a revision of the plan to include risk-based audit assignments.                                                                            | Revised Risk-Based Annual Internal Audit Plan to be presented to the Audcom meeting to be held in Quarter 1 of 2023/2024                                                    |    |
| OPMS 23b                                               | To provide effective and efficient Internal Audit services for Council | 2023/2024 Risk based Annual Internal Audit Plan submitted to council for noting by target date.                                                     | N/A                                                                                                                                                                            | N/A                                                                                                                                                                                                                                                     | <b>2023/2024 Risk based Annual Internal Audit Plan submitted to council for noting by 30 June 2023</b>                                                              | Target not met Risk-Based Annual Internal Audit plan was not submitted to Council for noting.                                                                    | This is linked to OPMS 23a - Audcom members requested more time to review and consult about the plan.                                                               | Risk-Based Annual Internal Audit Plan will be submitted to Council for noting during quarter one of 2023/24 financial year. This subject to approval of the plan by Audcom. |    |
| OPMS 24                                                | To ensure compliance with the laws and regulations                     | Number of quarterly reports on organisational compliance with relevant laws and regulations compiled by Internal Audit submitted to Audit Committee | 4 quarterly reports on organisational compliance with relevant laws and regulations compiled by Internal Audit and submitted to Audit Committee, MPAC and Exco by 30 June 2022 | Target not met 3 reports submitted to Audit committee but not submitted to MPAC and EXCO (i) Quarter 4 submitted to Audcom on 27/07/2021 (ii) Quarter 1 submitted to Audcom on 13/12/2021 (iii) Quarter 2 & Quarter 3 submitted to Audcom on 06/06/2022 | <b>4 Quarterly reports on organisational compliance with relevant laws and regulations compiled by Internal Audit submitted to Audit Committee by 30 June 2023.</b> | Target met 4 Compliance reports submitted to Audcom meetings held on 1.Quarter 1 15/08/2022 2.Quarter 2 25/10/2022 3.Quarter 3 01/03/2023 4.Quarter 4 26/06/2023 | N/A                                                                                                                                                                 | N/A                                                                                                                                                                         |  |
| OPMS 24a                                               | To ensure compliance with the laws and regulations                     | Number of quarterly reports on organisational compliance with relevant laws and regulations compiled by Internal Audit to MPAC                      |                                                                                                                                                                                |                                                                                                                                                                                                                                                         | <b>2 Quarterly reports on organisational compliance with relevant laws and regulations compiled by Internal Audit and submitted to MPAC by 30 June 2023.</b>        | Target not met. Q2 not submitted to MPAC. 1 report submitted to MPAC on 22/06/2023.                                                                              | The report on compliance with applicable laws and regulations was finalised at the time when MPAC has dedicated its ensuing meetings to deal with Oversight Report. | Compliance report will be submitted to MPAC scheduled to take place in July 2023                                                                                            |  |



## 5. 2022/2023 ANNUAL PERFORMANCE REPORT: COMPARISON OVER 2 FINANCIAL YEARS *...continued*

| OPMS NO.                                               | STRATEGIC OBJECTIVE FROM THE IDP                   | KEY PERFORMANCE INDICATOR                                                                                                                             | 2021/2022 TARGET                                                                                          | 2021/2022 ACTUAL                                                                                                                | 2022/2023 TARGET                                                                                                                                                      | 2022/2023 ACTUAL                                                                                                                                                                                                                                                                                                                    | REASON FOR NON-ACHIEVEMENT | MEASURES TO IMPROVE | STATUS  |
|--------------------------------------------------------|----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|---------------------|--------------------------------------------------------------------------------------------|
| <b>KPA: GOOD GOVERNANCE &amp; PUBLIC PARTICIPATION</b> |                                                    |                                                                                                                                                       |                                                                                                           |                                                                                                                                 |                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                     |                            |                     |                                                                                            |
| OPMS 24b                                               | To ensure compliance with the laws and regulations | Number of quarterly reports on organisational compliance with relevant laws and regulations compiled by Internal Audit and submitted to EXCO/ Council |                                                                                                           |                                                                                                                                 | <b>2 Quarterly reports on organisational compliance with relevant laws and regulations compiled by Internal Audit and submitted to EXCO/ Council by 30 June 2023.</b> | Target met<br>2 reports submitted to Exco/Council.<br>1. Quarter 2 of 2022/2023 reports on organisational compliance with relevant laws and regulations submitted to council on 8/03/2023 -C 1982/2023 and<br>2. Quarter 3 of 2022/2023 reports on organisational compliance submitted council on 28/06/2023 and EXCO on 10/05/2023 | N/A                        | N/A                 |         |
| OPMS 25                                                | To ensure compliance with the laws and regulations | Number of Audit and Performance Audit Committee Reports submitted to Council as required by MPPMR 14(4) (a) (iii).                                    | 2 Audit & Performance Audit Committee reports submitted to Council by the Audit Committee by 30 June 2022 | Target met<br>2 Audit & Performance Audit committee reports submitted to council on 31/03/2022-C146/2022 & 30/06/2022-C706/2022 | <b>2 Audit &amp; Performance Audit Committee reports submitted to Council by the Audit Committee by 30 June 2023</b>                                                  | Target met<br>1. Audit & Performance Audit Committee report submitted to Council held on 31/08/2022-C1140 and on 31/03/2023-C2004/2023                                                                                                                                                                                              | N/A                        | N/A                 |       |

## 5. 2022/2023 ANNUAL PERFORMANCE REPORT: COMPARISON OVER 2 FINANCIAL YEARS ...continued

| OPMS NO.                                               | STRATEGIC OBJECTIVE FROM THE IDP                   | KEY PERFORMANCE INDICATOR                                                                                                                                | 2021/2022 TARGET                                                                                                                               | 2021/2022 ACTUAL                                                                                                                                                                                                                                                         | 2022/2023 TARGET                                                                                                                                         | 2022/2023 ACTUAL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | REASON FOR NON-ACHIEVEMENT                                                                                                                     | MEASURES TO IMPROVE                                                              | STATUS                                                                                |
|--------------------------------------------------------|----------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| <b>KPA: GOOD GOVERNANCE &amp; PUBLIC PARTICIPATION</b> |                                                    |                                                                                                                                                          |                                                                                                                                                |                                                                                                                                                                                                                                                                          |                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                |                                                                                  |                                                                                       |
| OPMS 26                                                | To ensure compliance with the laws and regulations | Number of progress reports on the percentage of AG findings resolved in the AG action plan, compiled by IA and submitted to Audit comm target date.      | 4 progress reports on the percentage of AG findings resolved in the AG action plan, compiled by IA and submitted to Audit comm, MPAC and Exco. | Target not met. Not submitted to MPAC & EXCO. 3 reports submitted as follows : -<br>(i) Quarter 4 (20/21) submitted to Audcom on 27/07/2021<br>(ii) Quarter 1 (21/22) submitted to Audcom on 13/12/2021<br>(iii) Quarter 2 & Quarter 3 submitted to Audcom on 06/06/2022 | <b>4 progress reports on the percentage of AG findings resolved in the AG action plan, compiled by IA and submitted to Audit comm by 30 June 2023.</b>   | Target met.<br>4 reports submitted to Audcom<br>1. Quarter 1 = Progress report on AG findings resolved with 20% findings resolved was submitted to Audit committee on 15/08/2022.<br>2. Quarter 2= Progress report on AG findings resolved with 30% findings resolved was submitted to Aud committee 11/11/2022.<br>3. Quarter 3 = Progress report on AG findings resolved with 32% (10 out of 31) of AG submitted to audcom on 01/03/2023.<br>4. Quarter 4=Progress report on the AG findings resolved submitted to Audcom on the 26/06/2023 | N/A                                                                                                                                            | N/A                                                                              |    |
| OPMS 26a                                               | To ensure compliance with the laws and regulations | Number of progress reports on the percentage of AG findings resolved in the AG action plan, compiled by IA submitted to MPAC by target date              |                                                                                                                                                |                                                                                                                                                                                                                                                                          | <b>2 progress reports on the percentage of AG findings resolved in the AG action plan, compiled by IA submitted to MPAC by 30 June 2023</b>              | Target not met<br>1 report submitted to MPAC on 22/06/2023                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Quarter 2 AG Action Plan progress report was finalised at the time when MPAC has dedicated its ensuing meetings to deal with OVERSIGHT Report. | Progress reports will be submitted to MPAC scheduled to take place in July 2023. |  |
| OPMS 26b                                               | To ensure compliance with the laws and regulations | Number of progress reports on the percentage of AG findings resolved in the AG action plan, compiled by IA and submitted to EXCO/ Council by target date |                                                                                                                                                |                                                                                                                                                                                                                                                                          | <b>2 progress reports on the percentage of AG findings resolved in the AG action plan, compiled by IA and submitted to EXCO/ Council by 30 June 2023</b> | Target met<br>2 Progress report on percentage of AG findings resolved in the AG action plan submitted to EXCO/ Council.<br>1. Progress report with 32% (10 out of 31) of AG findings resolved submitted to EXCO on 08/03/2023-C1983/2023.<br>2. Report on AG findings submitted to EXCO on the 10/05/ 2023.                                                                                                                                                                                                                                   | N/A                                                                                                                                            | N/A                                                                              |  |

## 5. 2022/2023 ANNUAL PERFORMANCE REPORT: COMPARISON OVER 2 FINANCIAL YEARS ...continued

| OPMS NO.                                               | STRATEGIC OBJECTIVE FROM THE IDP                                                                                   | KEY PERFORMANCE INDICATOR                                                                     | 2021/2022 TARGET                                                                               | 2021/2022 ACTUAL                                                                                                                                                                                                                                                                                                                                                                                                            | 2022/2023 TARGET                                                                                             | 2022/2023 ACTUAL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | REASON FOR NON-ACHIEVEMENT                                                                                                                            | MEASURES TO IMPROVE                                                                     | STATUS                                                                                |
|--------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| <b>KPA: GOOD GOVERNANCE &amp; PUBLIC PARTICIPATION</b> |                                                                                                                    |                                                                                               |                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                       |                                                                                         |                                                                                       |
| OPMS 27                                                | To identify, assess and manage key risks of which organisation is exposed to                                       | Adoption of 22/23 Risk Register by council by target date.                                    | Adoption of 22/23 Risk Register by Council by 30 June 2022                                     | Target met<br>22/23 Risk register adopted by Council on 30/06/2022- C734                                                                                                                                                                                                                                                                                                                                                    | <b>Adoption of 22/23 Risk Register by council by 30 June 2023</b>                                            | Target Met<br>Risk registers was adopted by Council on the 28/06/ 2023.                                                                                                                                                                                                                                                                                                                                                                                                                                          | N/A                                                                                                                                                   | N/A                                                                                     |    |
| OPMS 28                                                | To address oversight requirements of risk management and institution's performance with regards to risk management | Number of reports on top 10 risk action plans submitted to Risk Management Committee and EXCO | 4 Risk Reports submitted to the Risk Management Committee and Exco by 30 June 2022.            | Target met<br>(a) Q4 of 2020/2021 Risk report submitted to RMC on 16/09/2021 & EXCO on the 08/12/2021.<br>(b) Q1 Risk Management report submitted to RMC on 09/12/ 2021 & EXCO on 20/01/2022.<br>(c) Q2 Risk Management report to RMC on the 17/03/ 2022 & Council on 29/06/2022- C169 & C170<br>(d) Q3 of 2021/2022 risk report submitted to risk management committee on 09/05/2022 & EXCO held on 29/06/2022 C702 & C703 | <b>4 reports on top 10 risk action plans submitted to Risk Management Committee and EXCO by 30 June 2023</b> | Target met<br>4 reports submitted to RMC and EXCO<br>1. Q4 of 2021/2022 submitted to RMC on 01/08/2022 and EXCO on 28/09/2022- C1291<br>2. Q1 of 2022/2023, submitted to RMC on the 15/11/ 2022 and to EXCO on 07/12/ 2022.<br>3. 1 report on Top 10 risk action plans was tabled to RMC on the 20/ 02/2023 and to EXCO on the 22/02/2023. Report on Top 10 served to RMC on the 6th June 2023 and EXCO on the 29/06/2023.<br>4. Report on Top 10 served to RMC on the 6th June 2023 and EXCO on the 29/06/2023. | N/A                                                                                                                                                   | N/A                                                                                     |    |
| <b>KPA : FINANCIAL MANAGEMENT AND VIABILITY</b>        |                                                                                                                    |                                                                                               |                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                       |                                                                                         |                                                                                       |
| OPMS 29                                                | To ensure that the revenue of the municipality is collected and accounted for.                                     | Rand Revenue collected from all traffic licenses issued                                       | R4 000 000 collected from all traffic licenses issued by 30 June 2022                          | Target exceeded<br>R5 122 030,41 collected.                                                                                                                                                                                                                                                                                                                                                                                 | <b>R5 000 000 collected from all traffic licenses issued by 30 June 2023</b>                                 | Target exceeded<br>R6 278 389.85 collected from all traffic licenses issued.                                                                                                                                                                                                                                                                                                                                                                                                                                     | N/A                                                                                                                                                   | N/A                                                                                     |  |
| OPMS 30                                                |                                                                                                                    | Rand value revenue collected from outstanding fines and other traffic offences                | R5 000 000 revenue collected from outstanding fines and other traffic offences by 30 June 2022 | Target not met - R889 000,00 collected.                                                                                                                                                                                                                                                                                                                                                                                     | <b>R2 500 000 revenue collected from outstanding fines and other traffic offences by 30 June 2023</b>        | Target not met - R1 996 000.00 revenue collected from outstanding fines and other traffic offences                                                                                                                                                                                                                                                                                                                                                                                                               | Failed to implement planned warrant roadblocks due to the shortage of vehicles. The bus that is utilised for warrant roadblocks has to have COF done. | Increase roadblocks and driver awareness campaigns during the 2023/2024 financial year. |  |

## 5. 2022/2023 ANNUAL PERFORMANCE REPORT: COMPARISON OVER 2 FINANCIAL YEARS ...continued

| OPMS NO.                                        | STRATEGIC OBJECTIVE FROM THE IDP                                          | KEY PERFORMANCE INDICATOR                                                                                                                                                                | 2021/2022 TARGET                                                                          | 2021/2022 ACTUAL                                                                                                                                                                                                                | 2022/2023 TARGET                                                                                                  | 2022/2023 ACTUAL                                                     | REASON FOR NON-ACHIEVEMENT                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | MEASURES TO IMPROVE                                                                                                                                                                                                                                   | STATUS  |
|-------------------------------------------------|---------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| <b>KPA : FINANCIAL MANAGEMENT AND VIABILITY</b> |                                                                           |                                                                                                                                                                                          |                                                                                           |                                                                                                                                                                                                                                 |                                                                                                                   |                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                       |                                                                                            |
| OPMS 31                                         | To improve expenditure on Municipal Infrastructure Grant (MIG) allocation | % expenditure on implementation of MIG infrastructure projects within budget                                                                                                             | 100% expenditure on implementation of MIG infrastructure projects by 30 June 2022         | Target not met. 99.81% expenditure on implementation of MIG infrastructure projects according to the reconciliation by COGTA however on the side of KDM the General Ledger shows 100% spend as there are no monies on the vote. | <b>100% expenditure on implementation of MIG infrastructure projects by 30 June 2023</b>                          | Target not met. 89.80% spend.                                        | There are two invoices that were referred back by COGTA but have been processed by the municipality. On the municipality side the expenditure is 100%.                                                                                                                                                                                                                                                                                                                                                                                                         | The expenditure report as submitted by finance will indicate 100%. We are currently engaging with COGTA if they will need us to apply for rollover.                                                                                                   |         |
| OPMS 31a                                        | To improve expenditure on Capital Budget                                  | % spend on the National Flood Disaster Grant by target date.                                                                                                                             | N/A                                                                                       | N/A                                                                                                                                                                                                                             | <b>100% spend on the National Flood Disaster Grant by 30 June 2023 (R501 992 904)</b>                             | Target not met. 68% spend (R339 989 855,64).                         | There were delays in the implementation of projects as there were appeals against the appointment of some service providers and also delays attributed to the disruption of work by business forums. The delays thus resulted in poor expenditure.                                                                                                                                                                                                                                                                                                             | Application for rollover of remaining grant allocation has been submitted to National Treasury. KDM is awaiting a response.                                                                                                                           |        |
| OPMS 32                                         | To improve expenditure on Capital Budget                                  | The percentage of a municipality's capital budget spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan (NKPI) | 90% of a municipality's capital budget actually spent on capital projects by 30 June 2022 | Target not met. Total Capital spend 76%.                                                                                                                                                                                        | <b>90% of a municipality's capital budget (R1 023 113 853) actually spent on capital projects by 30 June 2023</b> | Target not met – 71% capital expenditure incurred (R726 409 789,86). | <p>a) Due to the disaster grant and the subsequent increase in the capital budget amount, there was a large number of tenders that were taking longer to processes, with the existing number of staff.</p> <p>b) There were instances of under-quoting by service providers, resulting in cash flow challenges which lead to delays on completion of projects.</p> <p>c) There were instances of business forums disrupting processes and refusing to follow correct sub-contracting processes stipulated on the municipal supply chain management policy.</p> | Application for the rollover of grant funds has been done and sent to National Treasury. All matters that have been placed before the TAC have been resolved and contractors appointed. Monies have been rolled over to the 2023/2024 financial year. |       |



## 5. 2022/2023 ANNUAL PERFORMANCE REPORT: COMPARISON OVER 2 FINANCIAL YEARS *...continued*

| OPMS NO.                                        | STRATEGIC OBJECTIVE FROM THE IDP                                                                                                        | KEY PERFORMANCE INDICATOR                                                                         | 2021/2022 TARGET                                                                                                     | 2021/2022 ACTUAL                                                                                                                                                                                        | 2022/2023 TARGET                                                                                                             | 2022/2023 ACTUAL                         | REASON FOR NON-ACHIEVEMENT                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | MEASURES TO IMPROVE                                                                                                                                                                                                                                                        | STATUS                                                                               |
|-------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|
| <b>KPA : FINANCIAL MANAGEMENT AND VIABILITY</b> |                                                                                                                                         |                                                                                                   |                                                                                                                      |                                                                                                                                                                                                         |                                                                                                                              |                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                            |                                                                                      |
| OPMS 33                                         | To ensure that the revenue of the municipality is collected and accounted for.                                                          | % reduction of irregular expenditure when compared to the 2021/2022 financial year.               | 70% reduction of irregular expenditure when compared to the end of June 2020/2021 financial year.                    | Target not met. Irregular expenditure was reduced by 37%, As at June 2021- R68 753 851. As at June 2022 – R43 369 542. Decrease in Value = R25 384 309 thus 37%, due to the Security Services Contract. | <b>70% reduction of irregular expenditure by 30 June 2023, when compared to the end of June 2021/2022 financial year.</b>    | Target not met. Actual is 14% reduction. | The security contract, which is the biggest contributor to UIFW was only finalised in Q3.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | The community service business unit to fast track the process                                                                                                                                                                                                              |   |
| OPMS 34                                         | To ensure that the revenue of the municipality is collected and accounted for by improving Credit Control and Debt Collection processes | % Reduction of debt in the greater than 60 days category when compared to debt as at 30 June 2022 | 2% reduction of debt in the greater than 60 days category when compared to debt as at 30 June 2021, by 30 June 2022. | Target not met. 0.21% reduction in debt                                                                                                                                                                 | <b>2% reduction of debt in the greater than 60 days category when compared to debt as at 30 June 2022 , by 30 June 2023.</b> | Target not met. Debt increased by 24.01% | <ol style="list-style-type: none"> <li>1. Extensive periods of network downtime due to loadshedding where cash halls were closed.</li> <li>2. Difficulties experienced with handed over properties and locating owners of service/estates/ liquidations/ vacant properties.</li> <li>3. Backbilling of electricity due to faulty meters/ back billing of property rates through section 78 schedules/ admin charges/ interest.</li> <li>4. Customers ability to pay due to declining economic conditions.</li> <li>5. Back billing of rates for illegal/ unauthorised use properties and new properties registrations.</li> <li>6. Verification and back billing of refuse charges.</li> </ol> | <ol style="list-style-type: none"> <li>1. SMS/ Handovers/ Contact with customers to promote debt recovery and collection.</li> <li>2. Resuscitate the revenue and debt steering committee to assist with the organisational issues relating to debt collection.</li> </ol> |  |

## 5. 2022/2023 ANNUAL PERFORMANCE REPORT: COMPARISON OVER 2 FINANCIAL YEARS ...continued

| OPMS NO.                                        | STRATEGIC OBJECTIVE FROM THE IDP                                                                             | KEY PERFORMANCE INDICATOR                                                                                                                                                                        | 2021/2022 TARGET                                                                                                                                                                                    | 2021/2022 ACTUAL                                                                                                                                                                                                                                                                  | 2022/2023 TARGET                                                                                                                                                                                                    | 2022/2023 ACTUAL                                                                                                                                                                                                    | REASON FOR NON-ACHIEVEMENT | MEASURES TO IMPROVE | STATUS                                                                                |
|-------------------------------------------------|--------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|---------------------|---------------------------------------------------------------------------------------|
| <b>KPA : FINANCIAL MANAGEMENT AND VIABILITY</b> |                                                                                                              |                                                                                                                                                                                                  |                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                     |                                                                                                                                                                                                                     |                            |                     |                                                                                       |
| OPMS 35                                         | To ensure municipal budget complies with MFMA and Treasury regulations                                       | Submission of 2023/2024 credible, accurate and transparent budget to Council in line with MFMA, 56 of 2003 by target date.                                                                       | Submission of 2022/2023 credible, accurate and transparent budget to Council in line with MFMA, 56 of 2003 by 31 May 2022                                                                           | Target met. The budget was submitted to Council on the 25 May 2022 (C573) and advertised on the express newspaper on 1 June 2022                                                                                                                                                  | <b>Submission of 2023/2024 credible, accurate and transparent budget to Council in line with MFMA, 56 of 2003 on 31 May 2023.</b>                                                                                   | Target met. 1 report was submitted to Council on the 31 May 2023. Reference made to POE of advertisement. ii) Final approved budget advertised 7days later on the Courier News Paper dated 09 June 2023.            | N/A                        | N/A                 |    |
| OPMS 36                                         |                                                                                                              | Number of Budget implementation reports submitted to Council on budget spent by target dates.                                                                                                    | i) 3 Budget implementation Section 52(d) reports by 30 June 2022<br>ii) 1 MFMA S72 Report submitted to Council on budget spent, by 31 March 2022.                                                   | Target met.<br>(i) 3 Budget implementation S52(d) reports were submitted to Council as follows :<br>Quarter 1: 29 July 2021,<br>Quarter 2: 14 October 2021, and 30 April 2022.<br>(ii) 1 S72 report was submitted to Council on the 27 January 2022.                              | <b>i) 3 Budget implementation Section 52(d) reports by 30 June 2023</b><br><b>ii) 1 MFMA S72 Report submitted to Council on budget spent, by 31 March 2023.</b>                                                     | Target met.<br>i) 3 Budget implementation Sections 52 (d) reports submitted:<br>1) 28 July 2022<br>2) 27 October 2022<br>3) 26 April 2023.<br>ii) 1 MFMA S72 report was submitted to Council on the 26 January 2023 | N/A                        | N/A                 |    |
| OPMS 37                                         | To ensure that at least 45% of procurement is awarded to designated sectors i.e., Youth, Women and disabled. | Number of progress reports submitted to Finance & Local Public Administration (FLPA) on the percentage of awards made to designated sectors (i.e., Youth, Women and disabled, military veterans) | 4 progress reports submitted to Corporate Services and Finance Portfolio Committee (CSFPC) on the percentage of awards made to designated sectors (i.e., Youth, Women and disabled) by 30 June 2022 | Target not met. 2 reports submitted as follows :<br>Q3 - 1 report was submitted to Council on the 31 March 2022 (155/2022).<br>Q4 - 1 report was submitted to FPC on the 22 April 2022 (FCS 105).<br>The target was adjusted in Q3 therefore the item was submitted to FPC in Q4. | <b>2 progress reports submitted to Finance &amp; Local Public Administration (FLPA) on the percentage of awards made to designated sectors (i.e., Youth, Women and disabled, Military Veterans) by 30 June 2023</b> | Target met. 2 reports were submitted to Council :<br>Q1=17 August 2022<br>Q2=4 November 2022.<br>To FLPA :<br>Q3= 15 February 2023<br>Q4=17 May 2023.                                                               | N/A                        | N/A                 |  |

## 5. 2022/2023 ANNUAL PERFORMANCE REPORT: COMPARISON OVER 2 FINANCIAL YEARS ...continued

| OPMS NO.                                        | STRATEGIC OBJECTIVE FROM THE IDP                  | KEY PERFORMANCE INDICATOR                                                                                            | 2021/2022 TARGET                                              | 2021/2022 ACTUAL                                                             | 2022/2023 TARGET                                                                                          | 2022/2023 ACTUAL                                                                                                  | REASON FOR NON-ACHIEVEMENT | MEASURES TO IMPROVE | STATUS                                                                                |
|-------------------------------------------------|---------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|----------------------------|---------------------|---------------------------------------------------------------------------------------|
| <b>KPA : FINANCIAL MANAGEMENT AND VIABILITY</b> |                                                   |                                                                                                                      |                                                               |                                                                              |                                                                                                           |                                                                                                                   |                            |                     |                                                                                       |
| OPMS 38                                         | To ensure financial viability of the municipality | Financial Management and viability expressed in the ff ratios: (NKPI) Ratio of Current Assets: Current Liabilities   | Not less than 1.5:1                                           | Target exceeded<br>Actual: 3.20 : 1                                          | <b>Not less than 1.5:1</b>                                                                                | Target met:<br>Actual: 1.53:1                                                                                     | N/A                        | N/A                 |    |
| OPMS 39                                         |                                                   | Ratio of Outstanding service debtors to annual revenue actually received for services (i.e., electricity and refuse) | Outstanding service debtors to revenue not greater than 0.5:1 | Target exceeded:<br>Electricity - 0.07%<br>Refuse - 0.32%<br>Overall - 0.09% | <b>Not greater than 0.5:1</b>                                                                             | Target exceeded<br>Electricity (exceeded) - 0.11%<br>Refuse - 0.28%<br>Overall ratio - 0.12%                      | N/A                        | N/A                 |    |
| OPMS 40                                         |                                                   | Debt coverage ratio. Total operating revenue received - operating grants/ debt service payments.                     | Not less than 15:01                                           | Target exceeded<br>Actual: 57.31:1                                           | <b>Not less than 15:01</b>                                                                                | Target exceeded.<br>Actual 73.70:1                                                                                | N/A                        | N/A                 |   |
| OPMS 41                                         |                                                   | Ratio: Total operating revenue divided by debt service payments (i.e., interest plus redemption).                    | Not less than 15:01                                           | Target exceeded<br>Actual: 64.32:1                                           | <b>Not less than 15:01</b>                                                                                | Target exceeded.<br>Actual 81.82:1                                                                                | N/A                        | N/A                 |  |
| OPMS 42                                         |                                                   | "Unencumbered cash coverage Ratio                                                                                    | N/A                                                           | N/A                                                                          | <b>Between 1 - 3 months</b>                                                                               | Target met.<br>Actual: 2 months                                                                                   | N/A                        | N/A                 |  |
| OPMS 43                                         |                                                   | Ratio: Service Charges and Property Rates Revenue Budget Implementation                                              | N/A                                                           | N/A                                                                          | <b>Between 95% - 100%</b>                                                                                 | Target met.<br>Actual - 98%                                                                                       | N/A                        | N/A                 |  |
| OPMS 44                                         |                                                   | Ratio: Net Operating Surplus Margin                                                                                  | N/A                                                           | N/A                                                                          | <b>The net operating surplus of not less than 0%</b>                                                      | Target exceeded.<br>Actual - 2.7%                                                                                 | N/A                        | N/A                 |  |
| OPMS 45                                         |                                                   | Date of Submission of the Annual Financial Statements (AFS) to the Auditor General (AG) by target date.              | N/A                                                           | N/A                                                                          | <b>Submission of the Annual Financial Statements (AFS) to the Auditor General (AG) by 31 August 2022.</b> | Target met.<br>Submission of the Annual Financial Statements (AFS) to the Auditor General done on 31 August 2022. | N/A                        | N/A                 |  |

## 5. 2022/2023 ANNUAL PERFORMANCE REPORT: COMPARISON OVER 2 FINANCIAL YEARS ...continued

| OPMS NO.                                        | STRATEGIC OBJECTIVE FROM THE IDP                                                                                                                                                                             | KEY PERFORMANCE INDICATOR                                                                                                                                                          | 2021/2022 TARGET                                                             | 2021/2022 ACTUAL                                                                                            | 2022/2023 TARGET                                                                                                                                                                     | 2022/2023 ACTUAL                                                                                                                                                        | REASON FOR NON-ACHIEVEMENT                                                                                                                                    | MEASURES TO IMPROVE                                          | STATUS                                                                                |
|-------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|---------------------------------------------------------------------------------------|
| <b>KPA : FINANCIAL MANAGEMENT AND VIABILITY</b> |                                                                                                                                                                                                              |                                                                                                                                                                                    |                                                                              |                                                                                                             |                                                                                                                                                                                      |                                                                                                                                                                         |                                                                                                                                                               |                                                              |                                                                                       |
| OPMS 78                                         | To ensure that the revenue of the municipality is collected and accounted for by improving Credit Control and Debt Collection processed / To ensure that all citizens have an electricity service connection | The percentage of indigent households earning less than R4 000 per month with access to <u>Free Basic Electricity</u> .                                                            | 100% access to consumers registered on the indigent register by 30 June 2022 | Target met. 100%. The number of consumers registered on the indigent register as at 30 June 2022 was 10971. | <b>100% of indigent households, as per Council's Indigent Register, earning less than R4 000 per month with access to Free Basic Electricity by 30 June 2023.</b>                    | Target met. The actual number of indigent applications as at 30 June 2023 is 8979.                                                                                      | N/A                                                                                                                                                           | N/A                                                          |    |
| OPMS 84                                         | To maintain and upgrade existing municipal infrastructure                                                                                                                                                    | % expenditure on MV Network upgrades in Cluster A to Cluster G                                                                                                                     | N/A                                                                          | N/A                                                                                                         | <b>80% expenditure on MV Network upgrades in Cluster A to Cluster G completed by 30 June 2023. (80% makes up Material ordered. Overhead Structures Built and Site Establishment)</b> | Target not met. MN84/2022-100% expenditure and Completion certificate dated 25/03/2023. MN93/2022-Appointment of panel of contractor not concluded and 0 % expenditure. | Letter of award was issued dated 04/04/2023. Tender was submitted to IA on 24/05/2023 Internal audit for Circular 62 verification still not confirmed as yet. | Letter to MM has been sent dated 22/05/2023 For intervention |    |
| OPMS 85                                         | To maintain and upgrade existing municipal infrastructure                                                                                                                                                    | Appointment of panel of contractors and 50% expenditure for LV Network Upgrades in Cluster A to Cluster G by target date. (50% made up of Site establishment and Material Ordered) | N/A                                                                          | N/A                                                                                                         | <b>Multi year project -Year 1- 50% expenditure on LV Network Upgrades in Cluster A to Cluster G by 30 June 2023. (50% made up of Site establishment, Material ordered)</b>           | Target Exceeded -(99%) R 3 147 479 expenditure and Completion certificates dated 12/05/2023; 24/04/2023; 15/05/2023 (Different contractors).                            | N/A                                                                                                                                                           | N/A                                                          |  |
| OPMS 88                                         |                                                                                                                                                                                                              | Installation of Scada system & 60% Expenditure by target date.                                                                                                                     | N/A                                                                          | N/A                                                                                                         | <b>Installation of Scada system &amp; 60% Expenditure by 30 June 2023</b>                                                                                                            | Target Exceeded - (64%) R14 617 324 Expenditure and installation of works done.                                                                                         | N/A                                                                                                                                                           | N/A                                                          |  |
| OPMS 91                                         |                                                                                                                                                                                                              | 100% expenditure on Street Lights Refurbishment in Cluster A to Cluster G by target date.                                                                                          | 100% expenditure on the refurbishment of streetlights by 30 June 2022.       | Target Met. Budget of R5 600 000, spend was R5 599 228 (100%)                                               | <b>100% expenditure on Street Lights Refurbishment in Cluster A to Cluster G by 31 March 2023.</b>                                                                                   | Target Exceeded 100% (R7 699 999) expenditure and 572 lights refurbished                                                                                                | N/A                                                                                                                                                           | N/A                                                          |  |



## 5. 2022/2023 ANNUAL PERFORMANCE REPORT: COMPARISON OVER 2 FINANCIAL YEARS ...continued

| OPMS NO.                                        | STRATEGIC OBJECTIVE FROM THE IDP                                                                                                                                                                        | KEY PERFORMANCE INDICATOR                                                                                                  | 2021/2022 TARGET                                                                                                                                       | 2021/2022 ACTUAL                                                                                                                                 | 2022/2023 TARGET                                                                                                                                                                  | 2022/2023 ACTUAL                                                                                           | REASON FOR NON-ACHIEVEMENT                                                                                                                                                                                                                               | MEASURES TO IMPROVE                                                                                                                                                                                                                                                                                                  | STATUS                                                                                |
|-------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| <b>KPA : FINANCIAL MANAGEMENT AND VIABILITY</b> |                                                                                                                                                                                                         |                                                                                                                            |                                                                                                                                                        |                                                                                                                                                  |                                                                                                                                                                                   |                                                                                                            |                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                      |                                                                                       |
| OPMS 92                                         | To maintain and upgrade existing municipal infrastructure                                                                                                                                               | % expenditure on new streetlights in Cluster A to Cluster G by target date.                                                | 90% expenditure on the installation of new streetlights by 30 June 2022.                                                                               | Target Exceeded. Budget of R6 650 028, spend was R6 650 028 (100%)                                                                               | <b>100% expenditure on new streetlights (Installation of 13 high mast ) in Cluster A to Cluster G by 30 June 2023.</b>                                                            | Target Exceeded - Savings realized on the vote. 96,49% ( R14 184 066 expenditure (25) High Mast installed. | N/A                                                                                                                                                                                                                                                      | N/A                                                                                                                                                                                                                                                                                                                  |    |
| OPMS 93                                         |                                                                                                                                                                                                         | Appointment of contractor and 20% expenditure for 9 MV Substations Upgrades and Refurbishment by target date (MN 112/2021) | Multi year project Year 1= 2021/2022. TAC approval and appointment of the contractor for the upgrade & refurbishment of 7 substations by 30 June 2022. | Target not met.                                                                                                                                  | <b>Appointment of contractor for 9 MV Substations Upgrades and Refurbishment, and 20% expenditure. (20% made up of Site establishment, material ordered) by 30 June 2023.</b>     | Target Not Met - YTD Spending is R798 447 (2,90%).                                                         | Tender was cancelled due to non-responsive bidders. Tender was appealed in August 2022. Disagreements between TEC and TAC committees. Non sitting of bid committees. Delays to finalise negotiations with contractor then MM was requested to intervene. | Electrical Business Unit has requested intervention of MM to intervene for the negotiations sitting for scope of work finalisation with memo dated 22/05/2023. and tender award finalisation to the contractor. The award to be done in July 2023 and works to resume in July . Project to be completed by July 2024 |    |
| OPMS 94                                         | To ensure that the revenue of the municipality is collected and accounted for by improving Credit Control and Debt Collection processed / To provide access to basic municipal services to all citizens | The percentage of indigent households earning less than R4 000 per month with access to <u>Free Basic Solid Waste</u> .    | 100% indigent households earning less than R4 200 per month with access to basic level of free solid waste removal by 30 June 2022                     | Target met. 100% access to basic level of solid waste removal for consumers registered on the Council's approved indigent register 849 in total. | <b>100% of indigent households, as per councils indigent register, earning less than R4 000 per month with access to basic level of free solid waste removal by 30 June 2023.</b> | Target met. The actual number of indigent applications as at 30 June 2023 is 8979.                         | N/A                                                                                                                                                                                                                                                      | N/A                                                                                                                                                                                                                                                                                                                  |  |

## 5. 2022/2023 ANNUAL PERFORMANCE REPORT: COMPARISON OVER 2 FINANCIAL YEARS *...continued*

| OPMS NO.                                                                                             | STRATEGIC OBJECTIVE FROM THE IDP                                      | KEY PERFORMANCE INDICATOR                                                                       | 2021/2022 TARGET                                                                                                                               | 2021/2022 ACTUAL                                                                                                                                                                | 2022/2023 TARGET                                                                                                                                                                                        | 2022/2023 ACTUAL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | REASON FOR NON-ACHIEVEMENT | MEASURES TO IMPROVE | STATUS                                                                              |
|------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|---------------------|-------------------------------------------------------------------------------------|
| <b>KPA : SPATIAL PLANNING, ENVIRONMENTAL MANAGEMENT &amp; SOCIAL SERVICES (CROSS CUTTING ISSUES)</b> |                                                                       |                                                                                                 |                                                                                                                                                |                                                                                                                                                                                 |                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                            |                     |                                                                                     |
| OPMS 46                                                                                              | To contribute to a safe and secure environment                        | Number of multi-disciplinary law enforcement operations conducted                               | 40 multi-disciplinary law enforcement operations conducted by 30 June 2022                                                                     | Target exceeded - 117 multi-disciplinary law enforcement operations conducted by 30 June 2022.                                                                                  | <b>80 multi-disciplinary law enforcement operations conducted by 30 June 2023</b>                                                                                                                       | Target exceeded - 119 multi-disciplinary law enforcement operations conducted                                                                                                                                                                                                                                                                                                                                                                                                                                               | N/A                        | N/A                 |  |
| OPMS 47                                                                                              | To prevent and reduce the impact of disasters within KDM jurisdiction | Number of outreach programmes conducted on fire safety, social crime and road safety campaigns. | 20 outreach programmes conducted on fire safety, social crime prevention and school/community Road Safety Outreach programmes by 30 June 2022. | Target exceeded 48 outreach programmes conducted. 14 Wards visited for Fire safety. 17 Wards visited for Social Crime Prevention. 17 Road Safety Outreach programmes conducted. | <b>24 outreach programmes conducted on fire safety, social crime prevention and road safety: - 8 Fire Outreach programmes. 8 Social Crime Prevention Outreach programmes. 8 Road Safety programmes.</b> | Target exceeded :54<br>Fire Safety - 10 Wards visited: Ward 4, 25, 21, 19, 18, 2, 15, 17, 1 and 16.<br>Social Crime - 11 programmes conducted - Ward 23, 8, 21, 18, 16, 1, 15, 21, 19 24, 15, 24, 19, 8, 15, 7,16 & 21.<br>Road Safety - 33 Road Safety programme conducted on dates; 17/06, 16/06, 31/05, 27/05, 26/05, 17/05, 15/05, 15/05 07/05, 06/05, 01/05, 02/04, 01/04, 15/02, 03/02, 31/01, 29/01, 28/01, 15/01, 14/01, 27/11, 26/11, 06/11, 05/11, 27/10, 29/08, 25/08, 18/08, 14/08, 13/08, 11/08, 03/07 & 01/07 | N/A                        | N/A                 |  |

## 5. 2022/2023 ANNUAL PERFORMANCE REPORT: COMPARISON OVER 2 FINANCIAL YEARS *...continued*

| OPMS NO.                                                                                             | STRATEGIC OBJECTIVE FROM THE IDP                                     | KEY PERFORMANCE INDICATOR                                                                                                         | 2021/2022 TARGET                                                                                                            | 2021/2022 ACTUAL                                                                                                                                | 2022/2023 TARGET                                                                                                                   | 2022/2023 ACTUAL                                                                                                        | REASON FOR NON-ACHIEVEMENT | MEASURES TO IMPROVE | STATUS                                                                                |
|------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|----------------------------|---------------------|---------------------------------------------------------------------------------------|
| <b>KPA : SPATIAL PLANNING, ENVIRONMENTAL MANAGEMENT &amp; SOCIAL SERVICES (CROSS CUTTING ISSUES)</b> |                                                                      |                                                                                                                                   |                                                                                                                             |                                                                                                                                                 |                                                                                                                                    |                                                                                                                         |                            |                     |                                                                                       |
| OPMS 48                                                                                              | Developing and sustaining the spatial, natural and built environment | Percentage of SPLUMA applications (Rezoning/subdivision/Scheme Amendments) processed within stipulated time                       | 85% of SPLUMA applications processed within 90 days from the closing date of advert by 30 June 2022                         | Target exceeded. 92% of SPLUMA applications processed within 90 days from the closing date of advert by 30 June 2022                            | <b>90% of SPLUMA applications processed within 90 days from the closing date of advert by 30 June 2023</b>                         | Target met. 90% of SPLUMA applications processed within 90 days from the closing date of advert                         | N/A                        | N/A                 |    |
| OPMS 49                                                                                              | Developing and sustaining the spatial, natural and built environment | Percentage of consent applications (i.e., relaxations) processed within 60 days from closing date of advert or date of submission | 85% of consent applications processed within 60 days, from the closing date of advert or date of submission by 30 June 2022 | Target exceeded, 96.07% of consent applications processed within 60 days, from the closing date of advert or date of submission by 30 June 2021 | <b>90% of consent applications processed within 60 days, from the closing date of advert or date of submission by 30 June 2023</b> | Target exceeded, 100% of consent applications processed within 60 days, from closing date of advert or submission date. | N/A                        | N/A                 |    |
| OPMS 50                                                                                              |                                                                      | Percentage of building plans more than 500m <sup>2</sup> approved within 60 days of submission                                    | 90% of building plans more than 500m <sup>2</sup> approved within 60 days of submission.                                    | Target exceeded 96.2% of building plans more than 500m <sup>2</sup> processed within 60 days by 30 June 2022                                    | <b>95% of building plans more than 500m<sup>2</sup> approved within 60 days of submission.</b>                                     | Target exceeded, 100% of building plans more than 500m <sup>2</sup> processed within 60 days of submission              | N/A                        | N/A                 |  |
| OPMS 51                                                                                              |                                                                      | Percentage of building plans less than 500m <sup>2</sup> processed within 30 days of submission                                   | N/A                                                                                                                         | N/A                                                                                                                                             | <b>90% of building plans less than 500m<sup>2</sup> processed within 30 days of submission by 30 June 2023</b>                     | Target exceeded, 97.5% of building plans less than 500m <sup>2</sup> processed within 30 days of submission             | N/A                        | N/A                 |  |

## 5. 2022/2023 ANNUAL PERFORMANCE REPORT: COMPARISON OVER 2 FINANCIAL YEARS ...continued

| OPMS NO.                                                                                             | STRATEGIC OBJECTIVE FROM THE IDP                                     | KEY PERFORMANCE INDICATOR                              | 2021/2022 TARGET                                                                     | 2021/2022 ACTUAL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 2022/2023 TARGET                                                                               | 2022/2023 ACTUAL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | REASON FOR NON-ACHIEVEMENT | MEASURES TO IMPROVE | STATUS                                                                              |
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| <b>KPA : SPATIAL PLANNING, ENVIRONMENTAL MANAGEMENT &amp; SOCIAL SERVICES (CROSS CUTTING ISSUES)</b> |                                                                      |                                                        |                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                            |                     |                                                                                     |
| OPMS 52                                                                                              | Developing and sustaining the spatial, natural and built environment | Number of Environmental Awareness Programmes conducted | 6x Environmental Management Community awareness programmes conducted by 30 June 2022 | Target exceeded; 14 x Enviro management awareness programmes conducted by 30 June 2022. (Awareness and seedling distribution/ greening - 28 July 2021, Clean up and public awareness - 5 August 2021, Women in enviro capacity building workshop - 20 August 2021, Arbor Day/Spring Day) - 3 Sep 2021. Q (Rehabilitation Zilungisele Primary School - 01 Oct 2021, Marine week at Umfolozi College - 7 Oct 2021, CBD Clean ups 4 to 8 Oct 2021) Wetlands Day - 3 Feb 2022. Commemoration 2) Water week programme - 7 March 2022. (Greening programme Earth Day 28/04/2022); New Guelderland School Enviro Management Educators workshop 17/05/2022; World biodiversity exhibition at Odyssey Mall (Ballito) 20/05/2022; Enviro Management (waste management) awareness & clean-up Mbekamuzi School 31/05/2022; Kwadukuza Enviro Day Open street event (23/06/2022) | <b>10 x Environmental Management Community awareness Programmes conducted by 30 June 2023.</b> | Target exceeded; 12 Environmental Management Community awareness programmes conducted<br>1. KZN cleaning & flood mopping 22/07/2022.<br>2. School greening programme 01/09/2022;<br>3. International coast cleanup 17/09/2022;<br>4. Joint waste clean-up 22/09/2022.<br>5. KwaDukuza committee workshop 29/09/2022).<br>6. 28/10/2022 - Coastal awareness cleanup.<br>7. 13/12/2022- KDM joint quarterly clean-up at Ntshaweni Cluster)<br>8. (Wetland Awareness- Gledhow Primary on 24/02/2023 and<br>9. Blythedale Blue Flag awareness and cleanup on 24/03/2023.<br>10. KDM open street event - 23/06/2023,<br>11. Career expo- 21/04/2023.<br>12. Quarterly waste management clean-up campaign 13/06/2023. | N/A                        | N/A                 |  |



## 5. 2022/2023 ANNUAL PERFORMANCE REPORT: COMPARISON OVER 2 FINANCIAL YEARS ...continued

| OPMS NO.                                | STRATEGIC OBJECTIVE FROM THE IDP                                                                                                   | KEY PERFORMANCE INDICATOR                                                                            | 2021/2022 TARGET                                                                                                                                                                                                  | 2021/2022 ACTUAL                                                                                                                                                                                                                   | 2022/2023 TARGET                                                                                                                                                                                                                             | 2022/2023 ACTUAL                                                                                                                                                 | REASON FOR NON-ACHIEVEMENT                                                                                                                                                            | MEASURES TO IMPROVE                                                                               | STATUS                                                                                |
|-----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| <b>KPA : LOCAL ECONOMIC DEVELOPMENT</b> |                                                                                                                                    |                                                                                                      |                                                                                                                                                                                                                   |                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                              |                                                                                                                                                                  |                                                                                                                                                                                       |                                                                                                   |                                                                                       |
| OPMS 53                                 | To develop a prosperous, inclusive, transformative and diverse local economy                                                       | Completion of Museum by target date.                                                                 | Completion of Museum by 30 June 2022.                                                                                                                                                                             | Target not met.                                                                                                                                                                                                                    | <b>Completion of Construction of Museum by 30 June 2023</b>                                                                                                                                                                                  | Target not met.                                                                                                                                                  | There is a snag list that is being attended to, which will only be finished by July 2023.                                                                                             | The painting of parking spaces and other item on the snag list will be completed by 31 July 2023. |    |
| OPMS 55                                 | To use capital infrastructure and social investment to provide poverty and income relief through temporary work for the unemployed | The number of jobs created through municipality's local economic development initiatives. (NKPI)     | 120 Jobs created through LED initiatives by 30 June 2022                                                                                                                                                          | Target not met - 59 jobs created through LED initiatives.                                                                                                                                                                          | <b>120 Jobs created through LED initiatives by 30 June 2023</b>                                                                                                                                                                              | Target exceeded 844 jobs created through LED initiatives                                                                                                         | N/A                                                                                                                                                                                   | N/A                                                                                               |    |
| OPMS 56                                 | To develop a prosperous, inclusive, transformative and diverse local economy                                                       | Number of Business sessions conducted                                                                | N/A                                                                                                                                                                                                               | N/A                                                                                                                                                                                                                                | <b>20 business sessions conducted by 30 June 2023</b>                                                                                                                                                                                        | Target exceeded 30 Business sessions conducted.                                                                                                                  | N/A                                                                                                                                                                                   | N/A                                                                                               |   |
| OPMS 57                                 |                                                                                                                                    | Advertisement & TSC approval for the LED Strategy completed by target                                | N/A                                                                                                                                                                                                               | N/A                                                                                                                                                                                                                                | <b>Advertisement &amp; TSC approval for the LED Strategy completed by 30 June 2023.</b>                                                                                                                                                      | Target not met - No TSC approval.                                                                                                                                | The submissions of tender specifications have been delayed as the new manager LED, joined the municipality in May and have to deal with other outstanding issues with skeleton staff. | The tender specifications will be submitted before 15 August for consideration by TSC.            |  |
| OPMS 58                                 | To use capital infrastructure and social investment to provide poverty and income relief through temporary work for the unemployed | Number of jobs created through municipality's Capital Projects in the IDP                            | 275 jobs created through municipality's Capital Projects in the IDP by 30 June 2022:<br>i) Community Services : 100 jobs<br>ii) Electrical Services: 75 jobs created.<br>iii) Civil and Human Settlement 100 jobs | Target exceeded. Total = 310 jobs created. Due to more labour-intensive methods being applied.<br>i) Community Services (96 jobs created)<br>ii) Electrical (83 jobs created)<br>iii) Civil & Human Settlements (131 jobs created) | <b>345 jobs created through municipality's Capital Projects in the IDP by 30 June 2023:</b><br>i) <b>Community Services: 150 jobs</b><br>ii) <b>Electrical Services: 75 jobs created.</b><br>iii) <b>Civil and Human Settlement 120 jobs</b> | Target exceeded. Total = 383<br>i) Community Services- 105 jobs created.<br>ii) Electrical Services- 103 jobs created<br>iii) Civil Services – 175 jobs created. | N/A                                                                                                                                                                                   | N/A                                                                                               |  |
| OPMS 59                                 |                                                                                                                                    | Number of job opportunities created through implementation of Expanded Public Works Programme (EPWP) | 40 job opportunities created through implementation of Expanded Public Works Programme by 30 June 2022                                                                                                            | Target exceeded; 126 jobs created through a municipality's Expanded Public Works Programme.                                                                                                                                        | <b>80 job opportunities created through implementation of Expanded Public Works Programme (EPWP) by 30 June 2023</b>                                                                                                                         | Target exceeded - 86 Job Opportunities created through EPWP.                                                                                                     | N/A                                                                                                                                                                                   | N/A                                                                                               |  |

## 5. 2022/2023 ANNUAL PERFORMANCE REPORT: COMPARISON OVER 2 FINANCIAL YEARS *...continued*

| OPMS NO.                                                             | STRATEGIC OBJECTIVE FROM THE IDP                                                       | KEY PERFORMANCE INDICATOR                                                                                           | 2021/2022 TARGET                                                              | 2021/2022 ACTUAL                                        | 2022/2023 TARGET                                                                      | 2022/2023 ACTUAL                      | REASON FOR NON-ACHIEVEMENT                                                                                                                                                                                                                                                                   | MEASURES TO IMPROVE                                                                                                                                                                                                                                                                             | STATUS                                                                                |
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| <b>KPA : BASIC SERVICE DELIVERY &amp; INFRASTRUCTURE DEVELOPMENT</b> |                                                                                        |                                                                                                                     |                                                                               |                                                         |                                                                                       |                                       |                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                 |                                                                                       |
| OPMS 60                                                              | To facilitate provision of formal housing through construction of high-quality houses. | Number of new houses constructed by target date.                                                                    | 60 new houses constructed by 30 June 2022                                     | Target exceeded. 73 new Houses constructed.             | <b>90 new houses constructed by 30 June 2023</b>                                      | Target not met 82 houses constructed. | Budgetary Constraints. Housing Units are being refurbished due to vandalism. Local Labour Workforce demanded more money. Local Suppliers blocked the Supply of Materials and wanted to be considered for Supply at an unreasonable rate. Contractual challenges between the IA & Contractor. | Additional Budget is currently being sourced from the KZNDHS to complete the balance of vandalised Units. Continuous engagement with contractors to prevent work stoppages. Undertaking social facilitation. Slum clearing of illegal structures will be done in 2023/2024 and the outer years. |    |
| OPMS 61                                                              | To ensure fair, transparent and compliant housing beneficiary management system.       | Number of houses handed over to beneficiaries by target date.                                                       | 60 houses handed over to beneficiaries by 30 June 2022                        | Target not met. 59 Houses handed over to beneficiaries. | <b>120 houses handed over to beneficiaries by 30 June 2023</b>                        | Target not met 77 houses handed over. | Local Labour Workforce demanded more money, Local Suppliers blocked the Supply of Materials and wanted to be considered for Supply at an unreasonable rate, Contractual challenges between the Implementing Agent (IA) & Contractor                                                          | All Parties have been engaged and all Issues were resolved, the IA had to take into consideration and give into these demands for the sake of Progress. The hand over will continue in 2023/2024.                                                                                               |  |
| OPMS 62                                                              | Improved access to adequate housing                                                    | Number of sites serviced by target date.                                                                            | 200 sites serviced by 30 June 2022                                            | Target exceeded. 399 sites serviced.                    | <b>450 sites serviced by 30 June 2023</b>                                             | Target exceeded. 584 sites serviced.  | N/A                                                                                                                                                                                                                                                                                          | N/A                                                                                                                                                                                                                                                                                             |  |
| OPMS 63                                                              | To restore human dignity through asset ownership                                       | Number of Post 1994 units transferred as per the business plan with Dept of Human Settlements (DOHS) by target date | 20 Post 1994 units transferred as per business plan with DOHS by 30 June 2022 | Target not met. 11 Post 1994 units transferred.         | <b>100 Post 1994 units transferred as per business plan with DOHS by 30 June 2023</b> | Target not met. 0 Units transferred   | The Post 1994 projects have to be replanned, the land surveyors and the Town planners are redesigning to produce the as built layouts that will trigger the SPLUMA application and approval in order to effect Transfers                                                                     | The Provincial Department of Human Settlement has set aside funds to proceed with the project. There is currently a 24-month programme by KDM and human settlement to mitigate these challenges.                                                                                                |  |

## 5. 2022/2023 ANNUAL PERFORMANCE REPORT: COMPARISON OVER 2 FINANCIAL YEARS ...continued

| OPMS NO.                                                             | STRATEGIC OBJECTIVE FROM THE IDP                                                                | KEY PERFORMANCE INDICATOR                                                                                                                           | 2021/2022 TARGET                                                           | 2021/2022 ACTUAL                     | 2022/2023 TARGET                                                                                    | 2022/2023 ACTUAL                                                                                                             | REASON FOR NON-ACHIEVEMENT                                                      | MEASURES TO IMPROVE                                                                        | STATUS                                                                                |
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| <b>KPA : BASIC SERVICE DELIVERY &amp; INFRASTRUCTURE DEVELOPMENT</b> |                                                                                                 |                                                                                                                                                     |                                                                            |                                      |                                                                                                     |                                                                                                                              |                                                                                 |                                                                                            |                                                                                       |
| OPMS 64                                                              | To restore human dignity through asset ownership                                                | Number of Enhanced Discount Benefit Scheme (EEDBS) units transferred as per the business plan with Dept of Human Settlements (DOHS) by target date. | 100 EEDBS units transferred as per business plan with DOHS by 30 June 2022 | Target not met 27 EEDBS transferred. | <b>20 EEDBS units transferred as per business plan with DOHS by 30 June 2023</b>                    | Target exceeded. 30 EEDBS units transferred.                                                                                 | N/A                                                                             | N/A                                                                                        |    |
| OPMS 65                                                              | Improved access to adequate housing & To maintain and upgrade existing municipal infrastructure | Completion of Steve Biko Housing Retaining Walls and Access Roads(Ward 13) by target date.                                                          | N/A                                                                        | N/A                                  | <b>Completion of Steve Biko Housing Retaining Walls and Access Roads (Ward 13) by 30 June 2023.</b> | Target met. Completion certificate dated, 30 June 2023.                                                                      | N/A                                                                             | N/A                                                                                        |    |
| OPMS 66                                                              | Improved access to adequate housing                                                             | Completion of Lloyds retaining Housing Walls completed by target date                                                                               | N/A                                                                        | N/A                                  | <b>Completion of Lloyds retaining housing walls completed by 30 June 2023</b>                       | Target not met.                                                                                                              | Stormwater drainage and guardrails. Insufficient funds to complete the project. | Project rolled over to 2023/2024. Project to be completed in the 2023/2024 financial year. |  |
| OPMS 66a                                                             | To maintain and upgrade existing municipal infrastructure                                       | Completion of Jabula Road Retaining walls by target date                                                                                            | N/A                                                                        | N/A                                  | <b>Completion of Jabula Road Retaining walls by 31 December 2022.</b>                               | Target met. Completion certificate dated, 16 December 2022.                                                                  | N/A                                                                             | N/A                                                                                        |  |
| OPMS 66b                                                             |                                                                                                 | Completion of Stone City 2 retaining wall and sewer line by target date.                                                                            | N/A                                                                        | N/A                                  | <b>Completion of Stone City 2 retaining wall and sewer line by 31 December 2022.</b>                | Target met. Completion certificate dated, 18 October 2022                                                                    | N/A                                                                             | N/A                                                                                        |  |
| OPMS 67                                                              |                                                                                                 | km of Gravel Road Upgrade to Blacktop in Ward 8 by target date                                                                                      | N/A                                                                        | N/A                                  | <b>0.8km of Gravel Road Upgrade to Blacktop in Ward 8 completed by 31 March 2023.</b>               | Target exceeded 0.9km of gravel road upgraded to blacktop in ward 8 completed, completion certificate dated, 31 August 2022. | N/A                                                                             | N/A                                                                                        |  |

## 5. 2022/2023 ANNUAL PERFORMANCE REPORT: COMPARISON OVER 2 FINANCIAL YEARS ...continued

| OPMS NO.                                                             | STRATEGIC OBJECTIVE FROM THE IDP                                       | KEY PERFORMANCE INDICATOR                                           | 2021/2022 TARGET | 2021/2022 ACTUAL | 2022/2023 TARGET                                                            | 2022/2023 ACTUAL                                                                                                                                                                                                                                                                                                                                                                                                                              | REASON FOR NON-ACHIEVEMENT                                                                                                                 | MEASURES TO IMPROVE                                                                                      | STATUS                                                                                                                      |
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| <b>KPA : BASIC SERVICE DELIVERY &amp; INFRASTRUCTURE DEVELOPMENT</b> |                                                                        |                                                                     |                  |                  |                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                            |                                                                                                          |                                                                                                                             |
| OPMS 68                                                              | To maintain and upgrade existing municipal infrastructure              | m <sup>2</sup> roads rehabilitated by target date.                  | N/A              | N/A              | <b>10130m<sup>2</sup> roads rehabilitated by 31 December 2022.</b>          | Target exceeded: 20606m <sup>2</sup><br>i) Sheffield beach road completed on 19 September 2022, 2882m <sup>2</sup> .<br>ii) Hugh dent road, Basil Hullet and Club road completed on 05 August 2022, 3620m <sup>2</sup> .<br>iii) Joela road completed on 15 July 2022, 2718m <sup>2</sup> .<br>iv) Ward 28 roads completed on 27 September 2022, 2718m <sup>2</sup> .<br>v) Driefontein – Completed on 28 November 2022, 8668m <sup>2</sup> . | N/A                                                                                                                                        | N/A                                                                                                      |                                          |
| OPMS 69                                                              | To maintain and upgrade existing municipal infrastructure              | m <sup>2</sup> of roads rehabilitated by target date.               | N/A              | N/A              | <b>4060 m<sup>2</sup> of roads rehabilitated by 31 December 2022.</b>       | Target exceeded 4201m <sup>2</sup> Completed.<br>i) 2842m <sup>2</sup> Ward 16 Moola industrial Completed on 20 July 2022.<br>ii) 1359 m <sup>2</sup> Completed for Ballito roads rehab on 30 August 2022.                                                                                                                                                                                                                                    | N/A                                                                                                                                        | N/A                                                                                                      |                                        |
| OPMS 69a                                                             |                                                                        | m <sup>2</sup> of roads rehabilitated by target date.               | N/A              | N/A              | <b>61263m<sup>2</sup> of roads rehabilitated by 30 June 2023.</b>           | Target exceeded. Total =71 806m <sup>2</sup>                                                                                                                                                                                                                                                                                                                                                                                                  | N/A                                                                                                                                        | N/A                                                                                                      | Listing: Refer to section 8 below.<br> |
| OPMS 69b                                                             |                                                                        | Townsend Road/Avondale Stormwater Upgrade completed by target date. | N/A              | N/A              | <b>Townsend Road/Avondale Stormwater Upgrade completed by 30 June 2023.</b> | Target met. Completion Certificate dated, 17 January 2023.                                                                                                                                                                                                                                                                                                                                                                                    | N/A                                                                                                                                        | N/A                                                                                                      |                                        |
| OPMS 70                                                              | To ensure that the community has access to functional public amenities | Groutville Market Sportsfield completed by target date.             | N/A              | N/A              | <b>Groutville Market Sportsfield completed by 30 June 2023.</b>             | Target not met.                                                                                                                                                                                                                                                                                                                                                                                                                               | There were delays in the project due to labour disputes with the project. The allocated budget was also a factor that delayed the project. | The project has been rolled over to the 2023/2024 financial year and will be completed during 2023/2024. |                                        |



## 5. 2022/2023 ANNUAL PERFORMANCE REPORT: COMPARISON OVER 2 FINANCIAL YEARS *...continued*

| OPMS NO.                                                             | STRATEGIC OBJECTIVE FROM THE IDP                                   | KEY PERFORMANCE INDICATOR                                                 | 2021/2022 TARGET                                                              | 2021/2022 ACTUAL                                                                   | 2022/2023 TARGET                                                                     | 2022/2023 ACTUAL                                                               | REASON FOR NON-ACHIEVEMENT                                                                      | MEASURES TO IMPROVE                                                                                                              | STATUS                                                                                                                                                                 |
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| <b>KPA : BASIC SERVICE DELIVERY &amp; INFRASTRUCTURE DEVELOPMENT</b> |                                                                    |                                                                           |                                                                               |                                                                                    |                                                                                      |                                                                                |                                                                                                 |                                                                                                                                  |                                                                                                                                                                        |
| OPMS 75a                                                             | To maintain and upgrade existing municipal infrastructure          | Number of bridges upgraded/ constructed by target date.                   | N/A                                                                           | N/A                                                                                | <b>17 Bridges upgraded/ constructed by 30 June 2023.</b>                             | Target not met. 11 Bridges completed.                                          | SCM Delays. Work Stoppages from business forums. Contractors experienced financial challenges.  | The project will be completed in the next financial year – 2023/2024. Projects rolled over to 2023/2024.                         | Detailed listing and corrective measures for each bridge under Section 8 below.<br> |
| OPMS 77                                                              |                                                                    | Km's of Dendethu gravel access road completed by target date.             | 1.4 Km's of Dendethu gravel access road completed by 30 June 2022             | Target not met.                                                                    | <b>1.4 Km's of Dendethu gravel access road completed by 30 September 2022</b>        | Target not met. 1,358km Practical Completion dated 30 September 2022.          | The target was set using pre-estimates and was paid against the actual work done on the ground. | In future internal controls to be strengthened to ensure measurement is done at each stage and adjustments to be done according. |                                                                                     |
| OPMS 77a                                                             | To maintain and upgrade existing municipal infrastructure          | Number of stormwater/ drains upgraded by target date.                     | N/A                                                                           | N/A                                                                                | <b>7 stormwater /drains upgraded by 30 June 2023</b>                                 | Target met. 7 stormwater/ drains upgraded.                                     | N/A                                                                                             | N/A                                                                                                                              | Refer to section 8 below for listing.<br>                                         |
| OPMS 80                                                              | To provide access to basic municipal services to all citizens      | Delivery of fire equipment by target date.                                | N/A                                                                           | N/A                                                                                | <b>Delivery of fire equipment by 30 June 2023</b>                                    | Target met -fire equipment received on 01 June 2023                            | N/A                                                                                             | N/A                                                                                                                              |                                                                                   |
| OPMS 81                                                              | To ensure that all citizens have an electricity service connection | The number of new households with access to basic level of electricity.   | 350 new households with access to basic level of electricity by 30 June 2022. | Target exceeded. 824 new household connections completed. (Munsoft 38 Contour 786) | <b>500 new households with access to basic level of electricity by 30 June 2023.</b> | Target exceeded. 1299 new households with access to basic level of electricity | N/A                                                                                             | N/A                                                                                                                              | Refer to section 8 below. (Munsoft & contour numbers)<br>                         |
| OPMS 82                                                              | To ensure that all citizens have an electricity service connection | The number of households with access to basic level of electricity (NKPI) | 59 989 households with access to basic level of electricity by 30 June 2022.  | Target exceeded. 60 463 households with access to basic level of electricity.      | <b>60 963 households with access to basic level of electricity by 30 June 2023.</b>  | Target exceeded 61 762 households with access to basic level of electricity    | N/A                                                                                             | N/A                                                                                                                              | Refer to section 8 below. (Munsoft & contour numbers)<br>                         |

## 5. 2022/2023 ANNUAL PERFORMANCE REPORT: COMPARISON OVER 2 FINANCIAL YEARS ...continued

| OPMS NO.                                                             | STRATEGIC OBJECTIVE FROM THE IDP                                      | KEY PERFORMANCE INDICATOR                                                     | 2021/2022 TARGET                                                                                                                                                                                                                | 2021/2022 ACTUAL                                                                         | 2022/2023 TARGET                                                                                | 2022/2023 ACTUAL                                 | REASON FOR NON-ACHIEVEMENT                                                                                                                                                                                                                                | MEASURES TO IMPROVE                                                                                                                                                                                                                                                       | STATUS                                                                                |
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| <b>KPA : BASIC SERVICE DELIVERY &amp; INFRASTRUCTURE DEVELOPMENT</b> |                                                                       |                                                                               |                                                                                                                                                                                                                                 |                                                                                          |                                                                                                 |                                                  |                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                           |                                                                                       |
| OPMS 83                                                              | To ensure that energy losses are reduced within legislated guidelines | % of Energy kilowatts loss reduced by target date.                            | Energy kilowatts loss reduced from 22% to 18% by 30 June 2022                                                                                                                                                                   | Target Not Met. Energy losses has increased. As at end June 2022 energy losses = 24.83%. | <b>Energy kilowatts loss reduced by 10% (from 26% to 16%) by 30 June 2023</b>                   | Target not met Energy losses increased to 25.72% | Progress is made on system to reduce but effect of them will take time. The following is in progress<br>1. Meter audit which has started<br>2. Raids which was delayed as the Revenue Protection Unit and Energy Loss Task Team was not fully functional. | 1. Continue with meter audit and replacement (20000-meter audit targeted for 23/24)<br>2. Capacitate Revenue Protection Unit for effective Raids.<br>3. Procurement of power system simulation software.<br>4. Ensure ELTT meet bi-weekly.<br>5. Implementation of SCADA. |    |
| OPMS 86                                                              | To maintain and upgrade existing municipal infrastructure             | Tinley Manor 11kV OHL Phase 6 completed by target date.                       | N/A                                                                                                                                                                                                                             | N/A                                                                                      | <b>Tinley Manor 11kV OHL Phase 6 completed by 30 June 2023.</b>                                 | Target Met                                       |                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                           |  |
| OPMS 87                                                              |                                                                       | Replace NV Grid Prot Relays 11K by target date.                               | N/A                                                                                                                                                                                                                             | N/A                                                                                      | <b>Replace NV Grid Prot Relays 11K by 30 June 2023.</b>                                         | Completion certificate dated 16/03/2023          | N/A                                                                                                                                                                                                                                                       | N/A                                                                                                                                                                                                                                                                       |  |
| OPMS 89                                                              |                                                                       | Replace 33kV Cable between Lavopiere and Industrial Sub Phase by target date. | Multi year project to Replace 33kV Cable between Lavopiere and Industrial Sub Phase Year 1= 2021/2022.<br>i) Appointment of contractor.<br>ii) 70% expenditure on project (Procurement of cable and trenching) by 30 June 2022. | Target Exceeded                                                                          | <b>Replace 33kV Cable between Lavopiere and Industrial Sub Phase completed by 30 June 2023.</b> | Target Met                                       |                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                           |  |
| OPMS 90                                                              |                                                                       | Gizenga Substation completion by target date.                                 | i) Contractor appointed, appointment letter dated 21/01/2022- Yebo Ys Projects<br>ii) Budget of R11 337 401, spend was R8 582 561 (75.70%)                                                                                      |                                                                                          | <b>Multi (4) Year Project: Year 4. Gizenga Substation completion by 30 June 2023.</b>           | Completion certificate dated 31/05/2023          | N/A                                                                                                                                                                                                                                                       | N/A                                                                                                                                                                                                                                                                       |  |

## 5. 2022/2023 ANNUAL PERFORMANCE REPORT: COMPARISON OVER 2 FINANCIAL YEARS *...continued*

| OPMS NO.                                                             | STRATEGIC OBJECTIVE FROM THE IDP                                       | KEY PERFORMANCE INDICATOR                                                             | 2021/2022 TARGET                                                                  | 2021/2022 ACTUAL                                                                           | 2022/2023 TARGET                                                                                                                                                                                 | 2022/2023 ACTUAL                                                                                                                                                                                                                                                                                                                                                                                                          | REASON FOR NON-ACHIEVEMENT | MEASURES TO IMPROVE | STATUS                                                                              |
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| <b>KPA : BASIC SERVICE DELIVERY &amp; INFRASTRUCTURE DEVELOPMENT</b> |                                                                        |                                                                                       |                                                                                   |                                                                                            |                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                           |                            |                     |                                                                                     |
| OPMS 95                                                              | To provide access to basic solid waste services to all citizens        | The percentage of households with access to basic level of solid waste removal (NKPI) | 100% households with access to basic level of solid waste removal by 30 June 2022 | Target met. 100% of estimated households with access to basic level of solid waste removal | <b>100% households with access to basic level of solid waste removal by 30 June 2023</b>                                                                                                         | Target met. 100% of estimated households with access to basic level of solid waste removal.                                                                                                                                                                                                                                                                                                                               | N/A                        | N/A                 |  |
| OPMS 96                                                              | To ensure that the community has access to functional public amenities | Number of Beach Facilities Upgraded by target date.                                   | N/A                                                                               | N/A                                                                                        | <b>6 Beach Facilities Upgraded by 30 June 2023.</b><br>1. Salt Rock Beach<br>2. Willard Beach<br>3. Clark Bay Beach<br>4. Ballito Promenade.<br>5. Zinkwazi Main Beach<br>6. Thompsons Bay Beach | Target met.<br>1. Completion Certificate for Salt Rock Beach - 17/03/2023.<br>2. Completion certificate for Willard Beach - 13/06/2023.<br>3. Completion certificate for Clark Bay Beach - 28/02/2023.<br>4. Practical Completion certificate Ballito Promenade - 27/06/2023.<br>5. Practical Completion certificate for Zinkwazi Main Beach - 30/06/2023.<br>6. Completion Certificate Thompsons Bay Beach - 30/03/2023. | N/A                        | N/A                 |  |

## 5. 2022/2023 ANNUAL PERFORMANCE REPORT: COMPARISON OVER 2 FINANCIAL YEARS ...continued

| OPMS NO.                                                             | STRATEGIC OBJECTIVE FROM THE IDP                                       | KEY PERFORMANCE INDICATOR                                                         | 2021/2022 TARGET                                                                                                                                               | 2021/2022 ACTUAL | 2022/2023 TARGET                                                                                                                                                                                                                                | 2022/2023 ACTUAL                                                                                                                                          | REASON FOR NON-ACHIEVEMENT | MEASURES TO IMPROVE | STATUS                                                                                |
|----------------------------------------------------------------------|------------------------------------------------------------------------|-----------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|---------------------|---------------------------------------------------------------------------------------|
| <b>KPA : BASIC SERVICE DELIVERY &amp; INFRASTRUCTURE DEVELOPMENT</b> |                                                                        |                                                                                   |                                                                                                                                                                |                  |                                                                                                                                                                                                                                                 |                                                                                                                                                           |                            |                     |                                                                                       |
| OPMS 97                                                              | To ensure that the community has access to functional public amenities | Nonoti Beach Node Development Phase 2 Completed by target date.                   | Obtain Environmental Authorisation for Nonoti Beach Node Development from The Economic Development, Tourism and Environmental Affairs (EDTEA) by 30 June 2022. | Target not met.  | <b>Multi year project - Year 2 Nonoti Beach Node Development Phase 2 :</b><br><b>1. Completion of wall plate. 2. Completion of Roof for ablution facility; 3. Internal service works and parking sub layer works completed by 30 June 2023.</b> | Target met.<br>1. Wall plate completed.<br>2. Roof Completed.<br>3. Layer works to parking completed. Sewer Septic Tank Excavation final level completed. | N/A                        | N/A                 |    |
| OPMS 98                                                              | To ensure that the community has access to functional public amenities | Refurbish Existing Basketball court Stanger High School completed by target date. | N/A                                                                                                                                                            | N/A              | <b>Refurbish Existing Basketball court Stanger High School completed by 30 June 2023.</b>                                                                                                                                                       | Target met. Completion Certificate dated 19/06/2023.                                                                                                      | N/A                        | N/A                 |   |
| OPMS 99                                                              |                                                                        | Construction of Combo Court Ward 9 completed by target date.                      | N/A                                                                                                                                                            | N/A              | <b>Construction of Combo Court Ward 9 completed by 31 December 2022.</b>                                                                                                                                                                        | Target met. Completion certificate dated 14/10/2022                                                                                                       | N/A                        | N/A                 |  |
| OPMS 100                                                             |                                                                        | Shayamoya Sport field completed by target date.                                   | N/A                                                                                                                                                            | N/A              | <b>Shayamoya Sport field completed by 31 March 2023.</b>                                                                                                                                                                                        | Target met. Completion certificate dated 22/02/2023.                                                                                                      | N/A                        | N/A                 |  |
| OPMS 102                                                             |                                                                        | Recycling and Waste Buyback Centre completed by target date                       | N/A                                                                                                                                                            | N/A              | <b>Recycling and Waste Buyback Centre completed by 30 June 2023.</b>                                                                                                                                                                            | Target met. Practical Completion Certificate dated, 30 June 2023.                                                                                         | N/A                        | N/A                 |  |



## 6. KEY AREAS TO NOTE

### IMPROVING PERFORMANCE

- There has been a significant increase in performance in all the Key Performance Areas, with LED remaining at 67%.
- Basic Service Delivery has increased by 14% from 62% to 76%.
- Municipal Transformation & Institutional Development increased by 54% from 35% to 89%.
- Spatial Planning, Environmental Management & Social Services (Cross Cutting) increased by 14% from 86% to 100%.
- Municipal Financial Viability & Management increased by 15% from 54% to 69%.
- Good Governance and Public Participation increased by 9% from 62% to 71%.

Reporting on Performance is done on a quarterly basis, Section 56/57 Managers are required to respond to Internal Audit Queries on the Performance findings of the respective departments to ensure that audited reports are submitted to the Performance Audit Committee and Executive Committee or Council. The effective implementation of the performance management framework as adopted by Council, and the different roles and responsibilities that will be played by different stakeholders will serve as an early warning indicator for the KwaDukuza Municipality to keep abreast of performance and to effect corrective measures timeously in any of the weak functional areas identified by the performance management system.

### DETERIORATING PERFORMANCE

There is a challenge with the increase in energy losses which was targeted to decrease from 26% to 16% during the 2022/2023 Financial Year and from 18% to the required threshold of 12% in the outer year(2023/2024), but this has remained high at 25.39% as at 30 June 2023.

The municipality has also been dealing with repeat findings on irregular expenditure. During this 2022/2023 Financial Year, the irregular expenditure target was to reduce by 70% from the 2021/2022 financial year however this target has not been met due to the Security Services Contract being finalised late in the year. The actual reduction was 14%. The Community Safety Business Unit tasked with security services are to speed up all other processes related to the security contract.

### LESSONS LEARNT

- Better planning must start from the onset of compiling the Integrated Development Plan.
- Business units to work in-consultation with each other to ensure municipal targets are achieved.

### WAY FORWARD

- The Digitisation of the Performance Management System has been planned for implementation during the 2023/2024 financial year and should be able to streamline the Annual Performance Report. This should assist with ensuring planned projects on the IDP are budgeted for and implemented via the PMS. The system being implemented is the Munsoft Module K, which is a system compatible with the existing municipal budgeting system.

## 7. PERFORMANCE OF SERVICE PROVIDERS : MUNICIPAL SYSTEMS ACT, SECTION 76

All service providers performance are monitored and reviewed through our Supply Chain Management Unit and reported on annually in the form of a Service Provider Assessment, this assessment is found on Appendix I of the Annual Report, however as defined in the Systems Act Section 76 the service provider performing the functions of the Municipality is rated below in the table.

### PERFORMANCE ANALYSIS AND RATING CRITERIA

For contractor performance rating purposes, the following rating criteria is used:

| PERFORMANCE WEIGHTING |              |                                                                                                                                                    |
|-----------------------|--------------|----------------------------------------------------------------------------------------------------------------------------------------------------|
| 1                     | POOR         | Performance did not meet most contractual requirements and contains serious problem(s) for which correction actions were ineffective.              |
| 2                     | SATISFACTORY | Performance did not meet some contractual requirements; contractors' actions appear only marginally effective or were not fully implemented.       |
| 3                     | GOOD         | Contractual performance of contractor contains some minor problems for which corrective action taken by the contractor appear or were satisfactory |
| 4                     | VERY GOOD    | Performs meets contractual requirements some minor problems for which corrective action taken by the contractor were effective                     |
| 5                     | EXCELLENT    | Performance meets contractual requirements with few minor problems for which corrective actions by contractor were highly effective.               |

The Municipality has in terms of Section 78 of the Municipal Systems Act, 32 of 2000, decided on a mechanism to provide a municipal service, which is Refuse Collection, through an External Service Provider. The performance ratings of this service provider performing the municipal service on behalf of the municipality (Municipal Systems Act; Section 76) is as follows:

| SERVICE PROVIDER PERFORMANCE REPORT     |               |               |          |                  |          |                                      |               |          |                  |          |
|-----------------------------------------|---------------|---------------|----------|------------------|----------|--------------------------------------|---------------|----------|------------------|----------|
| 2021/2022 ANNUAL PERFORMANCE RATINGS    |               |               |          |                  |          | 2022/2023 ANNUAL PERFORMANCE RATINGS |               |          |                  |          |
| COMPANY NAME                            | EXCELLENT (5) | VERY GOOD (4) | GOOD (3) | SATISFACTORY (2) | POOR (1) | EXCELLENT (5)                        | VERY GOOD (4) | GOOD (3) | SATISFACTORY (2) | POOR (1) |
| COMMUNITY SERVICES AND PUBLIC AMENITIES |               |               |          |                  |          |                                      |               |          |                  |          |
| DOLPHIN COAST WASTE MANAGEMENT          | ✓             |               |          |                  |          | ✓                                    |               |          |                  |          |

## 8. ADDITIONAL INFORMATION TO THE ANNUAL PERFORMANCE REPORT

### 1. ADJUSTMENTS THROUGHOUT THE YEAR.

| Adjustment 31/08/2022 | Removed                                                                                                      | New KPI's added                                                                  | Moved to Different KPA (Financial Viability & Management)                                                    |
|-----------------------|--------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|
|                       | 1. OPMS 09<br>2. OPMS 10<br>3. OPMS 71<br>4. OPMS 72<br>5. OPMS 73<br>6. OPMS 74<br>7. OPMS 75<br>8. OPMS 76 | 1.OPMS 66a<br>2.OPMS 69a<br>3.OPMS 69b<br>4.OPMS 75a<br>5.OPMS 77a               |                                                                                                              |
| Adjustment 31/03/2023 | 1. OPMS 54<br>2. Hugh Dent and Basil Hulett<br>3. OPMS 79<br>4. OPMS 101                                     | 1.OPMS 23a<br>2.OPMS 23b<br>3.OPMS 24a<br>4.OPMS 24b<br>5.OPMS 26a<br>6.OPMS 26b | 1. OPMS 78<br>2. OPMS 84<br>3. OPMS 85<br>4. OPMS 88<br>5. OPMS 91<br>6. OPMS 92<br>7. OPMS 93<br>8. OPMS 94 |
| Adjustment 26/04/2023 | 1. OPMS 54                                                                                                   | 1. OPMS 31a                                                                      |                                                                                                              |

### 2. N/A ON THE COMPARISON REPORT OVER 2 YEARS, INDICATES THAT THE PROJECT WAS NOT APPLICABLE FOR THAT FINANCIAL YEAR.

### 3. OPMS 81 - CONTOUR = 1257 Munsoft = 42

### 4. OPMS 82 - (BASELINE 60 463 + NEW 1299) New (Contour = 1257 Munsoft = 42)

### 5. ON ROAD REHABILITATION TARGETS – the estimated m<sup>2</sup> are indicated when planned however on actual execution on the ground, there are underlying layer issues, milling, asphaltting, additional earth works as well as other issues such as work rates, which leads to lesser m<sup>2</sup> being done for the same amount of budget.

## 6. OPMS 69A – LISTING

1. 2038m<sup>2</sup> of Sandra roads rehabilitated and completed on 28/09/2022
2. 4222m<sup>2</sup> of Diphini roads rehabilitated and completed on 15/09/2022
3. 5578m<sup>2</sup> of Mjoza roads and completed on 31/08/2022
4. 2836.5m<sup>2</sup> of Island roads rehabilitated and completed on 28/09/2022
5. 4516,272m<sup>2</sup> of Nkobongo road rehabilitated and completed on 05/09/2022
6. 5600m<sup>2</sup> of Mpunzane road rehabilitated and completed on 26/08/2022
7. 5100m<sup>2</sup> of Fairways road rehabilitated and completed 23/09/2022
8. 3900m<sup>2</sup> of Garland road rehabilitated and completed on 26/09/2022
9. 3416m<sup>2</sup> of Msweli roads rehabilitated and completed on 29/09/2022
10. 730m<sup>2</sup> Vulinqondo road rehabilitated and completed on 30/09/2022
11. 1455m<sup>2</sup> of Hlalankosi road rehabilitated and completed on 30/09/2022
12. 3627,42m<sup>2</sup> of Townsend Park road rehabilitated and completed on 12/09/2022
13. 2718,19m<sup>2</sup> of Mpangele Park road rehabilitated and roads completed on 15/09/2022
14. 3251m<sup>2</sup> of (Dube) Village main rehabilitated and completed on 30/09/2022
15. 5725m<sup>2</sup> of Ebrahim and Manor drive road rehabilitated and completed on 08/09/2022
16. 9669m<sup>2</sup> of Murugan road rehabilitated and completed on 11/11/2022
17. 1700m<sup>2</sup> of Azalea Road rehabilitated and completed on 21/06/ 2023
18. 2520m<sup>2</sup> of Primrose road, completed 21/06/2023
19. 1004.54m<sup>2</sup> of Business Hives Road, completed 28/09/2022
20. 1593.72m<sup>2</sup> Jupiter Road, completed on 24/10/2022
21. 606.60m<sup>2</sup> P104 Glendale Road, completed 27/09/2022

## 7. OPMS 75A

11 Bridges completed.

1. Yellow wood industrial bridge completion certificate dated, 30 June 2023.
3. Etsheni Wooden Bridge completion certificate dated, 19 April 2023.
5. Zinkwazi/Inkwazi low level bridge completion certificate dated, 02 January 2023.
6. Riverside Drive bridge to link Stanger manor bridge completion certificate dated, 30 June 2023.
9. Venus Drive Culvert bridge Completion certificate dated, 29/06/2023.
10. Nyatthikazi bridge completion certificate dated, 02 January 2023.
11. Smithers bridge completion certificate dated, 30 June 2023.
12. Vehicle bridge Mfecane Street completion certificate dated, 30 June 2023.
16. Shisampama pedestrian bridge completion certificate dated, 06 June 2023.
15. Wooden Bridge Mdlebeni completion certificate dated 15/05/2023.
17. Manqofini new culvert bridge completion certificate dated, 13 June 2023.

## REASONS FOR TARGET NOT BEING ACHIEVED.

2. Hullet Bridge - There were delays on the appointment of the contractor due to the appeal. The value of project also needed review by internal audit which caused delays. The project also experienced numerous stoppages from business forums. The targeted completion was based on preliminary design, but final design indicated that the project would take longer than expected.
4. Salt Rock Retained beach banks - Funds were not enough to implement the project, instead funds were utilised to pay for professional fees. Project was implemented under Community Services.
7. Nkobongo Bridge - Snags are remaining on the project. Contractor has financial challenges and also Project management from the contractor thus delaying the completion.
8. Mnyundwini culvert bridge - Budget allocation was not enough to implement the project. Initial assessment had indicated that the bridge was in stable condition, but further assessment indicated that the bridge stability was compromised hence the need to reconstruct the bridge.



13. New bridge Kwamfanomdala-Contractor had underquoted as a result the contractor experienced cashflow challenges during the implementation of the project. Poor planning and execution of work by contractor also contributed to delays.
14. Bridge Sugra and Mbozamo- There has been construction delay affected by the ongoing water problem on site and rain thus causing two recorded landslides, which were not originally planned or accounted for in the construction schedule. There have also been freshwater pipe leaks. The situation has been aggravated by leaking freshwater pipes, which were reported to the iLembe municipality water department two months ago. However, there has been a lack of positive developments or response from the council regarding this matter. As of the 8th of May 2023, there has been no progress from the water municipality, necessitating the acceleration of mitigation measures. There also delays caused by two ward councillors i.e., Ward17 and Ward5 as the project is falling on the boundary of the two wards and the recruitment of local labour and CLO couldn't be finalised thus affecting the project.

### **CORRECTIVE ACTION**

The project will be completed in the next financial year – 2023/2024.

Projects rolled over to 2023/2024.

2. Hullet Bridge - The project has been rolled over to 2023/2024 financial year. Contractor has been requested to implement accelerated program to try to fast the completion of the project.
4. Salt Rock Retained beach banks - Funds were used to pay for Professional fees while the implementation of the project was done under community Services BU.
7. Nkobongo Bridge-Consultant assisted with close monitoring also process payment every two weeks to assist the contractor with cashflow. Competition certificate will be issued in Q1 of 2023/2024 financial year.
8. Mnyundwini culvert bridge - Additional budget has been sourced from savings under reconstruction and rehabilitation grant. Project has been advertised and will be implemented under 2023/2024 financial year.
13. New bridge Kwamfanomdala-Completion of the project will only be achieved in Q1 of 2023/2024 financial year. Payments certificates are issued every two weeks to assist the contractor with cashflow. Contractor was also put on terms for poor performance. Risk assessment will be done on all new appointments to avoid the underquoting.
14. Bridge Sugra and Mbozamo- All the issues have been attended and the project is progressing well. Project has been rolled to 2023/2024 financial year.

### **8. OPMS 77A – LISTING**

1. Shezi & Bigela, completion certificate dated, 07/10/22.
2. Mphithiza(Mlambo), completion certificate dated, 15/12/2022.
3. Lethiwe, completion certificate dated, 29/12/2022.
4. Flamboyant Rd & Gledhow, completion certificate dated, 21/10/2022.
5. Lloyd road stormwater), completion certificate dated, 21/10/2022.
6. Diphini stormwater, completion certificate dated, 25/04/2023.
7. Zen Drive, Phase 1 Completion Certificate dated, 9/06/2023.

### **9. OPMS 97**

The Portfolio Of evidence required for this target to be met was pre-determined to be photos showing the walls completed, roof completed, and layer works due to snag lists that go hand in hand with a project of this nature and being done in phases.

# 04

## ORGANISATIONAL DEVELOPMENT PERFORMANCE



## INTRODUCTION

### PERFORMANCE MANAGEMENT SYSTEM

#### ORGANISATIONAL PERFORMANCE MANAGEMENT SYSTEMS (OPMS)

In terms of the Municipal Systems Act and the Municipal Performance Regulations, KwaDukuza has developed a Performance Management System to measure and assess the Performance of the Organisation and its Section 57 employees known as Executive Directors reporting directly to the Municipal Manager.

The organisational performance is based on the programmes in the IDP, Budget and is being implemented through the use of the Top layer of the Service Delivery Budget Implementation Plan (SDBIP) to monitor performance that is in the Organisational Scorecard and the Performance Agreements of the Municipal Manager and the Heads of Business units. Their performance is monitored quarterly by the Performance Evaluation Committee set up by Council and internally audited by the Internal Audit. A report is sent to Audit Committee, Performance Audit Committee and Council.

#### PERFORMANCE MONITORING & REVIEWS

In order to fulfil the objective of ensuring accountability, reviews are conducted according to certain lines of accountability:

**TABLE 82: PERFORMANCE - LINES OF ACCOUNTABILITY**

| RESPONSIBILITY    | FREQUENCY              | NATURE OF REVIEW                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-------------------|------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Municipal Manager | Quarterly              | The departmental scorecards of the Executive Directors are updated and submitted to a review session with the Municipal Manager on a quarterly basis. The scorecards must ensure that the actuals, reasons for not meeting targets and clear corrective actions are given. The MM then provides input and further corrective measures to be put in place to ensure targets are met. This is recorded by the Human Resources Department.         |
| Mayor             | Quarterly              | The Mayor reviews the Organisational Scorecard which is Municipal Managers Scorecard aligned to the IDP and the Budget on a quarterly basis. The Mayor provides feedback on targets not met and encourages redirection of actions so that targets can be met. This is recorded by the Human Resources Department.                                                                                                                               |
| Council           | Quarterly/<br>Annually | The Performance Management System is monitored on a Quarterly basis with the Quarter one; quarter three and quarter four PMS reports being submitted to the Executive Committee. The Quarter 2 and Annual Performance Report is submitted to full Council for oversight.                                                                                                                                                                        |
| Public            | Annually               | It is required by legislation that the public is involved in reviewing municipal performance at least annually. The Annual Report of the Municipality is collated and adopted by Council in January of each year. The Municipal Public Accounts Committee (MPAC) meets four times after council has adopted the Annual Report to consider public comments. An oversight report is drafted and adopted by March together with the Annual Report. |

#### PERFORMANCE REPORTING:

There are various types of reports that must be generated and disseminated to all the relevant stakeholders:

- Monthly reports,
- Quarterly performance reports,
- Mid-year assessment report also referred to as section 72 reports,
- S57 Performance Assessment and Evaluation report, and
- Annual Performance Report.

Annual reports which are key reporting instruments for municipalities to report against performance targets and budgets outlined in IDP.

Annual Reports contain information of service delivery, performance and how the budget was implemented. The oversight report is the final major step in the annual reporting process of a municipality.

It is essential that all these reports are made accessible to everybody through publication in the municipal website in order to ensure transparency and access to information.

In order to ensure accountability and credibility, the quarterly reports are audited internally by the Internal Audit unit, the Performance Audit Committee and annually by the Auditor-General. The Performance Audit Committee must then table audited performance reports to Council bi-annually.

In terms of this Policy, the frequency of reporting intervals is that all Quarterly Reports are due for submission to the PM&E unit on the 10th after the end of the quarter. If the 10th falls on a Sunday or Public Holiday, the report will be due on the following day, if the 10th falls on a Saturday, the reports are due a day before or the following Monday, but only if that has been negotiated with the PME unit.

## PERFORMANCE AUDITING:

For the performance management system to enjoy credibility and legitimacy from the public and other stakeholders, performance reports, must be audited. Audits should ensure that reported performance information is accurate, valid, and reliable.

In terms of the provisions of the Municipal Systems Act and the Performance Regulations of 2001, the annual performance report must be audited internally, and before being tabled and made public, the annual performance report will also be audited by the Auditor-General. It is therefore important to allow sufficient time between completion of annual performance reports and the tabling of the annual performance report for auditing.

After being tabled at the Executive Committee or Council, the annual performance report must then be submitted to the Auditor-General before 31 August of every year, for auditing and be submitted to the MEC for local government in the province for the MEC to complete an annual report of performance of all municipalities in the province, identifying poor performing municipalities and proposing remedial action and submit the provincial report to the national minister. The national minister will then present a consolidated report to parliament.

In terms of Regulation 14 of the Planning and Performance Regulations of 2001, every municipality must develop and implement mechanisms, systems, and processes

for auditing the results of performance measurements as part of its internal auditing processes. The specific functions of the internal audit unit on performance information include the assessment of the following:

- The functionality of the municipality's performance management system.
- Whether the municipality's performance management system complies with the provisions of the Municipal Systems Act.
- The extent to which the municipality's performance measurements are reliable in measuring performance of municipalities on its own indicators and the national indicators.
- The Regulations further provides that the municipality's internal auditors must: On a continuous basis, audit the performance measurements of the municipality; and Submit quarterly reports on their audits to the municipal manager and the performance audit committee.

## INDIVIDUAL PERFORMANCE MANAGEMENT SYSTEM

In 2018 KwaDukuza Municipality after consultation with Organised Labour approved Performance Management System Policy aimed at planning, monitoring and evaluating the performance of employees below Section 56 managers. The policy was implemented to Directors and managers, though challenges were experienced in that there were no dedicated personnel employed under the section to assist with the implementation, which then halted the implementation in most Business Units.

In 2021 the Minister responsible for COGTA issued the Local Government Municipal Staff Regulations, September 2021, which required that all employees employed in municipalities must participate in the performance management system. These regulations were effective from 01 July 2022. The existed KwaDukuza municipality Performance Management Policy had to be reviewed in consultation with the unions to align to the provisions of the COGTA Municipal Staff Regulations. The Individual Performance Management and Development Policy was approved by Council in April 2023 after lengthy deliberations on the amendments. It was agreed that it was impossible to implement the formal performance management system for the entire workforce simultaneously and a decision was taken that a phase in approached be adapted to start with employees at management level from Task Grade 14 to 19 during the 2022/23 financial year.



**TABLE 83: KDM STAFF MEMBERS FROM T14 TO T19 WHO HAVE SIGNED THEIR PERFORMANCE PLANS**

| BUSINESS UNIT                         | NUMBER OF EMPLOYEES FROM T14 & ABOVE | EMPLOYEES WITH SIGNED PERFORMANCE CONTRACTS | EMPLOYEES WHO DO NOT HAVE SIGNED PERFORMANCE CONTRACTS |
|---------------------------------------|--------------------------------------|---------------------------------------------|--------------------------------------------------------|
| Corporate Services                    | 06                                   | 06                                          | None                                                   |
| Office of the MM                      | 12                                   | 11                                          | 01                                                     |
| Finance                               | 12                                   | 12                                          | None                                                   |
| Economic Development & Planning       | 12                                   | 12                                          | None                                                   |
| Civil Engineering & Human Settlement  | 05                                   | 05                                          | None                                                   |
| Community Services & Public Amenities | 06                                   | 06                                          | None                                                   |
| Community Safety                      | 03                                   | 02                                          | 01                                                     |
| Electrical Engineering Services       | 06                                   | 06                                          | None                                                   |
| Total                                 | 62                                   | 60                                          | 02                                                     |

The municipality in April 2022 resolved to approved 4 posts of Organisational Development and Individual Performance Management Officers to assist with the coordination. These Officers will be clustered to assist 8 Business Units. Council also approved the position of a Manager Organisational Development and IPMS. So only two Officer were appointed during the 2022/23 financial year and the recruitment of the remaining 2 will commence in the 2023/24 financial year.

It should be noted that that due to limited funds in the Municipality these posts will not only be responsible for the implementation of IPMS but for also other OD projects such as job evaluations and organisational structure.

In the 2023/24 financial year employees on Task Grade 12 and 13 will also be included in the system. These includes amongst others Superintendents, Accountants,

Auditors, Divisional Officer, Senior Officers and other specialists posts.

## COMPONENT A: INTRODUCTION TO MUNICIPAL WORKFORCE

The KwaDukuza Human Capital Management Department is established as a centralized function to provide both strategic and operational support to the Nine (9) Business Units created by the Municipality with a total staff complement of 1016 permanent staff members.

The support provided includes, Talent acquisition and Management, Labour Relations, Organizational Development and Individual Performance Management, Benefits administration, Occupational Health and Safety and Skills development.

**TABLE 84: TOTAL NUMBER OF EMPLOYEES PER BUSINESS UNIT AND VACANCY RATE**

| NO. | BUSINESS UNIT                           | MASTER STAFF COMPLEMENT | BUDGETED IN 2022/23 | ACTUAL       | VACANT    | VACANCY RATE |
|-----|-----------------------------------------|-------------------------|---------------------|--------------|-----------|--------------|
| 1   | Office Of the Municipal Manager         | 73                      | 48                  | 43           | 5         | 12%          |
| 2   | Corporate services                      | 80                      | 77                  | 72           | 5         | 6.4%         |
| 3   | Finance                                 | 125                     | 94                  | 86           | 8         | 9.3%         |
| 4   | Economic Development and Planning       | 106                     | 56                  | 54           | 2         | 4%           |
| 5   | Municipal services and Public Amenities | 322                     | 305                 | 297          | 08        | 3%           |
| 6   | Community Safety                        | 264                     | 247                 | 232          | 15        | 6.4%         |
| 7   | Civil Engineering and Human Settlement  | 151                     | 142                 | 129          | 13        | 10%          |
| 8   | Electrical Engineering                  | 212                     | 113                 | 95           | 18        | 19%          |
| 9   | Youth Development                       | 29                      | 10                  | 08           | 02        | 25%          |
|     | <b>Total</b>                            | <b>1 362</b>            | <b>1 092</b>        | <b>1 016</b> | <b>75</b> | <b>7.3%</b>  |

## EMPLOYMENT EQUITY

In accordance with the Employment Equity Act (55 of 1998) the KwaDukuza Municipality has an Employment Equity Plan (EEP). In line with the Employment Equity Plan, the municipality submitted its Employment Equity Report to the Department of Employment and Labour as per required timeframes.

**TABLE 85: EMPLOYMENT EQUITY: (INCLUSIVE OF TEMPORAL, EXCLUDING COUNCILLORS AND CASUAL EMPLOYEES)**

| OCCUPATIONAL LEVEL                                                                                                | MALE       |          |           |          | FEMALE     |          |           |          | FOREIGN NATIONALS |          |              |
|-------------------------------------------------------------------------------------------------------------------|------------|----------|-----------|----------|------------|----------|-----------|----------|-------------------|----------|--------------|
|                                                                                                                   | AFRICAN    | COLOURED | INDIAN    | WHITE    | AFRICAN    | COLOURED | INDIAN    | WHITE    | MALE              | FEMALE   | TOTAL        |
| Top Management                                                                                                    | 18         | 0        | 5         | 0        | 4          | 0        | 2         | 0        | 0                 | 0        | 29           |
| Senior Management                                                                                                 | 3          | 0        | 3         | 0        | 4          | 0        | 0         | 0        | 0                 | 0        | 10           |
| Professionally Qualified and Experienced Specialists and Mid-Management                                           | 12         | 1        | 4         | 2        | 6          | 0        | 2         | 0        | 0                 | 0        | 27           |
| Skilled Technical and Academically Qualified Workers, Junior Management, Supervisors, Foremen and Superintendents | 138        | 2        | 38        | 1        | 80         | 1        | 30        | 2        | 0                 | 0        | 292          |
| Semi-skilled and Discretionary Decision Making                                                                    | 158        | 1        | 35        | 0        | 102        | 1        | 26        | 1        | 0                 | 0        | 324          |
| Unskilled and Defined Decision Making                                                                             | 200        | 0        | 7         | 0        | 155        | 0        | 1         | 0        | 0                 | 0        | 363          |
| Total Permanent                                                                                                   | 529        | 4        | 92        | 3        | 351        | 2        | 61        | 3        | 0                 | 0        | 1 045        |
| Temporary Employees                                                                                               | 111        | 0        | 2         | 2        | 46         | 0        | 1         | 0        | 0                 | 0        | 162          |
| <b>Grand Total</b>                                                                                                | <b>640</b> | <b>4</b> | <b>94</b> | <b>5</b> | <b>397</b> | <b>2</b> | <b>62</b> | <b>3</b> | <b>0</b>          | <b>0</b> | <b>1 207</b> |

## STAFF TURNOVER

A high staff turnover proves costly to a municipality and can negatively affect productivity, service delivery and institutional memory/organizational knowledge. This section seeks to report on the municipal staff turnover as well as reasons for such staff turnover for the year under review. The Municipal staff turnover consists of various categories ranging from resignation, death, medical boarding, retirement, and dismissal.

The Municipality has an existing management policy that assists to gather information that may assist reducing the turnover rate especially those resulting from resignations. The Municipality also has a programme to assist those employees' approaching retirement.

**TABLE 86: 24 TERMINATIONS - CATEGORISED**

| EXIT CATEGORY    | NUMBER OF STAFF |
|------------------|-----------------|
| Death            | 9               |
| Early Retirement | 4               |
| Retirement       | 4               |
| Resignation      | 2               |
| Dismissal        | 3               |
| Boarded          | 2               |
| <b>Total</b>     | <b>24</b>       |

## TALENT ACQUISITION/RECRUITMENT

In ensuring that the municipality can deliver services and provide the required support, it is critical that the municipality is from time to time able to acquire right people to fill vacancies. During the financial year in question a total of 151 appointments (inclusive of temporal employees) and internal promotions were made to fill vacancies.

**TABLE 87: TOTAL NUMBER OF APPOINTMENTS MADE AS WELL AS CATEGORIES**

|                                                                                                                            | MALE |   |   |   | FEMALE |   |   |   | TOTAL |
|----------------------------------------------------------------------------------------------------------------------------|------|---|---|---|--------|---|---|---|-------|
|                                                                                                                            | A    | C | I | W | A      | C | I | W |       |
| Top management T19 Up                                                                                                      | 0    | 0 | 0 | 0 | 1      | 0 | 1 | 0 | 2     |
| Senior management T16 - 18                                                                                                 | 0    | 0 | 0 | 0 | 0      | 0 | 0 | 0 | 0     |
| Professionally qualified and experienced specialists and mid-management T14 - 15                                           | 3    | 0 | 0 | 0 | 3      | 0 | 0 | 0 | 6     |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents T9 - 13 | 11   | 0 | 1 | 0 | 8      | 0 | 3 | 0 | 23    |
| Semi-skilled and discretionary decision making T4 – 8                                                                      | 8    | 0 | 0 | 0 | 9      | 0 | 0 | 0 | 17    |
| Unskilled and defined decision making T1 – 3                                                                               | 14   | 0 | 0 | 0 | 18     | 0 | 0 | 0 | 14    |
| <b>TOTAL PERMANENT</b>                                                                                                     | 36   | 0 | 1 | 0 | 39     | 0 | 4 | 0 | 80    |
| Temporary employees                                                                                                        | 1    | 0 | 0 | 0 | 8      | 0 | 0 | 0 | 9     |
| <b>GRAND TOTAL</b>                                                                                                         | 73   | 0 | 2 | 0 | 86     | 0 | 8 | 0 | 151   |

## YOUTH EMPLOYMENT INITIATIVES

KDM has included in its target Youth Employment initiatives to ensure that at least 50% of such initiatives are youth. These initiatives are indeed to reduce youth unemployment within the municipal boundaries and to ensure the imparting of skills from municipal seasoned employees. This will assist most in succession planning and ensure sustainability of service delivery.

**TABLE 88: YOUTH EMPLOYMENT INITIATIVES IMPLEMENTED**

| INITIATIVE           | MALES | FEMALES | TOTAL |
|----------------------|-------|---------|-------|
| Permanent Employment | 40    | 48      | 88    |
| Temporal Employment  | 01    | 8       | 09    |

**TABLE 89: CHALLENGES IN HUMAN RESOURCE DEVELOPMENT**

| CHALLENGES                                                                   | MITIGATIONS                                                                                                                                                                                                                                                                                                                                                                  |
|------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Women appointed in 2022/2023                                                 | KDM has improved during the 2022/23 in the appointment of women. This is reflected in the annual targets, however there is still a huge challenge in achieving equity in areas such as Marine Safety, Close Protection Unit and Electrical Services.                                                                                                                         |
| Appointment of disabled persons in line with approved employment equity plan | HR Unit together with Municipal Business Units in the first Quarter of 2024/2024 FY will conduct identify posts that will be prioritised for disabled people. There was a delay in this process due to pending review of the staff structure.                                                                                                                                |
| Delays in filling vacancies                                                  | Setting aside funding for critical vacancies. Council reviewed the Recruitment and Selection Policy to required posts to be filled within 90 days or be abolished.                                                                                                                                                                                                           |
| Overtime                                                                     | In October 2022 Council reviewed the staff structure for the Electrical Business Unit and created positions at supervisory level to ensure that overtime is reduced by monitoring daily work schedules. Shifts system will be implemented once the majority of posts have been filled.<br>Overtime Management Policy needs to be reviewed during the 2023/24 financial year. |

## COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE LEVELS ON REPORTING





## HUMAN RESOURCES POLICIES AND PLANS

Corporate Service's main functions is the development and review of Human Resource related policies.

**TABLE 90: HR POLICIES REVIEWED, TABLED AND ADOPTED BY THE COUNCIL DURING THE 2022/23 FINANCIAL YEAR.**

| NAME OF POLICIES                                         |
|----------------------------------------------------------|
| Staff Recruitment and Selection Policy                   |
| Individual Performance Management and Development System |
| Staff bursary Policy                                     |
| Employment Equity policy                                 |
| Succession Planning Policy                               |

## INJURIES ON DUTY 2022/2023

The Human Resource Management and Development service is responsible for the reporting and administration of injuries on duty for permanent staff members. This involves the administrative process to report the injury that occurred after it has been reported by the employee or the head of department, the arranging of medical examination, arranging of follow-up visits for treatment and/or evaluation.

The submission of accounts to the Compensation Commissioner is also done. For the year 2022/2023, there were 38 injuries on duty that were reported to the compensation commissioner.

It can be noted that some of the injuries were serious in nature and led to death on duty in the year under review had increased when compared to the previous year's 26 injuries.

**TABLE 91: INJURIES ON DUTY**

| NO. | DATE OF ACCIDENT | NAME OF DEPARTMENT      | NATURE OF THE ACCIDENT   | PLACE OF THE ACCIDENT      | SHORT DESCRIPTION                                                                                                                 | DATE OF SUBMISSION TO W.C.A |
|-----|------------------|-------------------------|--------------------------|----------------------------|-----------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| 1   | 17/07/2023       | Supply Chain Management | Injury to the left hand  | Stores Building            | Whilst standing on platform where all boxes dumped to be disposed on the truck next to platform and slipped and fell              | Not Submitted               |
| 2   | 08/06/2023       | Parks n Garden          | Multiple injuries        | Umhlali Village            | While doing inspection in the village, he slipped on wet area and fell injuring his right hand                                    | 19/06/2023                  |
| 3   | 28/05/2023       | Waste                   | Injury to the left leg   | Luthuli Street             | Whilst she was sweeping, she slipped and fell and sustained an injury on the left leg                                             | 01/06/2023                  |
| 4   | 26/05/2023       | LED                     | Injury to the right foot | Stanger High School        | She fell and strained her right ankle                                                                                             | 01/06/2023                  |
| 5   | 26/05/2023       | Electrical              | Injury on the eye        | Dube Village by Zama Zama  | Whilst in the process of changing a fuse which exploded resulting in fragments entering his right eye                             | 01/06/2023                  |
| 6   | 04/04/2023       | Traffic                 | Multiple injuries        | R102 (Impact/ Shakaskraal) | Whilst performing traffic duties a vehicle knocked him and he sustained multiple injuries                                         | 12/04/2023                  |
| 7   | 24/04/2023       | Marine Safety           | Injury to the left knee  | Clark Bay                  | Whilst he was performing rescue duties he sustained an injury on the knee                                                         | 04/05/2023                  |
| 8   | 01/03/2023       | Parks n Garden          | Injury to the right hand | Laher street, High Ridge   | Whilst performing his duties his right hand got trapped between the tree and cherry picker bucket when gears of the bucket jammed | 21/04/2023                  |
| 9   | 18/03/2023       | Electrical              | Multiple injuries        | Ayelsford Avenue- Gledhow  | Whilst performing electrician duties( MV Switching isolating) he sustained multiple injuries                                      | 22/03/2023                  |

**TABLE 91: INJURIES ON DUTY ...continued**

| NO. | DATE OF ACCIDENT | NAME OF DEPARTMENT | NATURE OF THE ACCIDENT   | PLACE OF THE ACCIDENT                                   | SHORT DESCRIPTION                                                                                      | DATE OF SUBMISSION TO W.C.A |
|-----|------------------|--------------------|--------------------------|---------------------------------------------------------|--------------------------------------------------------------------------------------------------------|-----------------------------|
| 10  | 24/03/2023       | Traffic            | Multiple injuries        | Corner of Chief Albert Luthuli street and Hullet street | Responding to alleged accident was involved in an accident                                             | 28/03/2023                  |
| 11  | 24/03/2023       | Traffic            | Multiple injuries        | Corner of Chief Albert Luthuli street and Hullet street | Responding to alleged accident and was involved in an accident                                         | 28/03/2023                  |
| 12  | 24/03/2023       | Traffic            | Multiple injuries        | Corner of Chief Albert Luthuli Street and Hullet street | Responding to alleged accident and was involved in an accident                                         | 28/03/2023                  |
| 13  | 18/02/2023       | Marine safety      | Injury to the right leg  | Tinley Manor Beach                                      | Whilst training with rescue craft it slipped off his hands and injured his right leg                   | 24/02/2023                  |
| 14  | 14/02/2023       | Marine Safety      | Injury to the head       | Clark Bay                                               | While he was performing a rescue he went over the rocks and injured his head                           | 24/02/2023                  |
| 15  | 08/02/2023       | Waste              | Injury to the right leg  | Lavoipierre yard (KwaDukuza)                            | While she was on her way to perform her duties ,she slipped and sustained injury to her right leg      | 15/02/2023                  |
| 16  | 01/02/2023       | Finance            | Multiple injuries        | Corner of Mahatma Gandhi and Gizenga                    | Whilst driving a truck came from behind and knocked the vehicle he was driving                         | 07/02/2023                  |
| 17  | 31/01/2023       | Cooperate Service  | Multiple injuries        | KwaDukuza (CBD)                                         | He was involved in a car accident whilst performing Close Protection Duties                            | 06/02/2023                  |
| 18  | 28/01/2023       | Marine Safety      | Multiple injuries        | Blythedale Beach                                        | While he was sitting on the stairs his phone slipped off his hand and fell attempting to save it       | 01/02/2023                  |
| 19  | 11/01/2023       | Marine Safety      | Multiple injuries        | Blythedale Beach                                        | Whilst travelling on a boat the equipment inside fell on top of him and he sustained multiple injuries | 28/03/2023                  |
| 20  | 03/01/2023       | Finance            | Injury on the back       | Dendethu                                                | Whilst performing meter reader duties he slipped and fell injuring his back                            | 25/01/2023                  |
| 21  | 09/01/2023       | Finance            | Injury to the right hand | Sheffield love                                          | Whilst performing meter reader duties she got stung and sustained injury on the right hand             | 12/01/2023                  |
| 22  | 04/12/2022       | Marine Safety      | Multiple injuries        | Willard Beach                                           | Whilst he was performing a rescue he got washed to the rocks and sustained multiple injuries           | 06/12/2022                  |
| 23  | 09/12/2022       | Traffic            | Multiple injuries        | KwaDukuza (CBD)                                         | Whilst testing a driver the vehicle she was involved in a car accident                                 | 14/09/2022                  |

**TABLE 91: INJURIES ON DUTY ...continued**

| NO. | DATE OF ACCIDENT | NAME OF DEPARTMENT | NATURE OF THE ACCIDENT         | PLACE OF THE ACCIDENT             | SHORT DESCRIPTION                                                                                                         | DATE OF SUBMISSION TO W.C.A |
|-----|------------------|--------------------|--------------------------------|-----------------------------------|---------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| 24  | 06/12/2022       | Traffic            | Trauma                         | R102 Sanibonani Lodge entrance    | He got traumatised whilst assisting fellow employees who was fighting for his life after he had been hit by car           | 27/01/2023                  |
| 25  | 06/12/2022       | Traffic            | Multiple injuries              | New Guilderland R102              | Whilst on the side of the road ,a motor car veered off the road and fatally knocked him                                   | 08/12/2022                  |
| 26  | 24/11/2022       | Waste              | Injury to the right leg        | Lavoipierre yard                  | Whilst performing general worker duties carrying a box hell and sustained injury on the right leg                         | 29/11/2022                  |
| 27  | 18/11/2022       | Marine Safety      | Multiple injuries              | Blythedale Beach                  | Whilst performing lifeguard duties a wave threw him on the sandbank and he sustained multiple injuries                    | 29/11/2022                  |
| 28  | 14/11/2022       | Finance            | Multiple injuries              | Salt Rock                         | Whilst traveling from KwaDukuza Ballito offices to Stanger offices to attend a meeting she was involved in a car accident | 24/11/2022                  |
| 29  | 04/11/2022       | Traffic            | Multiple injuries              | N2 Southbound                     | Whilst approaching a car he had stopped, the suspect in the car shot him multiple times                                   | 24/11/2022                  |
| 30  | 13/09/2022       | EPWP               | Multiple injuries              | KwaDukuza (CBD)                   | Whilst performing general worker duties a colleague hit her and she sustained ,multiple injuries                          | 16/09/2022                  |
| 31  | 23/08/2022       | EPWP               | Multiple injuries              | KwaDukuza (CBD)                   | While working on the roof he slipped and fell on the ground and sustained multiple injuries                               | 16/09/2022                  |
| 32  | 28/08/2022       | Traffic            | Multiple injuries              | Cato Street                       | Whilst performing Traffic duties assisting SAPS on arresting a drug dealer he sustained multiple injuries                 | 31/08/2022                  |
| 33  | 28/08/2022       | Traffic            | Multiple injuries              | Cato Street                       | Whilst performing Traffic duties assisting SAPS on arresting a drug dealer she sustained injuries.                        | 31/08/2022                  |
| 34  | 17/08/2022       | Traffic            | Multiple injuries              | KwaDukuza (CBD)                   | Whilst getting off the municipal vehicle he slipped and fell and sustained multiple injuries                              | 22/08/2022                  |
| 35  | 09/08/2022       | Waste              | Injury to the left leg         | Cato Street                       | Whilst she was performing her street sweeping duties she slipped and fell and sustained an injury to the left leg         | 22/08/2022                  |
| 36  | 07/08/2022       | Cemetery           | Multiple injuries              | Cemetery and Crematoria           | Whilst performing his general worker duties                                                                               | 18/08/2022                  |
| 37  | 25/07/2022       | Traffic            | Injury to the right-side ankle | Testing Grounds- driver's section | While going back to into the park home she felt dizzy and stumbled on the step at the door                                | 18/08/2022                  |

## EMPLOYEE ASSISTANCE PROGRAMME (EAP)

KwaDukuza Municipality is committed to the health and the wellbeing of its employees and recognized that a variety of personal problems can disrupt their personal and work lives. Serious family problems are usually amiable to treatment and rehabilitation. Personal problems like alcoholism; drugs; gambling; stress and emotional distress have devastating effects on the health and life of the person. Provision of professional advice to employees will go a long way towards improving their wellbeing in the workplace, KDM further recognizes that the Employee Assistance Practitioner is a tertiary form of support to employees.

KwaDukuza municipality in 2022/2023 financial year conducted the following programmes under EAP office.

- Employee Wellness Sports Day
- Alcohol & Drugs Awareness Session
- Financial Awareness Session for KDM employees .
- Trauma Counselling for the Law Enforcement Officers
- Women's' Day Celebration
- Memorial Services
- Annual Prayer

The municipality has through an open tender system appointed a panel of service providers to assist with counselling and rehabilitation of employees for a period of three years. This will assist in ensuring that employees receive immediate psychological assistance after being involved in traumatic situations such as road accidents and others.

**TABLE 92: EAP SCOPE FOR THESE SERVICES PROVIDERS INCLUDES**

|    |                                                                                               |
|----|-----------------------------------------------------------------------------------------------|
| 1  | Pre-employment medical assessment per employee and report/ to pension fund (Health Screening) |
| 2  | Health Assessment for Pension per employee (Health Screening)                                 |
| 3  | Ongoing General Health Screening                                                              |
| 4  | Immunisation Hepatitis A                                                                      |
| 5  | Immunisation Hepatitis B                                                                      |
| 6  | Injury on Duty (IOD) treatment                                                                |
| 7  | Provision of workplace stress and post trauma Management Programmes                           |
| 8  | Provision of Economic/Financial Stress Management Programmes                                  |
| 9  | Provision of workplace Alcohol and Drug abuse Programmes                                      |
| 10 | Provision of Counselling services affected employees                                          |
| 11 | Conduct audit/assessment for psychosocial factors (Stress, Economic Stress, Alcohol and Drugs |

## OCCUPATIONAL HEALTH AND SAFETY

The Health and Safety office is responsible for ensuring that internal Business Units and appointed contractors comply with the provisions of Occupational Health and Safety Act. The office performs this function through conducting inspections and issue compliance notices and reports. The following were the areas of performance during the 2022/23 financial year:-

- The quarterly siting of the Health and Safety committee
- Appointment of Occupational Health and Safety Representative per workstation
- Development of mitigation plan on issues of compliance raised in the report by the Department of Employment and Labour.

## CONSEQUENCE MANAGEMENT

For the municipality to be effective and efficient it requires high level of disciplined staff members geared towards services delivery. For this to be achieved a number of labour relations awareness workshops were conducted.

The Municipality has a responsibility to maintain a capable and disciplined workforce that is able to drive its mandate with discipline while observing relevant legislation and rules. Further the municipality has to ensure that staff members are disciplined through taking disciplinary actions against those involved in corruption, fraud, theft and other forms misconduct.



**TABLE 93: NUMBER OF EMPLOYEES WHO WERE DISCIPLINED**

| NO.          | BUSINESS UNIT                                    | TYPE OF MISCONDUCT                                                 | MANAGEMENT LEVEL | OTHER EMPLOYEES | OUTCOME                          |
|--------------|--------------------------------------------------|--------------------------------------------------------------------|------------------|-----------------|----------------------------------|
| 1            | Community Safety                                 | Unauthorised Use of Vehicles, Negligence                           | 0                | 2               | Not yet finalized                |
| 2            | Office of the Municipal Manager                  | Fraud                                                              | 0                | 1               | Not Yet Finalized                |
| 3            | Office of the Municipal Manager                  | Misuse of KDM vehicle                                              | 0                | 1               | Finalized: First written warning |
| 4            | Corporate Services                               | Putting the name of KDM into disrepute                             | 0                | 1               | Not yet finalized                |
| 5            | Corporate Services                               | Absent Without Leave                                               | 0                | 1               | Finalized: Dismissed             |
| 6            | Finance Business Unit                            | Fraud and Negligence                                               | 0                | 2               | Not yet finalized                |
| 7            | Finance                                          | Fraud                                                              | 0                | 1               | Not Yet Finalized                |
| 8            | Economic Development and Planning                | Sexual Harassment                                                  | 0                | 1               | Not Yet Finalized                |
| 9            | Economic Development and Planning                | Poor work performance, Dishonesty, Gross Negligence, Bribery, etc. | 0                | 1               | Not Yet Finalized                |
| 10           | Community Services & Public amenities            | Absent Without Leave                                               | 0                | 1               | Finalized: Dismissed             |
| 11           | Community Services                               | AWOL, Insubordination                                              | 0                | 2               | Final written warning            |
| 12           | Corporate Services                               | AWOL                                                               | 0                | 1               | First written warning            |
| 13           | Community Safety                                 | Fraud and Negligence                                               | 0                | 1               | Not Yet Finalized                |
| 14           | Community Safety                                 | Threat of Assault, Gross insubordination                           | 0                | 1               | Not Yet finalized                |
| 15           | Electrical Engineering Services                  | Insubordination, Negligence and Fraud                              | 0                | 1               | Not Yet Finalized                |
| 16           | Electrical Engineering Services                  | Theft, Negligence and fraud                                        | 0                | 1               | Not Yet Finalized                |
| 17           | Civil Engineering Services and Human Settlements | Dishonesty and Fraud                                               | 0                | 1               | Not Yet Finalized                |
| <b>TOTAL</b> |                                                  |                                                                    |                  | <b>20</b>       |                                  |

## COMPONENT C

### SKILLS DEVELOPMENT

The vision of the Skills Development Unit is to ensure that Council has a skilled and capable workforce to support inclusive growth and development of skills within KwaDukuza Municipality. This is achieved through the co-ordination and provision of quality assured skills development interventions for Council employees to ensure that they function at an optimal level thus contributing to effective and efficient service delivery.

Skilling of Council employees, Interns and Councillors is achieved through relevant training interventions and sustainable development initiatives that cascade skills to all disciplines on all levels within the organisation. This is done through The Workplace Skills Plan (WSP) that serves as the strategic document that gives direction to training and development.

The Budget allocation for skills development for the year under review was R 1 140 000 and but only 96 % was spent, more focus was place on statutory training as this budget was too low for the municipality of the size.

## SKILLS DEVELOPMENT CONDUCTED FOR STAFF

The Skills Development Act, 1998 (Act No 97 of 1998) and the MSA, require that Employers provide the employees with requisite training to develop the human capital capacity. Section 55(1)(1) provides that the Head of Administration, the Municipal Manager is responsible for the management as well as training of staff.

This section highlights the efforts of the Municipality with regards to skills development. Capacitating Municipal Workforce-Occupational Levels .

**TABLE 94: TRAININGS PROVIDED**

| OCCUPATIONAL CATEGORY                  | MALES | FEMALES | TOTAL |
|----------------------------------------|-------|---------|-------|
| Legislators                            | 0     | 0       | 0     |
| Directors and Corporate Managers       | 10    | 6       | 16    |
| Professionals                          | 2     | 0       | 2     |
| Technicians and Trade Workers          | 0     | 3       | 3     |
| Community and Personal Service Workers | 80    | 24      | 104   |
| Clerical and Administrative Workers    | 3     | 5       | 8     |
| Machine Operators and Drivers          | 3     | 0       | 3     |
| Labourers                              | 96    | 35      | 131   |

## BURSARIES AWARDED TO INTERNAL STAFF

The aim of the KDM Staff Bursary Policy is to assist staff members to obtain academic qualifications that are relevant to the objectives of the municipality to improve their level of contribution towards service delivery.

**TABLE 95: BURSARIES AWARDED**

|                                   |             |
|-----------------------------------|-------------|
| Total number of bursaries awarded | 18          |
| Number of females                 | 12          |
| Number of males                   | 6           |
| Total budget                      | R257 304.36 |

**TABLE 96: LIST OF COURSES**

|    |                                                    |
|----|----------------------------------------------------|
| 1  | BA DEVELOPMENT STUDIES                             |
| 2  | PROGRAMME IN PROJECT MANAGEMENT                    |
| 3  | DIPLOMA IN INFORMATION TECHNOLOGY                  |
| 4  | N4-N6 PUBLIC MANAGEMENT                            |
| 5  | BA IN POLICING & PUBLIC SECTOR GOVERNANCE          |
| 6  | ADVANCE DIPLOMA IN INFORMATION RESOURCE MANAGEMENT |
| 7  | LLB                                                |
| 8  | DIPLOMA IN FIRE TECHNOLOGY                         |
| 9  | ELECTRICAL TRADE TEST                              |
| 10 | DIPLOMA IN FIRE TECHNOLOGY                         |
| 11 | PLUMBING TRADE TEST                                |
| 12 | NC: PROJECT MANAGEMENT                             |
| 13 | DIPLOMA IN GEO INFORMATION SCIENCE & TECHNOLOGY    |

The Municipality reviewed its Staff Bursary Policy to include a clause that a staff member will enrol for post graduate course must have achieved target specified in their performance plans and also to contribute to 30% of the total amount to be paid to the education institution.

**TABLE 97: COMPETENCY TRAINING FOR SENIOR MANAGERS: MUNICIPAL FINANCIAL MANAGEMENT PROGRAMME (MFMP)**

|                                          | A                                                                                                   | B                                                                                            | C                                   | D                                                                                                   | E                                                                                                                                       | F                                                                                                                           |
|------------------------------------------|-----------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|-------------------------------------|-----------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
|                                          | TOTAL<br>NUMBER OF<br>EMPLOYEES<br>EMPLOYED<br>BY THE<br>MUNICIPALITY:<br>REGULATION<br>14(4)(A)(C) | TOTAL OF<br>OFFICIALS<br>EMPLOYED<br>BY THE<br>MUNICIPAL<br>ENTITY<br>REGULATION<br>14(A)(C) | CONSOLIDATED<br>TOTAL OF A<br>AND B | CONSOLIDATED<br>COMPETENCY<br>ASSESSMENTS<br>COMPLETED<br>FOR A AND B:<br>REGULATION<br>14(4)(B)(D) | CONSOLIDATED<br>TOTAL NUMBER OF<br>OFFICIALS WHOSE<br>PERFORMANCE<br>AGREEMENTS<br>COMPLY WITH<br>REGULATION 16:<br>REGULATION 14(4)(F) | CONSOLIDATED<br>TOTAL NUMBER<br>OF OFFICIALS<br>THAT MEET THE<br>PRESCRIBED<br>COMPETENCY<br>LEVELS:<br>REGULATION 14(4)(E) |
| <b>FINANCIAL OFFICIALS</b>               |                                                                                                     |                                                                                              |                                     |                                                                                                     |                                                                                                                                         |                                                                                                                             |
| Accounting Officer                       | 1                                                                                                   | 0                                                                                            | 1                                   | 1                                                                                                   | 1                                                                                                                                       | 1                                                                                                                           |
| Chief Financial Officer                  | 1                                                                                                   | 0                                                                                            | 1                                   | 1                                                                                                   | 1                                                                                                                                       | 1                                                                                                                           |
| Executive Directors                      | 6                                                                                                   | 0                                                                                            | 6                                   | 6                                                                                                   | 6                                                                                                                                       | 5                                                                                                                           |
| Directors                                | 24                                                                                                  | 0                                                                                            | 24                                  | 21                                                                                                  | 0                                                                                                                                       | 21                                                                                                                          |
| <b>SUPPLY CHAIN MANAGEMENT OFFICIALS</b> |                                                                                                     |                                                                                              |                                     |                                                                                                     |                                                                                                                                         |                                                                                                                             |
| Head of SCM                              | 1                                                                                                   | 0                                                                                            | 1                                   | 1                                                                                                   | 1                                                                                                                                       | 1                                                                                                                           |
| SCM Managers                             | 1                                                                                                   | 0                                                                                            | 1                                   | 1                                                                                                   | 1                                                                                                                                       | 1                                                                                                                           |
| Any other financial officials            | 14                                                                                                  | 0                                                                                            | 14                                  | 10                                                                                                  | 14                                                                                                                                      | 10                                                                                                                          |
| <b>TOTAL</b>                             | <b>48</b>                                                                                           | <b>0</b>                                                                                     | <b>48</b>                           | <b>41</b>                                                                                           | <b>23</b>                                                                                                                               | <b>40</b>                                                                                                                   |

## WORK INTEGRATED LEARNING / INSERVICE TRAINING / INTERNSHIPS

During the 2022/2023 Financial year a number of learners and graduates were placed on work integrated learning and internship programmes for different business units as illustrated on the graph below:

**TABLE 98: WORK INTEGRATED LEARNING AND INTERNSHIP PROGRAMMES**

| BUSINESS UNITS                                 | AREA OF FOCUS /SECTION            | NO OF INTERNS |
|------------------------------------------------|-----------------------------------|---------------|
| Community safety Business Unit                 | Intern -Disaster Management       | 01            |
| Community safety Business Unit                 | Intern -Traffic & Crime           | 02            |
| Community safety Business Unit                 | Intern -Testing & Motor Licensing | 01            |
| Finance Business Unit                          | Intern -Finance                   | 04            |
| Economic Development & Planning                | Interns - Admin                   | 05            |
| Economic Development & Planning                | Intern - Town Planning            | 02            |
| Economic Development & Planning                | Intern -LED                       | 02            |
| Economic Development & Planning                | Intern -Sport                     | 01            |
| Office of the Municipal Manger's Business Unit | Intern -Internal Audit            | 02            |
| Corporate Services                             | Intern - IT                       | 01            |
| Corporate Services                             | Intern - Admin                    | 02            |
| Corporate Services                             | Intern - HR                       | 03            |
| Electrical Engineering                         | Apprenticeship                    | 02            |
| Youth Development                              | Youth and Sports                  | 03            |
| Civil Engineering                              | Roads and Stormwater              | 05            |
| Community Services and Public Amenities        | Admin                             | 2             |
| Community Services and Public Amenities        | Parks and Gardens                 | 2             |
| <b>TOTAL</b>                                   |                                   | <b>40</b>     |

## COMPONENT D

### EMPLOYEE AND COUNCILLOR – REMUNERATION

TABLE 99: EMPLOYEE AND COUNCILLOR REMUNERATION

|                                   | 2023              | 2022              |
|-----------------------------------|-------------------|-------------------|
|                                   | R                 | R                 |
| <b>COUNCILLORS</b>                |                   |                   |
| Mayor                             | 1 155 510         | 897 392           |
| Deputy Mayor                      | 788 732           | 781 584           |
| Speaker                           | 964 138           | 735 224           |
| Executive Committee (EXCO)        | 7 434 247         | 4 956 636         |
| Councillors                       | 19 600 460        | 13 022 329        |
| Councillors' pension contribution | 2 835 748         | 1 802 383         |
| Traditional leaders               | 32 800            | 14 800            |
|                                   | <b>32,811,634</b> | <b>22,210,348</b> |

TABLE 100: EMPLOYEE RELATED COSTS

|                                                 | 2023               | 2022               |
|-------------------------------------------------|--------------------|--------------------|
|                                                 | R                  | R                  |
| <b>EMPLOYEES</b>                                |                    |                    |
| Basic                                           | 281,973,055        | 257,719,929        |
| Bonus                                           | 21,814,499         | 20,751,104         |
| Medical aid - company contributions             | 27,722,117         | 26,413,812         |
| UIF                                             | 2,199,285          | 2,069,355          |
| Industrial council levies                       | 136,069            | 126,423            |
| Leave pay provision charge                      | 9,474,814          | 8,509,405          |
| Leave & bonus provision expense                 | 5,241,571          | 1,305,585          |
| Travelling allowances                           | 17,726,345         | 16,098,553         |
| Overtime payments                               | 66,657,454         | 65,269,750         |
| Housing benefits and allowances                 | 1,148,983          | 1,092,105          |
| Group Life Assurance                            | 2,860,673          | 1,845,091          |
| Pension Contributions                           | 50,580,293         | 46,781,101         |
| Standby, Uniform, Telephone and Tool allowances | 15,986,498         | 14,222,392         |
|                                                 | <b>503,521,657</b> | <b>462,204,606</b> |



# 05

## FINANCIAL PERFORMANCE



## COMPONENT A: STATEMENT OF FINANCIAL PERFORMANCE

### REVENUE

The Annual Financial Statements reflect the continued progress being made by the Municipality to ensure a financially viable institution, which can withstand a certain degree of financial volatility and continue to operate for the benefit of its inhabitants. Revenue year-on-year continued to show improvement, KwaDukuza Municipality's (KDM) operating revenues grew by 28% from R2 161 331 593 (restated) in 2022 to R2 757 347 726 in 2023. Major attributes to the increase in revenue are Interest earned on Investments by 188%; Fines Income of a 26% increase from 2022 and marginal increases in Property rates by 13%; Property Rates Penalties Imposed by 39%; Rental of facilities of 26% and increase in services charges by 3%. The increase in revenue is mainly attributable to significant increases in electricity and refuse charges through back billing and special investigations. Valuation adjustments and an increase in new registrations during the year further contributed to an increase in revenue for the year.

Own revenue is 71% of total revenue. This indicates that the Council is not dependent on grant funding as it operates successfully on its own.

Assessment rates reflected an increase of 15% (2022: 4.29% restated), refuse income increased by 17% (2022: 12.97%) and electricity revenue increased by 2%. The increase in the percentage year-on-year electricity and refuse revenue can be attributable to a combination of higher electricity tariff increases and growth of the consumer database. It should also be noted that ESKOM bulk tariff increases for 2022/2023 was 8.61% growth in bulk electricity costs.

### EXPENDITURE

An overall increase of 8% was recognized compared to prior financial year (increase of 15%). The following key categories contributed to the increase:

- Bulk Purchase - an increase in expenditure by 8%.
- Contracted Services - an increase of 20% mainly attributable to an increase in repairs and maintenance.
- General expenditure – an increase of 23% - main contributors being sundry oils & fuel; Ballito Pro Expenditure and various other miscellaneous expenditure items.

## COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

The capital budget is committed largely to new infrastructure projects and the renewal of existing capital assets with a focus on direct service delivery projects. KDM had an approved adjusted Capital Budget of R1 023 114 000. The total spending for the year amounted to R 714 119 824 which represents 70% of the total approved adjusted capital budget.

## COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENT

The cash and cash equivalents of the municipality as of 30 June 2023 amounts to R1 805 281 205. This represents an increase of 107% as compared to the previous financial year. The increase is largely due to the receipt of disaster grants of R1.2b and R109m. This however excludes the short-term deposits. The interest earned on investments in the 2022/2023 financial year amounted to R92 233 107 which represents an 188% increase from 2021/2022. This is due to additional interest received on the disaster grants and marginal increases in interest rates due to the gradual stabilization of the economy.

Finance costs have decreased by 5% in the 2022/2023 financial year. No additional loans were taken up during 2022/2023. The purchase of PPE resulted in an outflow of R713 263 760 in 2022/2023 amounting to a 70% capital spend. The following ratios confirm the liquidity of our municipality:

- Current ratio is at 1.49:1 as compared to the previous year of 2.77:1
- The acid test ratio is at 1.48:1 as compared to the previous year 2.75:1

The effect of unspent grant liabilities is skewing the current and acid test ratio's when compared to the previous financial year. Hence the ratio has decreased from the previous year.

Although it may appear that our cash reserves have increased, a substantial component of the cash reserves are ring fenced for statutory or constructive obligations. Further the 2022/2023 capital budget relies heavily on cash reserves which will reduce our cash holdings as the 2022/2023 financial year progresses.

## COMPONENT D: OTHER FINANCIAL MATTERS

KwaDukuza Municipality has ensured that it improves its financial management through the implementation of relevant internal controls and adhering to legislation.

Financial reporting – finance reports are presented to the Finance and Local Public Administration Portfolio Committee on a monthly basis. All statutory returns have been submitted to National Treasury on a monthly, quarterly, bi-annually and annually basis. S71, S52 (d) & S72 reports are compiled and submitted to National Treasury.

During the 2022/2023 Financial Year, KwaDukuza closely monitored the implementation of MSCOA. This process commenced in the 2017/18 financial year.

Various awareness and training sessions were held throughout the municipality to ensure that all necessary role-payers were familiar with the implications and enhancements which MSCOA had on our operations. We will continue to improve on our internal controls in order to ensure that we achieve our goal of obtaining a clean audit opinion.

Honourable Speaker  
KwaDukuza Municipality  
14 Chief Albert Luthuli Street  
Stanger Central  
4450

## REPORT OF THE AUDIT, RISK AND PERFORMANCE AUDIT COMMITTEE TO THE COUNCIL OF KWADUKUZA MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2023

The Audit, Risk and Performance Audit Committee ("Audit Committee") hereby submits the report to the Council of KwaDukuza Municipality. This report is submitted in terms of the provisions of sections 121(3)(j), 166(2)(b) and 166(2)(c) of the Municipal Finance Management Act of 2003 ("the MFMA") and covers the financial year ended 30 June 2023.

The legal responsibilities of the Audit Committee are set out in terms of the Municipal Finance Management Act, No. 56 of 2003 (Section 166) read in conjunction with the National Treasury's MFMA Circular 65.

### AUDIT COMMITTEE MEMBERS AND ATTENDANCE AT MEETINGS

The Audit Committee had 5 members whose term came to an end on 31 December 2022. A new Audit Committee was appointed on 1 January 2023 and is comprised of independent, external members.

The Committee is required to meet at least 4 times per annum as per the Audit Committee Charter and the MFMA. However, additional meetings may be called as the need arises. Members' attendance at the meetings is listed below:

| NAME                                                           | MEETINGS<br>SCHEDULED | MEETINGS<br>ATTENDED |
|----------------------------------------------------------------|-----------------------|----------------------|
| N Mchunu (AC chairperson) re -appointed on 01 January 2023     | 11                    | 11                   |
| Mr C Meyiwa (PAC chairperson) re -appointed on 01 January 2023 | 11                    | 11                   |
| Mr A Jordan (contract ended on 31 December 2022)               | 3                     | 3                    |
| Ms S Gertze (contract ended on 31 December 2022)               | 3                     | 2                    |
| Ms S Mthembu re -appointed on 01 January 2023                  | 11                    | 11                   |
| Ms W Oelofse (appointed on 01 January 2023)                    | 8                     | 8                    |
| Mr K Kooverjee (appointed on 01 January 2023)                  | 8                     | 7                    |

### The following are standing invitees to the Audit Committee Meetings.

- Representative from Office of the Auditor-General (AG)
- Representatives from Provincial Treasury and COGTA
- Honourable Mayor
- MPAC Chairperson
- Risk Committee Chairperson
- Head of Internal Audit
- Internal Audit Manager
- The Municipal Manager (MM)
- The Chief Financial Officer (CFO)
- Executive Directors
- Director: PMS

### AUDIT COMMITTEE RESPONSIBILITY

The Audit Committee has been set up in accordance with the Municipal Finance Management Act, No. 56 of 2003 (Section 166) and operates within the terms of the Audit Committee Charter which has been approved by the Council of the KwaDukuza Municipality.

Section 121(4)(g) of the Municipal Finance Management Act, No. 56 of 2003 also requires that the annual report must include any recommendations of the Municipality's Audit Committee.

### IN THE CONDUCT OF ITS DUTIES, THE AUDIT COMMITTEE HAS PERFORMED THE FOLLOWING STATUTORY DUTIES:

#### 1. REVIEWED THE SYSTEMS OF INTERNAL FINANCIAL CONTROL AND INTERNAL AUDIT

For the purposes of executing its statutory duties as contained in section 166(2)(a) of the MFMA as well as its mandate as set out in the Audit Charter, the Audit Committee relies on the work performed by the Internal Audit Unit in line with the risk-based internal audit plan.

The risk based internal audit plan for the financial year ending 30 June 2023 was approved by August 2022. The Audit Committee at each meeting assesses performance against the plan and assesses whether critical risks relating to the administration and operations of KwaDukuza Municipality are identified and addressed.

There was a concern regarding the adequacy of resources to execute the plan to completion due to capacity constraints within the unit. The Unit currently has very limited capacity to discharge its duties in line with the Annual Audit Plan. Areas audited as at end of June 2023 represented 73% of the achievement, consequently the plan was revised to move some of the projects to the 2023/24 financial year.

The audit committee has made recommendations for the municipality to co- source some of the audits in 2023/24, to increase capacity. Most importantly the municipality must finalise the filling of vacancies in the Internal Audit unit.



Critical matters requiring attention:

## GENERAL

- Capacity constraints impacting the ability for the unit to discharge its functions.
- Ad hoc functions, mainly relating to the review of documents related to Disaster Management and Recovery Grants.
- Ongoing ad hoc requests impacting capacity.
- Limitation of scope where documents were not provided for audit.
- Delays in the submission of audit information and evidence.
- Delays in management responses to findings.

It is important to note that the maintenance of an effective system of internal control and risk management, remains the responsibility of management. Leadership both political and administration is accordingly urged to hold those charged with a duty of responsibility to account when it comes to non-compliance with the internal processes and non-implementation of recommendations made.

## 2. RISK MANAGEMENT

The MFMA requires the accounting officer of the municipality to take all reasonable steps to ensure that the municipality has and maintains effective, efficient, and transparent systems of financial, risk management and internal control.

Risk management is the identification, assessment and prioritisation of risks and the application of resources to minimise, monitor and control the probability and/or impact of the risks. The Audit Committee is responsible for the oversight of the internal and external audit function as well as financial reporting. The assessment of internal controls over financial reporting is risk based, and as a result the Audit Committee is responsible for overseeing management's risk policies and discussing the Municipality's key risk exposure and management.

The municipality currently has a system of managing risk, as required in terms of S 62 of the MFMA. This function involves an annual assessment of municipal risk, and periodic risk reviews carried out by management and the Risk Committee and relevant personnel at the municipality. The 2022/23 risk registers were finalised during the first quarter of 2022/23, and the committee was presented with the quarter 3 and 4 Risk Management Report.

**Matters that are brought to the attention of Council are:**

- Disruptions to operations and financial management with the CFO being on suspension. Some of the finance functions may be compromised especially with the Audit process by the AG and processes relating to the disbursing of Disaster Management Grants. Management needs to carefully assess the impact of this on municipal processes and identify any potential gaps and weaknesses.
- Creation of ghost employees on the system, which is currently being audited by Internal Audit. This audit has not been completed, as some of the employees have not presented themselves for physical verification.
- Potential shrinkage in electricity revenue due to alternative energy sources explored by customers. Management has been requested to investigate the probability of top customers migrating to alternative power generation and potential impact to the municipality revenue generation capacity.

## 3. REVIEW OF FINANCIAL STATEMENTS AND ACCOUNTING POLICIES.

The Audit Committee has the obligation to review the Municipality's Annual Financial Statements and provide the Council with an authoritative and credible view of the Municipality's financial position, performance, and cash flow position. To do this, the Audit Committee relies on the work conducted by the Internal Auditors, and therefore such reviews have been provided for in the Annual Internal Audit Plan.

The Audit Committee was furnished with the action plan to address the findings raised by the AG in the 2022/23 audit. The Committee could not adequately assess the extent to which management addressed the findings raised by the AG due to non-submission of adequate evidence by management to support action plans implemented. The IT audit action plan was submitted, however could not be reviewed by IA due to capacity constraints.

The committee is concerned with the slow progress on the implementation of action plans to address the AG findings. This implies that management may not have adequately address the risks identified by the AG and Internal Audit, as at the end of the year.

Further to the above, the AG conducted a real time audit on the funds utilised for Flood Disaster Management. Management presented responses to the matters raised by the AG however these were not evaluated by IA, therefore the committee also could not assess if these matters had been adequately addressed by management.



#### 4. THE ADEQUACY, RELIABILITY AND ACCURACY OF FINANCIAL REPORTING AND INFORMATION

The Audit Committee is also required to advise council on the adequacy, reliability and accuracy of financial reporting and information in accordance with S 166 of the MFMA.

Internal audit conducted audits covering various cycles supporting reported information at the municipality. Findings from the audits concluded are tabled to the Audit Committee at each meeting. Further to that the committee also considered reports presented by management.

Management presents Financial Reports to the Audit Committee at each meeting. These reports include, S71 reports, S52 Reports, Top Debtors Reports, Energy losses etc.

Management also presented the Annual Financial Statements and the Annual Performance Report for the year ended 30 June 2023, in meetings held on 24 and 30 August 2023. The following key matters were identified by the committee, for the year ended 30 June 2023:

- **Energy losses** - The losses as at 30 June 2023 amounted to **25.39%** (2022: 24.83%).
- **Cash and Cash equivalents** amounted to **R 1,8 billion**, with unspent grants being **R 1 billion**, **Accounts Payable** amounted to **R 498 million** and **Commitments** amounted to **R 486 million**. Unspent grants as at year end were fully cash backed.
- **Debt collection** – the municipality is still experiencing challenges with the collection of debtors, with material long outstanding balances, especially for the Rates.
- **UIFW** - Irregular and Fruitless and Wasteful (UIFW) expenditure and the investigation thereof. **Irregular Expenditure** amounting to **R 84 million** and **Unauthorised Expenditure** amounting to **R 14 million** were investigated by MPAC and written off by Council. There must be adequate evidence to support the investigations conducted and the resolutions taken. Council must be able to prove that proper processes for UIFW investigation were followed, including recovery and consequence management.
- UIFW Balances remaining as at year end must still be subjected to investigation in line with S32 of the MFMA. Notably, no **Fruitless and Wasteful Expenditure** was written off during the year, while an amount of **R 1,4 million** is under investigation.
- **Capital Budget** – the capital budget as at 30 June 2023 was 71% (2022:76%) utilised. The municipality has had challenges with the spending on the CAPEX budget in previous years, and it seems this has persisted in 2023 with the Disaster Management grants spanning into the 2023/24 financial year. Further to this, management was urged to commence

procurement processes as soon as the budget is approved, to avoid delays. Having said the above, the committee acknowledges that the CAPEX budget utilisation was only 5% below prior year, despite the significant increases in the capital budget due to the appropriation of Disaster Management and Recovery grants, while the position for ED: Civil Engineering remained vacant.

#### 5. PERFORMANCE MANAGEMENT

The Audit Committee also serves as the Performance Audit Committee (PAC) for KwaDukuza Municipality. The legal responsibilities of the Audit Committee in this regard are set out in terms of the Local Government: Municipal Planning and Performance Management Regulations 2001.

Review of the previous Audit Committee reports and engagements with management and internal audit revealed that there were challenges in three critical areas where management performance has been below par namely; underspending of the capital budget, material energy losses and to a lesser extent the continued incurrence of irregular expenditure. The disturbing pattern is the recurrence of these challenges over the past 3 years although the capital budget underspend is mitigated by the increase in capital budget because of the disaster management grants as well as the vacancy of the Civil Engineering Services' Executive Director.

The Committee has noted the development of the consequence management policy that has since been adopted by Council. The policy should be implemented consistently by management. Council should continue to act in addressing the incurrence of (UIFW) expenditure and take appropriate action.

The committee sat to review the Annual Performance Report for the year ended in June 2023. The following was established from the review of the report:

- There were 104 performance targets for the financial year ended 2022/23 and 77% of the targets were fully achieved, while 33% were not met.
- Reasons for non-achievement primarily related to:
  - Disruptions by business forums. Council is urged to address this issue head-on and adopt a policy in this regard.
  - Worsening of energy losses.
  - Underquoting by service providers, which led to cashflow challenges on some of the projects.
  - The increase in the capital budget because of Disaster Management grants and, capacity constraints impacting SCM processes due to the number of bids that were to be processed versus the stringent grant conditions, which impacted SCM processes in terms of ordinary budgeted items. Predominantly, the focus had to shift prioritise processes relating to the Disaster Management grants.

It was further also established that the municipality still had instances where performance targets were often not supported by an adequate portfolio of evidence which is both credible and reliable. This had the impact of putting a strain on both PMS and internal audit resources, where audits were extended over a longer period due to delayed or non-submission of information which impacted the timeous implementation of the annual audit plan and PMS reporting.

## 6. EFFECTIVE GOVERNANCE

The Audit Committee fulfils an oversight role regarding the Municipality's reporting process, including the system of internal financial control. It is responsible for ensuring that the Municipality's internal audit function is independent and has the necessary resources, standing and authority within the Municipality to enable it to discharge its duties. Furthermore, the Audit Committee oversees cooperation between the internal and external auditors and serves as a link between the Council and these functions.

The internal and external auditors, Council and Council Committees and Management have unlimited direct access to the Audit Committee, primarily through its chairperson(s).

To strengthen and accountability the Mayor, Deputy Mayor and MPAC chairperson are standing invitees in the Audit and Performance Audit Committee meetings.

The Committee trusts that these engagements will strengthen governance and oversight by the Audit Committee and result in the improvement of systems and promotion of a clean administration.

The committee notes with concern the vacancies at senior management level especially for ED Civil Engineering Services and Human Settlements and other critical posts.

## 7. COMPLIANCE WITH LEGISLATION AND ETHICS

The Audit Committee noted some instances of non-compliance with policies and procedures, the Municipal Finance Management Act and other related legislation. These instances were brought to attention of management via the compliance report from Internal Audit and engagements with management. Matters requiring attention are listed below:

- While there was progress made in the investigation of UIFW by the Council committees, there were still balances at year end. This must be addressed in line with S32 of the MFMA.
- The committee notes that council is starting to implement consequence management. This process must be consistently and equitably applied and aligned to the recommendations made by the AG, to

ensure effectiveness. It is important to conduct a cost/benefit analysis before such matters are addressed to ensure that the most cost effective and fair process is followed.

- Council to prioritise the processes relating to the suspension of the CFO to ensure that the case is not pending for an extended period, which will create a void in the financial management function within the municipality and put the municipality at risk.
- The committee could not adequately assess the status of compliance in the municipality, as there was no sufficient evidence to conduct this assessment.
- The committee could not assess the status of the action plan as there was no adequate evidence provided to Internal Audit for some of the findings. There is a risk that some of the prior year findings raised by the AG may not have been adequately addressed.

The audit committee urges council and management to intentionally address matters relating to non-compliance, including matters listed above, and hold management accountable for instances of non-adherence.

## 8. RECOMMENDATIONS

- **Consequence Management** – The municipality must apply the consequence management processes consistently and effectively. This must also be strengthened with the recommendations made by the AG during the year.
- **Compliance** – Audit Committee recommends that compliance is a standing item for MANCO and Portfolio Committee meetings and to fast-track the process of resourcing this function.
- **UIFW Expenditure** – Council is urged to act in addressing the incurrence of irregular expenditure and implement consequence management, where necessary. The remaining balances of UIFW expenditure must be investigated properly, recommendations must be implemented, and action is to be taken against those found to be responsible (including recovery where possible).
- **Vacancies** – Council must fast track the approval of the amended organogram for the Internal Audit Unit, and filling of key positions including, Internal auditors, ED Civil Engineering Services, and other critical positions.
- **Risk Management** – Council and management to continue to monitor implementation of risk action plans.
- **Audit Findings** – Management to take combined ownership and responsibility of the findings raised by the AG and must closely monitor the implementation of this process and hold those that are not meeting commitments made to the AG, accountable.

- **Electricity losses** – Council and management to urgently intensify the implementation of strategies to curb electricity losses. There must be ongoing monitoring and evaluation of strategies implemented to ensure effectiveness. Further to this, council, and management to assess the probability and impact of a decrease in electricity revenue due to consumers migrating to alternative energy sources.
- **Contract Management** – Management must ensure that service providers and suppliers are performing according to contractual obligations, by conducting ongoing assessments of the service providers, and implementing corrective measures timeously. Each business unit must take responsibility for contracts within their respective areas.
- **Disaster Management Grants** – Council must prioritise the processing of Disaster Management Grants and ensure that the conditions relating to each project are met. Further to that, the SCM processes relating to these projects must be strengthened to ensure proper compliance with the PMS regulations and policy.

## 9. CONCLUSION

The implementation and maintenance of proper systems of internal controls, risk management, the prevention of fraud and errors, safeguarding of the assets of the municipality and compliance with relevant laws and regulations, are the responsibility of Council. The role of the audit committee is to monitor the efficiency of

the procedures and mechanism which Council has put in place to ensure that its policies and procedures are adhered to.

To this end the committee would like to congratulate the leadership and management of KwaDukuza Municipality for obtaining an unqualified audit opinion from AG. The committee trusts that management immediately formulate an action plan to address the matters raised by the AG.

The Audit Committee confirms its commitment to assist Council in making progress towards a clean administration and wishes to thank Council, management, internal and external audit for their support and contributions.

On behalf of the Audit Committee



**Ms N Mchunu**

*On behalf of the Audit, Risk and Performance Audit Committee*

Date: 29 December 2023



# 06

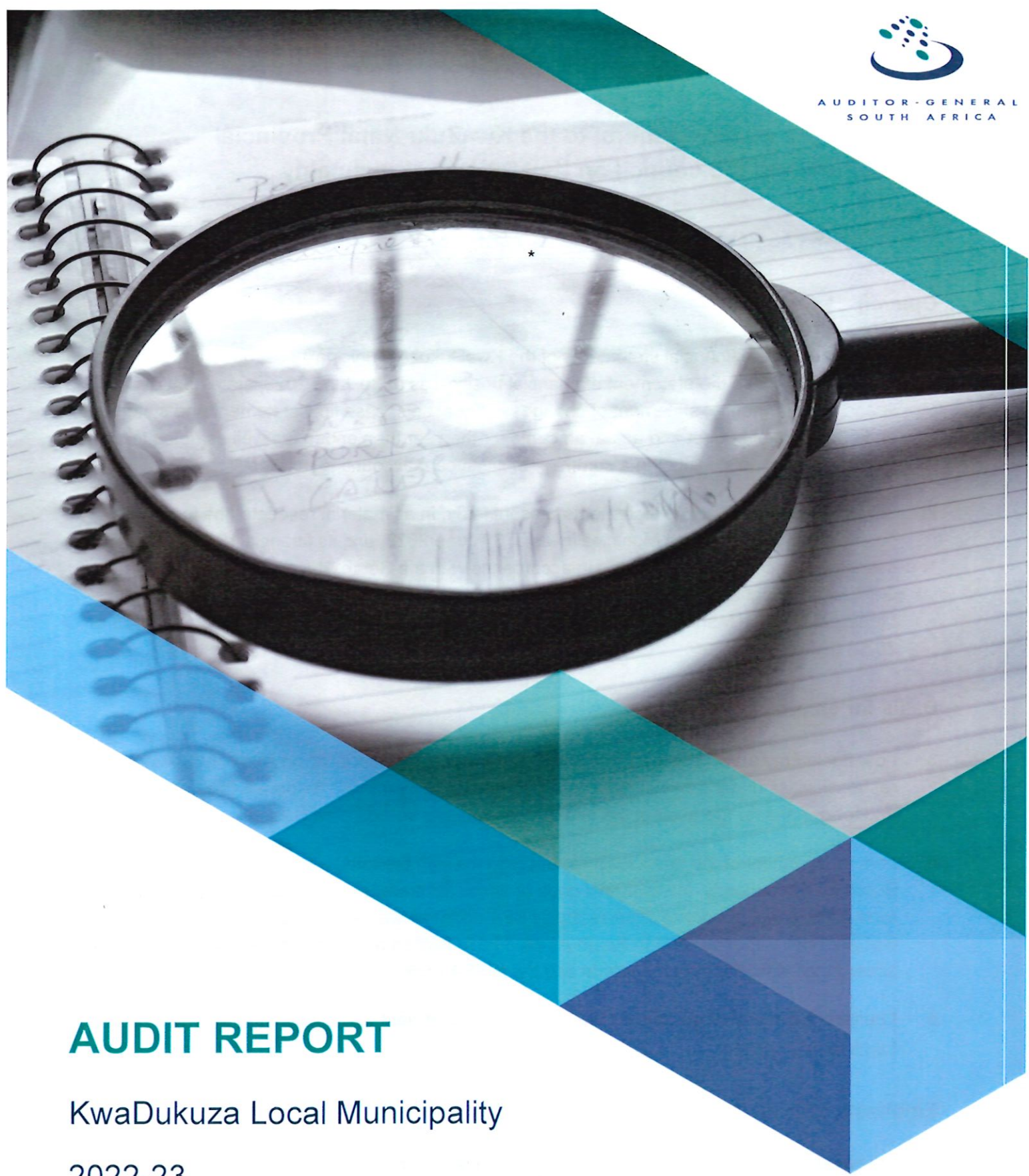
## ANNUAL FINANCIAL STATEMENTS







AUDITOR-GENERAL  
SOUTH AFRICA



# AUDIT REPORT

KwaDukuza Local Municipality

2022-23

*Date: 14 December 2023*

# Report of the auditor-general to the KwaZulu-Natal Provincial Legislature and the council on KwaDukuza Municipality

## Report on the audit of the financial statements

### Opinion

1. I have audited the financial statements of the KwaDukuza Municipality set out on pages 230 to 320, which comprise the statement of financial position as at 30 June 2023, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the KwaDukuza Municipality as at 30 June 2023, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP), the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 5 of 2022) (Dora).

### Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Emphasis of matters

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

### Restatement of corresponding figures

7. As disclosed in note 41 to the financial statements, the corresponding figures for 30 June 2022 were restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2023.



### **Material impairments – receivables from exchange and non-exchange transactions**

8. As disclosed in note 9 to the financial statements, the municipality recognised a provision for impairment of R73,48 million (2021-22: R65,91 million) as the recoverability of these amounts was doubtful.
9. As disclosed in note 10 to the financial statements, the municipality recognised a provision for impairment of R229,52 million (2021-22: R223,42 million) as the recoverability of these amounts was doubtful.

### **Material losses - electricity**

10. As disclosed in note 52 to the financial statements, material electricity losses of 172 096 301 kwh (2021-22: 171 753 233 kwh) amounting to R262,54 million (2021-22: R237,73 million) were incurred, which represents 25,39% (2020-21: 24,83%) of total electricity purchased against a national norm of between 6% to 12%. The losses were due to transmission or distribution losses and illegal connections.

### **Other matters**

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

### **Unaudited disclosure notes**

13. In terms of section 125(2)(e) of the MFMA, the particulars of non-compliance with the MFMA should be disclosed in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

### **Responsibilities of the accounting officer for the financial statements**

14. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the MFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
15. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

### **Responsibilities of the auditor-general for the audit of the financial statements**

16. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are

considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

17. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

### Report on the audit of the annual performance report

18. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected key performance area presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
19. I selected the following key performance area presented in the annual performance report for the year ended 30 June 2023 for auditing. I selected a key performance area that measures the municipality's performance on its primary mandated functions and that is of significant national, community or public interest.

| Key Performance Area                                  | Page numbers | Purpose                                                                                          |
|-------------------------------------------------------|--------------|--------------------------------------------------------------------------------------------------|
| Basic service delivery and infrastructure development | 181          | Expand and maintain the provision of quality basic services and the integrated human settlements |

20. I evaluated the reported performance information for the selected key performance area against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the municipality's planning and delivery on its mandate and objectives.
21. I performed procedures to test whether:
- the indicators used for planning and reporting on performance can be linked directly to the municipality's mandate and the achievement of its planned objectives
  - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
  - the targets can be linked directly to the achievement of the indicators and are specific, time-bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
  - the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents



- the reported performance information is presented in the annual performance report in the prescribed manner
  - there is adequate supporting evidence for the achievements reported and for the measures taken to improve performance.
22. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.
23. I did not identify any material findings on the reported performance information for the selected key performance area.

### Other matter

24. I draw attention to the matter below.

### Achievement of planned targets

25. The annual performance report includes information on reported achievements against planned targets and provides measures to improve performance.
26. The municipality plays a key role in delivering services to South Africans. The table that follows provides information on the achievement of planned targets and lists the key service delivery indicators that were not achieved as reported in the annual performance report. The measures to improve performance are included in the annual performance report on pages 162 to 187

### Basic service delivery and infrastructure development

| Targets achieved: 76 %<br>Budget spent : 100%                |                                                                        |                                                      |
|--------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------|
| Key service delivery indicators not achieved                 | Planned target                                                         | Reported achievement                                 |
| Number of new houses constructed by target date              | 90 new houses constructed by 30 June 2023                              | Target not met:<br>82 houses constructed             |
| Number of houses handed over to beneficiaries by target date | 120 houses handed over to beneficiaries by 30 June 2023                | Target not met:<br>77 houses handed over             |
| Number of bridges upgraded/constructed by target date        | 17 Bridges upgraded/constructed by 30 June 2023                        | Target not met.<br>11 bridges completed              |
| % Of Energy kilowatts loss reduced by target date            | Energy kilowatts loss reduced by 10% (from 26% to 16%) by 30 June 2023 | Target not met.<br>Energy losses increased to 25.39% |

## Material misstatements

27. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for basic service delivery and infrastructure development. Management subsequently corrected the misstatements and I did not include any material findings in this report.

## Report on compliance with legislation

28. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the municipality's compliance with legislation.
29. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
30. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the municipality, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
31. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:
32. The material findings on compliance with the selected legislative requirements, presented per compliance theme are as follows:

## Expenditure management

33. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.

## Consequence management

34. Some of the irregular expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

## Other information

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

## Internal control deficiencies

39. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.
40. Oversight and monitoring of compliance with laws and regulations were not diligent enough. Policies and procedures relating to consequence and expenditure management were not implemented effectively by assigned officials.

## Material irregularities

41. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit and on the status of material irregularities as previously reported in the auditor's report.

### Status of previously reported material irregularities

#### Impairment of costs incurred on Woodmead Transport Node project

42. The municipality failed to comply with section 63(1)(a) of the MFMA as assets were not appropriately maintained and safeguarded. The municipality awarded a contract to a supplier to the value of R44 924 642.42 for phase two of the construction of the public transport facility for Woodmead Commercial & Industrial Node which commenced in 2014 and was planned for completion in April 2015. Due to the poor performance of the above service provider, there were delays with the completion. In June 2015, with the project still not completed, the municipality terminated the contract with the service provider. A new service provider was appointed on 24 December 2015 to complete the project and their contract expired in 2017, however, the project was still not completed at that time.
43. The project was accounted for as a work-in-progress asset in the annual financial statements of the municipality. In the 2020-21 financial year, the municipality accounted for an impairment of the project to the value of R19 918 488.97 as the work-in-progress asset was found to be in a very poor condition due to vandalism, as disclosed in note 31 of the 2020-2021 annual financial statements. The condition of the work-in-progress asset is evidence of a failure by the municipality to safeguard this asset.
44. The accounting officer was notified of the material irregularity on 01 March 2022 and was invited to make a written submission on the actions taken and that will be taken to address the matter. The following actions have been taken to address the material irregularity:
- The internal controls around the safeguarding of assets were strengthened to prevent a recurrence. These included the immediate introduction of security patrols to the site, construction guarantees from contractors to cover any risks that may arise, and the updating of the municipality's standard operating procedures regarding assets under construction by 31 December 2022.
  - Retention monies withheld by the municipality from the contractor on the project were appropriated to recoup the financial losses incurred due to vandalism.



45. The actions taken by the accounting officer have adequately addressed the material irregularity.

*Auditor - General*

Pietermaritzburg

14 December 2023



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

### Auditor-general's responsibility for the audit

#### Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for the selected objective and on the municipality's compliance with selected requirements in key legislation.

#### Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

## Communication with those charged with governance

I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

## **Compliance with legislation – selected legislative requirements**

The selected legislative requirements are as follows:



| Legislation                                                                                   | Sections or regulations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-----------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Municipal Finance Management Act 56 of 2003                                                   | Section 1 - Paragraph (a), (b) & (d) of the definition: irregular expenditure<br>Section 1 - Definition: service delivery and budget implementation plan<br>Sections 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 29(1),<br>Sections 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), 32(2)(b), 32(6)(a),<br>Sections 32(7), 53(1)(c)(ii), 54(1)(c), 62(1)(d), 62(1)(f)(i), 62(1)(f)(ii),<br>Sections 62(1)(f)(iii), 63(1)(a), 63(2)(a), 63(2)(c), 64(2)(b), 64(2)(c), 64(2)(e),<br>Sections 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), 72(1)(a)(ii), 112(1)(j),<br>Sections 116(2)(b), 116(2)(c)(ii), 117, 122(1), 122(2), 126(1)(a), 126(1)(b),<br>Sections 127(2), 127(5)(a)(i), 127(5)(a)(ii), 129(1), 129(3), 133(1)(a),<br>Sections 133(1)(c)(i), 133(1)(c)(ii), 170, 171(4)(a), 171(4)(b) |
| MFMA: Municipal Budget and Reporting Regulations, 2009                                        | Regulation 71(1), 71(2), 72                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| MFMA: Municipal Investment Regulations, 2005                                                  | Regulations 3(1)(a), 3(3), 6, 7, 12(2), 12(3)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| MFMA: Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014 | Regulations 5(4), 6(8)(a), 6(8)(b), 10(1)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| MFMA: Municipal Supply Chain Management Regulations, 2017                                     | Regulations 5, 12(1)(c), 12(3), 13(b), 13(c), 13(c)(i), 16(a), 17(1)(a), 17(1)(b),<br>Regulations 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), 27(2)(e),<br>Regulations 28(1)(a)(i), 28(1)(a)(ii), 29(1)(a) and (b), 29(5)(a)(ii), 29(5)(b)(ii),<br>Regulations 32, 36(1), 36(1)(a), 38(1)(c), 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i),<br>Regulations 38(1)(g)(ii), 38(1)(g)(iii), 43, 44, 46(2)(e), 46(2)(f)                                                                                                                                                                                                                                                                                                                                                                                                        |
| MSA: Disciplinary Regulations for Senior Managers, 2011                                       | Regulations 5(2), 5(3), 5(6), 8(4)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Annual Division of Revenue Act                                                                | Sections 11(6)(b), 12(5), 16(1); 16(3)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Construction Industry Development Board Act 38 of 2000                                        | Section 18(1)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Construction Industry Development Board Regulations, 2004                                     | Regulations 17, 25(7A)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Preferential Procurement Policy Framework Act 5 of 2000                                       | Sections 2(1)(a), 2(1)(f)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

|                                                                                                                             |                                                                                                                                                                                                                                                                                                                                        |
|-----------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Preferential Procurement Regulations, 2017                                                                                  | Regulations 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8), 7(1), Regulations 7(2), 7(3), 7(6), 7(8), 8(2), 8(5), 9(1), 10(1), 10(2), 11(1), 11(2)                                                                                                                                                                   |
| Preferential Procurement Regulations, 2022                                                                                  | Regulations 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)                                                                                                                                                                                                                                                                             |
| Prevention and Combating of Corrupt Activities Act 12 of 2004                                                               | Section 34(1)                                                                                                                                                                                                                                                                                                                          |
| Municipal Systems Act 32 of 2000                                                                                            | Sections 25(1), 26(a), 26(c), 26(h), 26(i), 27(1), 29(1)(b)(ii), 29(2)(a), Sections 29(2)(c), 34(a), 34(b), 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, Sections 43(2), 56(a), 57(2)(a), 57(4B), 57(6)(a), 66(1)(a), 66(1)(b), Sections 67(1)(d), 74(1), 93J(1), 96(b)<br><br>Parent municipality with ME:<br>Sections 93B(a), 93B(b) |
| MSA: Municipal Planning and Performance Management Regulations, 2001                                                        | Regulations 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 3(5)(a), 7(1), 8, 9(1)(a), 10(a), Regulations 12(1), 15(1)(a)(i), 15(1)(a)(ii)                                                                                                                                                                                                            |
| MSA: Municipal Performance Regulations for Municipal Managers and Managers directly Accountable to Municipal Managers, 2006 | Regulations 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3)                                                                                                                                                                                                                                                                                         |
| MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014                                       | Regulations 17(2), 36(1)(a)                                                                                                                                                                                                                                                                                                            |



**AUDITED ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 JUNE 2023**

I am responsible for the preparation of these Annual Financial Statements, which are set out on pages 230 to 320, in terms of Section 126(1) of the Municipal Finance Management Act No. 56 of 2003 and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in note 29 of these Annual Financial Statements are within the upper limits of the framework envisaged in Section 219 of the Constitution of South Africa Act No.108 of 1996, read with the Remuneration of Public Officer Bearers Act No. 20 of 1998 and the Minister of Provincial and Local Government's determination in accordance with this Act.

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**N J MDAKANE  
MUNICIPAL MANAGER**

31 August 2023

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**Date**

# Annual Financial Statements

for

## KWADUKUZA MUNICIPALITY

for the year ended

30 June 2023

Province:

KwaZulu Natal

AFS rounding:

R

### Contact Information:

**Name of Municipal Manager:**

Mr N J Mdakane

**Name of Chief Financial Officer:**

Mr S M Rajcoomar

Contact telephone number:

032 - 4375500

Contact e-mail address:

[cindym@kwadukuza.gov.za](mailto:cindym@kwadukuza.gov.za)

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Contact e-mail address:

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**Name of relevant Auditor:**

The Auditor-General

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**Name of contact at National Treasury:**

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[Una.Rautenbach@treasury.gov.za](mailto:Una.Rautenbach@treasury.gov.za)



**KWADUKUZA MUNICIPALITY**  
**AUDITED ANNUAL FINANCIAL STATEMENTS**  
for the year ended 30 June 2023

**General information**

**Members of the Council**

|              |                                             |
|--------------|---------------------------------------------|
| O L Nhaca    | Mayor                                       |
| T V Ntuli    | Deputy Mayor (01 July 2022 - 29 March 2023) |
| G Govender   | Speaker                                     |
| S L Cele     | Member of the Executive Committee           |
| T Colley     | Member of the Executive Committee           |
| M M Mthiyane | Member of the Executive Committee           |
| C M Ntleko   | Member of the Executive Committee           |
| D H Mthembu  | Member of the Executive Committee           |
| M M Sibisi   | Member of the Executive Committee           |
| N C Mdletshe | Member of the Executive Committee           |
| H Mbatha     | Chief Whip                                  |
| T T Mkhize   | MPAC Chairperson                            |
| S K Shandu   | Councillor                                  |
| D N Ngema    | Councillor                                  |
| S O Nxele    | Councillor                                  |
| J M Banda    | Councillor                                  |
| A M Baardman | Councillor                                  |
| B C Fakazi   | Councillor                                  |
| M E Ngidi    | Councillor                                  |
| N J Mpanza   | Councillor                                  |
| T T Dube     | Councillor                                  |
| S Sithole    | Councillor                                  |
| N Qwabe      | Councillor                                  |
| W N Mntambo  | Councillor                                  |
| B P Ndlovu   | Councillor                                  |
| S S Mthiyane | Councillor                                  |
| C M Naicker  | Councillor                                  |
| S B Ntuli    | Councillor                                  |
| N S Bhengu   | Councillor                                  |
| N H Sithole  | Councillor                                  |
| V Mwandla    | Councillor                                  |
| S P Khuzwayo | Councillor                                  |
| TC Nxele     | Councillor                                  |
| S G Mcineka  | Councillor                                  |
| V Govender   | Councillor                                  |
| K Naidoo     | Councillor                                  |
| B Mvulana    | Councillor                                  |
| M Vembali    | Councillor                                  |
| N A Singh    | Councillor                                  |
| R Pooran     | Councillor                                  |
| T N Mthethwa | Councillor                                  |
| P Naidoo     | Councillor                                  |
| F Abrahams   | Councillor                                  |
| N J Mbonambi | Councillor                                  |
| S Kheswa     | Councillor                                  |
| M M Madlala  | Councillor                                  |
| P S Shezi    | Councillor                                  |
| E M Kolia    | Councillor                                  |
| J F Magwaza  | Councillor                                  |
| P F Masuku   | Councillor                                  |
| S Zungu      | Councillor                                  |
| S C Mwandla  | Councillor                                  |
| A A Singh    | Councillor                                  |
| T T Sithole  | Councillor                                  |
| P L Zungu    | Councillor                                  |
| S C Pandaram | Councillor                                  |
| S P Ashworth | Councillor                                  |
| C P Dumakude | Councillor                                  |
| N P Dube     | Councillor                                  |
| V Mathonsi   | Traditional Leader                          |
| V S Mthembu  | Traditional Leader                          |

**KWADUKUZA MUNICIPALITY**  
**AUDITED ANNUAL FINANCIAL STATEMENTS**  
for the year ended 30 June 2023

**General information (continued)**

**Municipal Manager**

Mr N J Mdakane

**Chief Financial Officer**

Mr S M Rajcoomar

**Grading of Local Authority**

Category 4

**Auditors**

Auditor General South Africa (AGSA)

**Primary Bankers**

ABSA Bank

**Registered Office:**

KwaDukuza Municipality

**Physical address:**

14 Chief Albert Luthuli Street  
KwaDukuza  
4450

**Postal address:**

PO BOX 72  
KwaDukuza  
4450

**Telephone number:**

(032) 437 5000

**E-mail address:**

municipalm@kwadukuza.gov.za

**KWADUKUZA MUNICIPALITY  
ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

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**KWADUKUZA MUNICIPALITY**  
**AUDITED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2023**

|                                                               | Note | 2023<br>R            | 2022 - Restated<br>R |
|---------------------------------------------------------------|------|----------------------|----------------------|
| <b>ASSETS</b>                                                 |      |                      |                      |
| <b>Current assets</b>                                         |      | <b>2 319 563 373</b> | <b>1 258 900 266</b> |
| Inventories                                                   | 8    | 11 164 795           | 10 225 799           |
| Receivables from exchange transactions                        | 9    | 183 972 493          | 168 615 517          |
| Receivables from non-exchange transactions                    | 10   | 162 219 687          | 121 583 740          |
| VAT receivable                                                | 11   | 72 639 619           | 7 579 913            |
| Current portion of long-term receivables                      | 7    | 45 712               | 31 479               |
| Short term investments                                        | 12   | 84 239 862           | 78 426 597           |
| Cash and cash equivalents                                     | 13   | 1 805 281 205        | 872 437 220          |
| <b>Non-current assets</b>                                     |      | <b>3 168 336 588</b> | <b>2 545 556 042</b> |
| Investment properties                                         | 2    | 187 816 000          | 192 670 000          |
| Property, plant and equipment                                 | 3    | 2 963 429 683        | 2 351 398 154        |
| Intangible assets                                             | 4    | 16 530 489           | 1 034 066            |
| Heritage Assets                                               | 5    | 105 386              | 105 386              |
| Long-term receivables                                         | 7    | 455 030              | 348 436              |
| <b>Total Assets</b>                                           |      | <b>5 487 899 961</b> | <b>3 804 456 308</b> |
| <b>LIABILITIES</b>                                            |      |                      |                      |
| <b>Current liabilities</b>                                    |      | <b>1 560 465 197</b> | <b>449 918 772</b>   |
| Leases                                                        | 16   | -                    | 52 985               |
| Employee benefit obligations                                  | 6    | 4 082 000            | 3 757 000            |
| Trade and other payables                                      | 20   | 497 903 844          | 321 344 645          |
| Unspent conditional grants, receipts and Public contributions | 17   | 993 929 340          | 65 497 296           |
| Current provisions                                            | 18   | 2 869 573            | 2 760 651            |
| Consumer Deposits                                             | 21   | 43 728 074           | 39 877 832           |
| Long service awards                                           | 6    | 4 264 000            | 4 035 000            |
| Current portion of long term liabilities                      | 19   | 13 688 366           | 12 593 362           |
| <b>Non-current liabilities</b>                                |      | <b>309 393 022</b>   | <b>326 590 095</b>   |
| Leases                                                        | 16   | -                    | -                    |
| Employee benefit obligations                                  | 6    | 103 844 000          | 107 236 000          |
| Non-current provisions                                        | 18   | 19 852 616           | 19 928 324           |
| Long service awards                                           | 6    | 23 289 000           | 23 330 000           |
| Long-term liabilities                                         | 19   | 162 407 406          | 176 095 771          |
| <b>Total Liabilities</b>                                      |      | <b>1 869 858 219</b> | <b>776 508 867</b>   |
| <b>Net Assets</b>                                             |      | <b>3 618 041 742</b> | <b>3 027 947 440</b> |
| <b>NET ASSETS</b>                                             |      |                      |                      |
| Reserves                                                      |      |                      |                      |
| Revaluation reserve                                           | 14   | 18 313 137           | 18 313 137           |
| Housing Operating Account                                     | 15   | 8 728 156            | 8 728 156            |
| Accumulated surplus                                           |      | 3,591,000,449        | 3,000,906,150        |
| <b>Total Net Assets</b>                                       |      | <b>3 618 041 742</b> | <b>3 027 947 440</b> |



**KWADUKUZA MUNICIPALITY**  
**AUDITED STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE YEAR ENDED 30 JUNE 2023**

|                                                       | Note    | 2023<br>R            | 2022 - Restated<br>R |
|-------------------------------------------------------|---------|----------------------|----------------------|
| <b>REVENUE</b>                                        |         |                      |                      |
| <b>Revenue from exchange transactions</b>             |         |                      |                      |
| Service charges                                       | 22      | 1 138 305 661        | 1 103 922 972        |
| Rental of facilities and equipment                    |         | 2 457 790            | 2 051 045            |
| Interest earned - outstanding debtors                 |         | 6 162 069            | 6 042 994            |
| Other income                                          | 23      | 58 910 750           | 64 888 791           |
| Gain on disposal of property, plant and equipment     |         | 124 550              | 165 489              |
| Interest earned - investments                         | 24      | 92 233 107           | 32 050 374           |
| Housing development construction contract revenue     | 60      | 9 530 279            | 50 671 973           |
| <b>Total revenue from exchange transactions</b>       |         | <b>1 307 724 205</b> | <b>1 259 793 638</b> |
| <b>Taxation revenue</b>                               |         |                      |                      |
| Property rates                                        | 25      | 613 317 383          | 545 078 244          |
| Property rates - penalties imposed                    | 25      | 18 739 192           | 13 470 630           |
| Licences and permits (Non-exchange)                   | 59      | 11 059 325           | 10 572 409           |
| <b>Transfer and other revenue</b>                     |         |                      |                      |
| Government grants, subsidies & Public Contributions   | 26 & 27 | 782 165 019          | 298 218 460          |
| Donations                                             | 3       | 856 064              | 3 070 683            |
| Fines                                                 | 43      | 12 673 538           | 10 082 528           |
| Employee and Long Services Gains                      | 6       | 3 067 000            | -                    |
| <b>Total revenue from non-exchange transactions</b>   |         | <b>1 441 877 521</b> | <b>880 492 955</b>   |
| <b>Total Revenue</b>                                  |         | <b>2 749 601 726</b> | <b>2 140 286 593</b> |
| <b>EXPENDITURE</b>                                    |         |                      |                      |
| Employee related costs                                | 28      | 503 521 657          | 462 204 606          |
| Remuneration of councillors                           | 29      | 32 811 634           | 22 210 348           |
| Adjustments to Provisions                             | 18      | 33 214               | 445 209              |
| Depreciation and amortisation                         | 30      | 93 471 115           | 86 959 920           |
| Impairment loss                                       | 31      | 4 909 419            | 8 902 124            |
| Finance costs                                         | 32      | 18 001 678           | 18 936 993           |
| Debt Impairment and write offs                        | 33      | 16 776 626           | 13 440 310           |
| Bulk purchases                                        | 34      | 1 020 713 805        | 943 600 182          |
| Contracted services                                   | 44      | 285 955 713          | 238 447 316          |
| General Expenses                                      | 35      | 166 210 102          | 135 536 758          |
| Employee and Long Services Benefits                   | 6       | 188 000              | 13 513 000           |
| Housing development construction contract expenditure | 60      | 9 530 279            | 50 671 973           |
| <b>Total Expenditure</b>                              |         | <b>2 152 123 241</b> | <b>1 994 868 740</b> |
| <b>Operating Surplus</b>                              |         | <b>597 478 486</b>   | <b>145 417 854</b>   |
| Loss on disposal of assets and liabilities            | 3       | ( 15 130 186)        | ( 6 031 215)         |
| Fair value adjustments                                | 36      | 7 746 000            | 21 045 000           |
|                                                       |         | ( 7 384 186)         | 15 013 785           |
| <b>SURPLUS FOR THE YEAR</b>                           |         | <b>590 094 299</b>   | <b>160 431 638</b>   |

KWADUKUZA MUNICIPALITY  
AUDITED STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED 30 JUNE 2023

|                                                                                                                      | <u>Revaluation<br/>Reserve</u><br>R | <u>Housing<br/>Operating<br/>Account</u> | <u>Total Reserves</u> | <u>Accumulated<br/>Surplus</u><br>R | <u>Total Net Assets</u><br>R |
|----------------------------------------------------------------------------------------------------------------------|-------------------------------------|------------------------------------------|-----------------------|-------------------------------------|------------------------------|
| Balance at 30 June 2020                                                                                              | 18,313,137                          | 8,728,156                                | 27,041,293            | 2,609,258,242                       | 2,636,299,532                |
| Surplus for the year 2020/2021                                                                                       | -                                   | -                                        | -                     | 242,435,530                         | 242,435,530                  |
| Adjusting for prior year electricity back billing prior 2021/2022                                                    |                                     |                                          |                       | 25,661,689                          | 25,661,689                   |
| Adjusting for derecognition of Land prior 2021/2022                                                                  |                                     |                                          |                       | (34,728,556)                        | (34,728,556)                 |
| Adjusting for derecognition of Community Assets (Recreational Ground) prior 2021/2022                                |                                     |                                          |                       | (1,130,725)                         | (1,130,725)                  |
| Adjusting for derecognition of Community Assets (Recreational Ground) prior 2021/2022 - Depreciation prior 2021/2022 |                                     |                                          |                       | 574,590                             | 574,590                      |
| Adjusting for Land cemetery feasibility study prior 2021/2022                                                        |                                     |                                          |                       | (1,596,259)                         | (1,596,259)                  |
| Balance at 30 June 2021                                                                                              | 18,313,137                          | 8,728,156                                | 27,041,293            | 2,840,474,512                       | 2,867,515,802                |
| Surplus for the year 2021/2022 (Note 41)                                                                             | -                                   | -                                        | -                     | 160,431,638                         | 160,431,638                  |
| Balance at 30 June 2022                                                                                              | 18,313,137                          | 8,728,156                                | 27,041,293            | 3,000,906,150                       | 3,027,947,440                |
| Surplus for the year 2022/2023                                                                                       | -                                   | -                                        | -                     | 590,094,299                         | 590,094,299                  |
| Balance at 30 June 2023                                                                                              | 18,313,137                          | 8,728,156                                | 27,041,293            | 3,591,000,449                       | 3,618,041,742                |
| Note(s)                                                                                                              | 14                                  | 15                                       |                       |                                     |                              |
| Note 41 provides further details of adjustments pertaining to the 2020/2021 and 2021/2022 financials years.          |                                     |                                          |                       |                                     |                              |

**KWADUKUZA MUNICIPALITY**  
**AUDITED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2023**

|                                                             | Note | 2023<br>R              | 2022 - Restated<br>R   |
|-------------------------------------------------------------|------|------------------------|------------------------|
| <b>Cash flows from operating activities</b>                 |      |                        |                        |
| <b>Receipts</b>                                             |      |                        |                        |
| Interest income                                             |      | 92 233 107             | 32 050 374             |
| Cash received                                               |      | 3 445 348 547          | 2 037 443 813          |
|                                                             |      | <b>3 537 581 653</b>   | <b>2 069 494 187</b>   |
| <b>Payments</b>                                             |      |                        |                        |
| Finance costs                                               |      | ( 18 001 678)          | ( 18 936 993)          |
| Cash paid                                                   |      | ( 1845 692 680)        | ( 1838 397 771)        |
|                                                             |      | <b>( 1863 694 358)</b> | <b>( 1857 334 764)</b> |
| <b>Net cash flows from operating activities</b>             | 42   | <b>1 673 887 295</b>   | <b>212 159 424</b>     |
| <b>Cash flows from investing activities</b>                 |      |                        |                        |
| Purchase of Property, Plant & Equipment                     | 3    | ( 713 263 760)         | ( 239 339 828)         |
| Proceeds from sale of property, plant and equipment         | 3    | 2 480 084              | 1 855 083              |
| Purchase of other intangible assets                         | 4    | ( 15 650 265)          | -                      |
| Movement in short term investments                          |      | ( 5 813 265)           | 72 145 783             |
| <b>Net cash flows from investing activities</b>             |      | <b>( 732 247 205)</b>  | <b>( 165 338 961)</b>  |
| <b>Cash flows from financing activities</b>                 |      |                        |                        |
| Consumer deposits                                           |      | 3 850 242              | 2 886 623              |
| Movement in long term liabilities                           |      | ( 12 593 362)          | ( 11 637 428)          |
| Finance lease payments                                      |      | ( 52 985)              | ( 871 776)             |
| <b>Net cash flows from financing activities</b>             |      | <b>( 8 796 106)</b>    | <b>( 9 622 581)</b>    |
| <b>Net increase/(decrease) in cash and cash equivalents</b> |      | <b>932 843 984</b>     | <b>37 197 882</b>      |
| Cash and cash equivalents at the beginning of the year      |      | 872 437 220            | 835 239 337            |
| <b>Cash and cash equivalents at the end of the year</b>     | 13   | <b>1 805 281 205</b>   | <b>872 437 220</b>     |

**KWADUKUZA MUNICIPALITY**  
**AUDITED STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

|                                                                    | Approved Budget      | Adjustments        | Adjustments Budget   | 30 June 2023 Final Budget | Actual amounts as per restated Budget | Actual amounts as per AFS | Reconciliation explained in Note 58 | Difference between final budget and actual | Percentage Variance | Note Reference |
|--------------------------------------------------------------------|----------------------|--------------------|----------------------|---------------------------|---------------------------------------|---------------------------|-------------------------------------|--------------------------------------------|---------------------|----------------|
| <b>Statement of Financial Performance</b>                          |                      |                    |                      |                           |                                       |                           |                                     |                                            |                     |                |
| <b>Revenue</b>                                                     |                      |                    |                      |                           |                                       |                           |                                     |                                            |                     |                |
| <b>Revenue from Exchange Transactions:</b>                         |                      |                    |                      |                           |                                       |                           |                                     |                                            |                     |                |
| Service Charges                                                    | 1,139,310,000        | 16,133,000         | 1,155,443,000        | 1,155,443,144             | 1,138,233,445                         | 1,138,305,661             | 72,216                              | (17 137 483)                               | -1%                 |                |
| Rental of facilities & Equipment                                   | 3,003,000            | 20,000             | 3,023,000            | 3,023,408                 | 2,457,790                             | 2,457,790                 | -                                   | ( 565 618)                                 | -19%                | 58.1           |
| Interest earned outstanding debtors                                | 9,250,000            | -                  | 9,250,000            | 9,249,996                 | 6,162,069                             | 6,162,069                 | -                                   | ( 3 087 927)                               | -33%                | 58.2           |
| Other Income                                                       | 54,165,000           | 7,222,000          | 61,387,000           | 61,386,856                | 60,224,605                            | 58,910,750                | ( 1 313 855)                        | ( 2 476 106)                               | -4%                 |                |
|                                                                    | -                    | -                  | -                    | -                         | 154,550                               | 124,550                   | ( 30 000)                           | 124,550                                    | 100%                |                |
| Interest received - investments                                    | 24,935,000           | 41,258,000         | 66,193,000           | 66,193,386                | 92,233,107                            | 92,233,107                | -                                   | 26,039,721                                 | 39%                 | 58.3           |
| Housing development construction contract revenue                  | -                    | -                  | -                    | -                         | 9,530,279                             | 9,530,279                 | -                                   | 9,530,279                                  | 100%                | 60             |
| <b>TOTAL REVENUE FROM EXCHANGE TRANSACTIONS</b>                    | <b>1,230,663,000</b> | <b>64,633,000</b>  | <b>1,295,296,000</b> | <b>1,295,296,790</b>      | <b>1,299,465,565</b>                  | <b>1,307,724,205</b>      | <b>8,258,640</b>                    | <b>12,427,415</b>                          |                     |                |
| <b>Revenue from Non-Exchange Transactions:</b>                     |                      |                    |                      |                           |                                       |                           |                                     |                                            |                     |                |
| <b>Taxation Revenue</b>                                            |                      |                    |                      |                           |                                       |                           |                                     |                                            |                     |                |
| Property rates                                                     | 604,725,000          | 39,075,000         | 643,800,000          | 643,799,627               | 619,961,096                           | 613,317,383               | ( 6 643 713)                        | ( 30 482 244)                              | -5%                 | 58.4           |
| Property rates - penalties imposed                                 | -                    | -                  | -                    | -                         | -                                     | 18,739,192                | 18,739,192                          | 18,739,192                                 | 100%                | 58.5           |
| Licences & permits (including agency fees)                         | 13,934,000           | 100,000            | 14,034,000           | 14,033,608                | 11,059,325                            | 11,059,325                | -                                   | ( 2 974 283)                               | -21%                |                |
| <b>Transfer and Other Revenue</b>                                  |                      |                    |                      |                           |                                       |                           |                                     |                                            |                     |                |
| Government grants and subsidies                                    | 254,652,000          | 2,403,000          | 257,055,000          | 257,055,148               | 248,865,970                           | 248,865,970               | -                                   | ( 8 189 178)                               | -3%                 |                |
| Public contributions and donations                                 | -                    | -                  | -                    | -                         | 3,067,000                             | 856,064                   | 856,064                             | 856,064                                    | 100%                | 58.6           |
| Employee and Long Services Gains                                   | 30,695,000           | 1,020,000          | 31,715,000           | 31,714,848                | 33,429,993                            | 3,067,000                 | -                                   | 3,067,000                                  | 100%                |                |
| Fines                                                              | -                    | -                  | -                    | -                         | -                                     | 12,673,538                | ( 20 756 455)                       | ( 19 041 310)                              | -60%                | 58.7           |
| <b>TOTAL REVENUE FROM NON-EXCHANGE TRANSACTIONS:</b>               | <b>904,006,000</b>   | <b>42,598,000</b>  | <b>946,604,000</b>   | <b>946,603,231</b>        | <b>916,383,383</b>                    | <b>908,578,472</b>        | <b>( 7 804 911)</b>                 | <b>( 38 024 759)</b>                       |                     |                |
| <b>Total Revenue</b>                                               | <b>2,134,669,000</b> | <b>107,231,000</b> | <b>2,241,900,000</b> | <b>2,241,900,021</b>      | <b>2,215,848,948</b>                  | <b>2,216,302,677</b>      | <b>453,729</b>                      | <b>( 25 597 344)</b>                       |                     |                |
| <b>Expenditure</b>                                                 |                      |                    |                      |                           |                                       |                           |                                     |                                            |                     |                |
| Employee Related Costs                                             | 545,009,000          | ( 27 359 000)      | 517,650,000          | 517,781,902               | 504,174,449                           | 503,521,657               | -652,792                            | ( 14 260 246)                              | -3%                 |                |
| Remuneration of Councillors                                        | 27,116,000           | 1,579,000          | 28,695,000           | 28,695,167                | 32,811,634                            | 32,811,634                | -                                   | 4 116 467                                  | 14%                 |                |
| Depreciation, amortisation and impairment / reversal of impairment | 100,622,000          | 16,629,000         | 117,251,000          | 117,251,149               | 97,351,887                            | 98,380,533                | 1,028,646                           | ( 18 870 616)                              | -16%                | 58.8           |
| Finance Costs                                                      | 25,101,000           | -                  | 25,101,000           | 25,100,772                | 18,001,678                            | 18,001,678                | -                                   | ( 7 099 094)                               | -28%                | 58.9           |
| Debt Impairment and write offs                                     | 23,200,000           | 6,000,000          | 29,200,000           | 29,199,996                | 16,470,246                            | 16,776,626                | 306,380                             | ( 12 423 370)                              | -43%                | 58.10          |
| Bulk purchases                                                     | 916,693,000          | 69,221,000         | 985,914,000          | 985,763,918               | 1,020,839,395                         | 1,020,713,805             | ( 125 590)                          | 34 949 887                                 | 4%                  |                |
| Contracted services                                                | 304,080,000          | 38,860,000         | 342,940,000          | 344,532,779               | 285,955,713                           | ( 25 949 566)             | ( 25 949 566)                       | ( 58 577 066)                              | -17%                | 58.11          |
| Other Expenditure                                                  | 160,809,000          | ( 2 029 000)       | 158,780,000          | 157,423,560               | 311,905,279                           | 166,431,316               | 35,459,092                          | 9 007 756                                  | 6%                  |                |
| Losses on disposal of assets                                       | 19,766,000           | 4,400,000          | 24,166,000           | 24,165,994                | 16,526,834                            | 15,130,186                | ( 1 396 647)                        | ( 9 035 808)                               | -37%                | 58.12          |
| Transfers and subsidies                                            | 14,112,000           | 1,156,000          | 15,268,000           | 15,049,596                | 19,404,930                            | -                         | ( 19 404 930)                       | ( 15 049 596)                              | -100%               | 58.13          |
| Housing development construction contract expenditure              | -                    | -                  | -                    | -                         | -                                     | 9,530,279                 | 9,530,279                           | 9 530 279                                  | 100%                | 60             |
| <b>Total Expenditure</b>                                           | <b>2,136,508,000</b> | <b>108,457,000</b> | <b>2,244,965,000</b> | <b>2,244,964,833</b>      | <b>2,168,458,554</b>                  | <b>2,167,253,427</b>      | <b>-1,205,127</b>                   | <b>( 77 711 406)</b>                       |                     |                |



|                                                                                                                            |               |               |                 |                 |             |               |            |               |      |       |
|----------------------------------------------------------------------------------------------------------------------------|---------------|---------------|-----------------|-----------------|-------------|---------------|------------|---------------|------|-------|
| <b>Operating Surplus</b><br>Transfers recognised - capital<br>Contributions recognised - capital<br>Fair Value Adjustments | 175,074,000   | 618,065,000   | 793,139,000     | 793,139,499     | 533,299,049 | 533,299,049   | 0          | (259,840,450) | -33% | 58.14 |
|                                                                                                                            | 3,065,000     | -             | -               | 3,064,812       | 856,064     | -             | (856,064)  | -             | 0%   |       |
|                                                                                                                            | 178,139,000   | 618,065,000   | 796,204,000     | 796,204,311     | 542,051,113 | 541,045,049   | -1,006,064 | -255,159,262  |      |       |
| <b>Surplus before taxation</b>                                                                                             | 176,300,000   | 616,839,000   | 793,139,000     | 793,139,499     | 589,441,507 | 590,094,300   | -          | -203,045,199  |      |       |
| <b>Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement</b>                       |               |               |                 |                 |             |               |            |               |      |       |
| <b>Surplus for the year</b>                                                                                                | 176,300,000   | 616,839,000   | 793,139,000     | 793,139,499     | 589,441,507 | 590,094,300   | -          | -203,045,199  |      |       |
| <b>Funding of Capital</b>                                                                                                  |               |               |                 |                 |             |               |            |               |      |       |
| <b>Non-Current Assets</b>                                                                                                  |               |               |                 |                 |             |               |            |               |      |       |
| Transfers recognised - capital                                                                                             | 184,735,000   | 537,674,000   | 722,409,000     | 722,409,000     | 533,299,049 | 533,299,049   |            | -189,109,951  |      |       |
| Internally generated funds                                                                                                 | 315,530,000   | (14,825,000)  | 300,705,000     | 300,705,000     | 194,758,976 | 179,964,710   |            | -120,740,290  |      |       |
| Public Contributions and Donations                                                                                         | -             | -             | -               | -               | 856,064     | 856,064       |            | 856,064       |      |       |
| Borrowings                                                                                                                 | 10,000,000    | (10,000,000)  | -               | -               | -           | -             |            | -             |      |       |
| <b>Total Sources of capital funds</b>                                                                                      | 510,265,000   | 512,849,000   | 1,023,114,000   | 1,023,114,000   | 728,914,089 | 714,119,824   |            | -308,994,176  |      |       |
| <b>Cash Flow Statement</b>                                                                                                 |               |               |                 |                 |             |               |            |               |      |       |
| <b>Cash flows from operating activities</b>                                                                                |               |               |                 |                 |             |               |            |               |      |       |
| <b>Payments</b>                                                                                                            |               |               |                 |                 |             |               |            |               |      |       |
| Net cash from/(used) - Operating activities                                                                                | 405,010,000   | 1,215,234,000 | 1,620,244,000   | 1,620,244,000   |             | 1,673,887,295 |            | 53,643,295    |      |       |
| <b>Cash flows from investing activities</b>                                                                                |               |               |                 |                 |             |               |            |               |      |       |
| Net cash from/(used) - Investing activities                                                                                | (507,367,000) | (506,779,000) | (1,014,146,000) | (1,014,146,000) |             | (732,247,205) |            | 281,898,795   |      |       |
| Net increase/(decrease) in cash and cash equivalents                                                                       | 827,614,000   | 123,250,000   | 950,864,000     | 950,864,000     |             | 932,843,984   |            | -18,020,016   |      |       |
| Net cash from/(used) - Financing activities                                                                                | (1,526,000)   | (10,000,000)  | (11,526,000)    | (11,526,000)    |             | (8,796,106)   |            | 2,729,894     |      |       |
| <b>Cash/cash equivalents at the year end</b>                                                                               | 723,731,000   | 821,705,000   | 1,545,436,000   | 1,545,436,000   |             | 1,805,281,205 |            | 259,845,205   |      |       |

For management purposes, the municipality is organised and operates in nine key functional segments (or business units). To this end, management monitors the operating results of these business units for the purpose of making decisions about resource allocations and assessment of performance.  
Revenues and expenditures relating to these business units are allocated at a transactional level.

|                                                   | Corporate<br>Services<br>R | Youth<br>Development<br>R | Chief Operations<br>Officer<br>R | Community Services &<br>Public amenities<br>R | Community Safety<br>R | Finance<br>R       | Economic<br>Development &<br>Planning<br>R | Civil Engineering &<br>Human<br>Settlements<br>R | Electrical<br>Engineering<br>Services<br>R | Total<br>R         |
|---------------------------------------------------|----------------------------|---------------------------|----------------------------------|-----------------------------------------------|-----------------------|--------------------|--------------------------------------------|--------------------------------------------------|--------------------------------------------|--------------------|
| <b>Segment Revenue</b>                            |                            |                           |                                  |                                               |                       |                    |                                            |                                                  |                                            |                    |
| External revenue from non- exchange transactions  | 77 868,184                 | 6,855,924                 | 11,395,964                       | 84,584,970                                    | 27,732,022            | 627,094,474        | 28,707,983                                 | 543,131,548                                      | 42,252,452                                 | 1,449,623,521      |
| External revenue from exchange transactions       | 1,886,286                  | -                         | -                                | 93,081,413                                    | 467,818               | 23,833,473         | 15,827,739                                 | 10,544,749                                       | 1,069,725,071                              | 1,215,366,548      |
| Revenue from transactions with other segments     | -                          | -                         | -                                | -                                             | -                     | -                  | -                                          | -                                                | -                                          | -                  |
| Interest revenue                                  | -                          | -                         | -                                | -                                             | -                     | 91,038,207         | -                                          | 1,194,900                                        | -                                          | 92,233,107         |
| Gain on disposal of property, plant and equipment | 509                        | -                         | -                                | 294                                           | -                     | 64,764             | -                                          | -                                                | 58,984                                     | 124,550            |
| <b>Segment Expenses</b>                           |                            |                           |                                  |                                               |                       |                    |                                            |                                                  |                                            |                    |
| Total segment expenses                            | (118 987 753)              | (9 740 870)               | (60 534 886)                     | (269 880 820)                                 | (171 272 211)         | (94 846 094)       | (63 526 635)                               | (103 331 220)                                    | (1163 660 146)                             | (2055 780 630)     |
| Depreciation and amortisation                     | (3 047 984)                | (106 165)                 | (249 181)                        | (20 620 363)                                  | (2 133 959)           | (735 417)          | (1 260 630)                                | (35 796 646)                                     | (29 520 769)                               | (93 471 115)       |
| Interest expense                                  | -                          | -                         | -                                | -                                             | -                     | -                  | -                                          | -6,303,304                                       | -11,698,374                                | (18 001 678)       |
| Internal charges                                  | (3 121 111)                | -                         | (4 300)                          | (4 037 069)                                   | (857 967)             | (505 379)          | (118 753)                                  | (362 568)                                        | 9,007,146                                  | -                  |
| <b>Surplus / deficit for the year</b>             | <b>(45 401 870)</b>        | <b>(2 991 112)</b>        | <b>(49 392 403)</b>              | <b>(116 871 574)</b>                          | <b>(146 064 297)</b>  | <b>645 944 023</b> | <b>(20 370 296)</b>                        | <b>409 077 459</b>                               | <b>(83 835 635)</b>                        | <b>590 094 304</b> |
| <b>Other Information</b>                          |                            |                           |                                  |                                               |                       |                    |                                            |                                                  |                                            |                    |
| Segment assets                                    | 370 210 430                | 36 670 892                | (30 411 273)                     | 143 548 401                                   | 67 409 153            | 1 128 291 276      | 159 056 263                                | 2 023 557 589                                    | 1 589 567 230                              | 5 487 899 961      |
| Segment liabilities                               | (55 394 614)               | 747 875                   | 2 638 481                        | (6 320 763)                                   | (3 457 363)           | (586 923 348)      | (6 206 505)                                | (1090 816 565)                                   | (124 125 416)                              | (1869 858 219)     |
| Additions to non-current assets                   | 18 764 424                 | -                         | 122 357                          | 56 182 064                                    | 6 368 553             | 109 260            | 15 714 575                                 | 528 164 946                                      | 103 487 845                                | 728 914 025        |
| Non-cash revenue (included above)                 | 7 896 509                  | -                         | 3 067 000                        | 856 358                                       | -                     | (85 236)           | -                                          | -                                                | 58 984                                     | 11 793 615         |
| Non-cash expense (included above)                 | 1 240 151                  | 106 165                   | 3 323 917                        | 24 266 495                                    | 2 506 021             | 29 999 459         | 1 261 742                                  | 36 712 664                                       | 31 091 946                                 | 130 508 560        |
| Cash flows from operating activities              | (40 107 129)               | 46 913 223                | (94 710 662)                     | (119 780 541)                                 | (191 569 583)         | 662 258 166        | (16 675 565)                               | 1 570 362 389                                    | (142 802 938)                              | 1 673 887 360      |
| Cash flows for investing activities               | (18 764 424)               | -                         | (122 357)                        | (56 182 064)                                  | (6 368 553)           | (3 442 441)        | (15 714 575)                               | (528 164 946)                                    | (103 487 845)                              | (732 247 206)      |
| Cash flows from financing activities              | (47 903)                   | -                         | (1 276)                          | (36 663)                                      | -                     | 4 638 270          | (6 209)                                    | (3 829 255)                                      | (9 513 069)                                | (8 796 105)        |

|                                                   | Corporate<br>Services<br>R | Youth<br>Development<br>R | Chief Operations<br>Officer<br>R | Community Services &<br>Public amenities<br>R | Community Safety<br>R | Finance<br>R  | Economic<br>Development &<br>Planning<br>R | Civil Engineering &<br>Human<br>Settlements<br>R | Electrical<br>Engineering<br>Services<br>R | Total<br>R      |
|---------------------------------------------------|----------------------------|---------------------------|----------------------------------|-----------------------------------------------|-----------------------|---------------|--------------------------------------------|--------------------------------------------------|--------------------------------------------|-----------------|
| <b>Segment Revenue</b>                            |                            |                           |                                  |                                               |                       |               |                                            |                                                  |                                            |                 |
| External revenue from non- exchange transactions  | 62,624,259                 | 5,957,664                 | 10,447,344                       | 73,743,228                                    | 23,748,938            | 579,472,453   | 27,837,678                                 | 80,575,808                                       | 37,130,583                                 | 901,537,956     |
| External revenue from exchange transactions       | 1,182,828                  | -                         | -                                | 79,767,001                                    | 25,252                | 29,040,746    | 16,823,847                                 | 51,891,666                                       | 1,048,846,435                              | 1,227,577,776   |
| Revenue from transactions with other segments     |                            |                           |                                  |                                               |                       |               |                                            |                                                  |                                            | -               |
| Interest revenue                                  |                            |                           |                                  |                                               |                       | 31,513,626    |                                            | 536,749                                          |                                            | 32,050,374      |
| Gain on disposal of property, plant and equipment | 6,503                      |                           |                                  | 47,374                                        |                       | 111,612       |                                            |                                                  |                                            | 165,489         |
| <b>Segment Expenses</b>                           |                            |                           |                                  |                                               |                       |               |                                            |                                                  |                                            |                 |
| Total segment expenses                            | (100,087,232)              | (6,902,218)               | (63,206,806)                     | (225,706,638)                                 | (157,134,623)         | (71,862,949)  | (48,361,742)                               | (142,437,355)                                    | (1080,079,934)                             | (1,895,779,502) |
| Depreciation and amortisation                     | (2,760,298)                | (102,481)                 | (152,318)                        | (19,406,519)                                  | (2,352,328)           | (963,684)     | (1,118,961)                                | (32,701,326)                                     | (26,625,547)                               | (86,183,462)    |
| Interest expense                                  |                            | -                         | (4,300)                          | (616,546)                                     | (382,623)             | (463,056)     | (120,686)                                  | (341,842)                                        | (12,285,410)                               | (18,936,993)    |
| Internal charges                                  | (2,849,267)                |                           |                                  |                                               |                       |               |                                            |                                                  | 4,778,320                                  | -               |
| <b>Surplus / deficit for the year</b>             | (41,883,207)               | (1,047,035)               | (52,916,079)                     | (92,172,101)                                  | (1,36,095,384)        | 566,848,748   | (4,939,864)                                | (49,127,883)                                     | (28,235,552)                               | 160,431,638     |
| <b>Other Information</b>                          |                            |                           |                                  |                                               |                       |               |                                            |                                                  |                                            |                 |
| Segment assets                                    | 362,009,046                | 35,003,588                | (17,104,209)                     | 158,265,040                                   | (14,630,861)          | 991,106,612   | 138,284,939                                | 670,235,886                                      | 1,481,286,269                              | 3,804,456,309   |
| Segment liabilities                               | (53,017,461)               | 584,270                   | (42,472,479)                     | (13,956,094)                                  | (4,439,642)           | (420,663,264) | (6,404,050)                                | (119,002,672)                                    | (117,137,473)                              | (776,508,865)   |
| Additions to non-current assets                   | 6,662,586                  | 999,650                   | 500,492                          | 26,921,955                                    | 3,219,177             | 221,078       | 14,674,719                                 | 105,053,806                                      | 81,086,365                                 | 239,339,828     |
| Non-cash revenue (included above)                 | 3,077,187                  | -                         | -                                | 47,374                                        | -                     | 21,156,612    | -                                          | -                                                | -                                          | 24,281,172      |
| Non-cash expense (included above)                 | 14,475,902                 | 102,834                   | 928,776                          | 20,709,333                                    | 2,649,484             | 15,415,246    | 1,118,961                                  | 40,727,273                                       | 33,163,970                                 | 129,291,778     |
| Cash flows from operating activities              | (25,600,329)               | (1,756,744)               | (46,537,620)                     | (66,114,436)                                  | (142,846,735)         | 529,032,827   | (7,597,372)                                | 752,631                                          | (27,172,798)                               | 212,159,424     |
| Cash flows for investing activities               | (6,662,586)                | (999,650)                 | (500,492)                        | (26,921,955)                                  | (3,219,177)           | 73,779,789    | (14,674,719)                               | (105,053,806)                                    | (81,086,365)                               | (165,338,961)   |
| Cash flows from financing activities              | (41,285)                   | -                         | -                                | (36,466)                                      | -                     | 1,389,228     | (3,480,976)                                | (7,453,082)                                      | (9,622,581)                                | (9,622,581)     |

## **1. BASIS OF PRESENTATION**

The unaudited Annual Financial Statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 112(3) of the Municipal Finance Management Act (Act 56 of 2003).

These unaudited annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

The Minister has determined the following Standards of GRAP for Municipalities.

|         |                                                                 |
|---------|-----------------------------------------------------------------|
| GRAP 1  | Presentation of Financial Statements                            |
| GRAP 2  | Cash Flow Statements                                            |
| GRAP 3  | Accounting Policies, Changes in Accounting Estimates and Errors |
| GRAP 4  | The effects of Changes in Foreign Exchange Rates                |
| GRAP 5  | Borrowing Costs                                                 |
| GRAP 6  | Consolidated and Separate Financial Statements                  |
| GRAP 7  | Investments in Associates                                       |
| GRAP 8  | Investment in Joint Ventures                                    |
| GRAP 9  | Revenue from Exchange Transactions                              |
| GRAP 10 | Financial Reporting in Hyperinflationary Economics              |
| GRAP 11 | Construction Contracts                                          |
| GRAP 12 | Inventories                                                     |
| GRAP 13 | Leases                                                          |
| GRAP 14 | Events after the Reporting Date                                 |
| GRAP 16 | Investment Property                                             |
| GRAP 17 | Property, Plant and Equipment                                   |
| GRAP 18 | Segment Reporting                                               |
| GRAP 19 | Provisions, Contingent Liabilities and Contingent Assets        |
| GRAP 20 | Related-party disclosures                                       |
| GRAP 21 | Impairment of Non-cash generating Assets                        |



|          |                                                                 |
|----------|-----------------------------------------------------------------|
| GRAP 23  | Revenue from Non-exchange Transactions (Taxes and Transfers)    |
| GRAP 24  | Presentation of Budget Information in Financial Statements      |
| GRAP 25  | Employee Benefits                                               |
| GRAP 26  | Impairment of Cash Generating Assets                            |
| GRAP 27  | Agriculture                                                     |
| GRAP 31  | Intangible Assets                                               |
| GRAP 32  | Service concession arrangements: Grantor                        |
| GRAP 100 | Discontinued Operations                                         |
| GRAP 103 | Heritage Assets                                                 |
| GRAP 104 | Financial Instruments                                           |
| GRAP 105 | Transfers of Function between Entities under Common Control     |
| GRAP 106 | Transfers of Function between Entities Not under Common Control |
| GRAP 107 | Mergers                                                         |
| GRAP 108 | Statutory receivables                                           |
| GRAP 109 | Accounting by principals and agents                             |

In addition the municipality has applied all the other Interpretation Standards and directives determined by the Minister in the updated Directive 5.

### **1.1 Changes in accounting policy and comparability**

Changes in accounting policies due to adoption of newly effective Standards of GRAP have been applied retrospectively in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy or where allowed transitional provisions had been adopted. In such cases the municipality would restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with GRAP 3 requirements. Details of changes in estimates are disclosed in the notes to the annual financial statements where applicable.

Errors are corrected retrospectively in the period in which the error has occurred in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the municipality would restate the opening

balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

The municipality changes an accounting policy only if the change:

- a) is required by a Standard of GRAP; or
- b) results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the performance or cash flow.

## **1.2 Comparative Information**

When the presentation or classification of items in the Annual Financial Statements is amended, prior period comparative amounts are reclassified. The nature and reasons for the reclassification are disclosed.

## **1.3 Presentation of Budget Information in the Financial Statements**

The municipality presents a comparison of the budget amounts for which it is held publicly accountable and actual amounts as a separate statement called the 'Statement of Comparison of Budget and Actual Amounts'. This statement compares the budget amounts with the amounts in the financial statements adjusted to be on a comparable basis. The comparison of budget and actual amounts presents separately for each level of legislative oversight the following:

- the approved and final budget amounts;
- the actual amounts ; and
- by way of note disclosure, an explanation of material differences between the budget for which the municipality is held publicly accountable and actual amounts, unless such explanation is included in other public documents issued in conjunction with the financial statements, and a cross reference to those documents is made in the notes.

## **1.4 Critical judgments, estimations and assumptions**

The following are the critical judgments, apart from those involving estimations, that the management has made in the process of applying the municipality's Accounting Policies and that have the most significant effect on the amounts recognised in Annual Financial Statements:

### **Revenue Recognition**

Accounting Policy 1.22 on Revenue from Exchange Transactions and Accounting and Revenue from Non-exchange Transactions describes the conditions under which revenue will be recorded by the management of the municipality.

In making their judgement, the management considered the detailed criteria for the recognition of revenue as set out in GRAP 9: Revenue from Exchange Transactions and GRAP 23: Revenue from Non-exchange Transactions. In particular when services are rendered, whether the service has been rendered. The management of the municipality is satisfied that recognition of the revenue in the current year is appropriate.

## **Financial assets and liabilities**

The classification of financial assets and liabilities into categories is based on relevant accounting standards as assessed by management.

### **Impairment of Financial Assets**

Accounting Policy 1.15.4 on Impairment of Financial Assets describes the process followed to determine the value by which financial assets should be impaired. In making the estimation of the impairment, the management of the municipality considered the detailed criteria of impairment of financial assets as set out in GRAP 104: Financial Instruments. The management of the municipality is satisfied that the impairment of financial assets recorded during the year, is appropriate.

### **Useful lives of Property, Plant and Equipment (“PPE”)**

As described in Accounting Policies 1.12.3 and, 1.13.2 the municipality depreciates/amortises its property, plant and equipment, and intangible assets over the estimated useful lives of the assets, taking into account the residual values of the assets at the end of their useful lives, which is determined when the assets are available for use. The useful lives and residual values of the assets are based on industry knowledge.

### **Impairment: Write down of PPE and Inventories**

Significant estimates and judgments are made relating to PPE impairment tests and write down of inventories to net realisable values.

### **Defined Benefit Plan Liabilities**

As described in Accounting Policy 1.18, the municipality obtains actuarial valuations of its defined benefit plan liabilities. The defined benefit obligations of the municipality that were identified are Post-retirement Health Benefit Obligations and Long-service Awards. The estimated liabilities are recorded in accordance with the requirements of GRAP 25 Employee Benefits. Details of the liabilities and the key assumptions made by the actuaries in estimating the liabilities are provided in Note 6 to the Annual Financial Statements.

Multi-employer defined benefit funds are accounted for as defined contribution plan as set out in note 6.

## **1.5 Presentation currency**

These unaudited Annual Financial Statements are presented in South African Rand, which is the functional currency of the municipality.

## **1.6 Going concern assumption**

These unaudited Annual Financial Statements have been prepared based on the expectation that the municipality will continue to operate as a going concern basis for at least the next 12 months.

## **1.7 Offsetting**

Assets, liabilities, revenues and expenses have not been offset, except when offsetting is required or permitted by a Standard of GRAP.

## **1.8 GRAP 108: Statutory receivables**

Municipalities are required to separately account for receivables arising from legislation, regulations or similar means. Examples include receivables related to property rates and fines. Statutory receivables are accounted for initially in accordance with GRAP 23 Revenue from Non-exchange Transactions (Taxes and Transfers) and subsequently at cost less impairment using GRAP 108. Separate disclosure is required for statutory and other receivables.

## **1.9 Construction Contracts**

The Housing Development Construction contracts relate to the agreements entered into between the Municipality and the KwaZulu Natal Department of Housing in respect of housing projects where the municipality is the developer in this arrangement.

These are treated in accordance with GRAP 11, Construction contracts.

This arrangement is accounted for in line with the policy for National Housing Programmes. The Housing Development Construction contract expenses consists mainly of contracted services wherein the municipality procures the services of building contractors and other consultants in the construction of houses on its behalf.

The Housing Development Construction contract revenue is recognised when costs are incurred.

The amounts received in advance from Department of Human Settlements for work done is recognised as an unspent grant liability and disclosed on the notes to the Annual Financial Statements.

## **1.10 Housing Operating Account**

The Housing Operating Account was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from National and Provincial Government used to finance housing selling schemes undertaken by the municipality were extinguished on 1 April 1998 and transferred to the Housing Operating Account. Housing selling schemes both complete and in progress as at 1 April 1998, were also transferred to the Housing Operating Account.

In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Operating Account. Where the municipality experiences a nett loss on proceeds realised these are funded by the accumulated surplus. Monies standing to the credit of the Housing Operating Account can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.



## **1.11 Investment Property**

### **1.11.1 Initial Recognition**

Investment property includes property (land or a building, or part of a building, or both land and buildings held under a finance lease) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of services, or the sale of an asset in the ordinary course of operations.

At initial recognition, the municipality measures investment property at fair value including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction or at a nominal value its cost is its fair value as at the date of acquisition.

The cost of self-constructed investment property is the cost at date of completion.

Based on management's judgement, the following criteria have been applied to distinguish investment properties from owner occupied property or property held for resale:

- All properties held to earn market-related rentals or for capital appreciation or both and that are not used for administrative purposes and that will not be sold within the next 12 months are classified as Investment Properties;
- Land held for a currently undetermined future use. (If the municipality has not determined that it will use the land as owner-occupied property or for short-term sale in the ordinary course of business, the land is regarded as held for capital appreciation);
- Property that is being constructed or developed for future use as investment property;
- A building owned by the municipality (or held by the municipality under a finance lease) and leased out under one or more operating leases; and
- A building that is vacant but is held to be leased out under one or more operating leases on a commercial basis to external parties.

The following assets do not fall in the ambit of Investment Property and shall be classified as Property, Plant and Equipment, Inventory as appropriate:

- Property intended for sale in the ordinary course of operations or in the process of construction or development for such sale;
- Property being constructed or developed on behalf of third parties;
- Owner-occupied property, including (among other things) property held for future use as owner-occupied property, property held for future development and subsequent use as owner-occupied property, property occupied by employees such as housing for personnel (whether or not the employees pay rent at market rates) and owner-occupied property awaiting disposal;

- Property that is leased to another entity under a finance lease;
- Property held to provide a social service and which also generates cash inflows, e.g. property rented out below market rental to sporting bodies, schools, low income families, etc; and
- Property held for strategic purposes or service delivery.

A register of Investment Properties held are available for inspection upon request.

#### 1.11.2 Subsequent Measurement - Fair Value Model

Investment property is measured using the fair value model. Investment property is carried at fair value, representing open market value determined annually by external valuers at the reporting date. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. A gain or loss arising from a change in the fair value of investment property is included in surplus or deficit for the year.

The carrying amount of an investment property is derecognised on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from de-recognition of an investment property is included in surplus or deficit for the year when the asset is derecognised.

Gains or losses are calculated as the difference between the net book value of assets (fair value) and the sales proceeds.

### 1.12 Property, Plant and Equipment

#### 1.12.1 Initial Recognition

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of services, rental to others, or for administrative purposes, and are expected to be used during more than one year.

The cost of an item of property, plant and equipment is recognised as an asset if, and only if:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality, and
- if the cost of item can be measured reliably.

Property, plant and equipment are initially recognised at cost on its acquisition date or in the case of assets acquired by grant or donation, deemed cost, being the fair value of the asset on initial recognition. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost, where applicable, also includes the necessary costs of dismantling and removing the asset and restoring the site on which it was located.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

The cost of an item of property, plant and equipment acquired in exchange for a non-monetary assets or monetary assets, or a combination of monetary and non-monetary assets is measured at its fair value. If the acquired item could not be measured at its fair value, its cost is measured at the carrying amount of the asset given up.

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

#### 1.12.2 Subsequent Measurement

Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that future economic benefits or potential service delivery associated with the subsequent expenditure will flow to the municipality and the cost or fair value of the subsequent expenditure can be reliably measured. Subsequent expenditure incurred on an asset is only capitalised when it increases the capacity or future economic benefits associated with the asset. Where the municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component.

Subsequently all property plant and equipment, are measured at cost (which includes deemed cost for previously unrecognised assets), less accumulated depreciation and accumulated impairment losses.

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up is included in surplus or deficit when the compensation becomes receivable.

#### 1.12.3 Depreciation

Land is not depreciated as it is regarded as having an indefinite life. Depreciation of assets other than land is calculated, using the straight line method, to depreciate their cost to their residual values over the estimated useful lives of the assets. The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the municipality. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The depreciation rates are based on the following estimated useful lives.

Depreciation only commences when the asset is available for use, unless stated otherwise.

##### ***Details***

##### ***Years***

##### ***Infrastructure***

Roads

10 – 45

|                      |         |
|----------------------|---------|
| Electricity          | 5 – 50  |
| Storm Water          | 10 – 80 |
| Solid Waste Disposal | 10 – 45 |

#### **Community**

|                                     |        |
|-------------------------------------|--------|
| Community and Recreation Facilities | 5 – 50 |
| Other Assets                        | 2 – 50 |
| Vehicles                            | 3 – 10 |
| Furniture and Fittings              | 3 – 5  |

The assets' residual values, estimated useful lives and depreciation method are reviewed annually, and adjusted prospectively if appropriate, at each reporting date.

#### **1.12.4 Work in Progress**

Work in progress is stated at historical cost. Depreciation only commences when the asset is available for use.

#### **1.12.5 Finance Leases**

Assets capitalised under finance leases are depreciated over their expected useful lives on the same basis as PPE controlled by the entity or where shorter, the term of the relevant lease.

#### **1.12.6 Infrastructure Assets**

Infrastructure Assets are any assets that are part of a network of similar assets. Infrastructure assets are shown at cost less accumulated depreciation and accumulated impairment. Infrastructure assets are treated similarly to all other assets of the municipality.

#### **1.12.7 De-recognition of Property, Plant and Equipment**

The carrying amount of an item of property, plant and equipment is derecognised on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from de-recognition of an item of property, plant and equipment is included in surplus or deficit for the year when the item is derecognised.

Gains or losses are calculated as the difference between the net book value of assets (cost less accumulated depreciation and accumulated impairment losses) and the sales proceeds.



### 1.12.8 Impairment of Assets

#### 1.12.8.1 Cash - generating Assets

##### Identification:

The municipality assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

##### Value in use

Value in use of a cash generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

##### Discount rate

The discount rate is a rate that reflects current market assessments of the time value of money, represented by the current risk free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

##### Recognition and measurement

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit for the year.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit as follows:

- To the assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

A municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in surplus or deficit for the year.

#### 1.12.8.2 Impairment of Non-cash Generating Assets

##### Identification

The municipality assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

If there is any indication that an asset may be impaired, the recoverable service amount is estimated for the individual asset. If it is not possible to estimate the recoverable service amount of the individual asset no impairment is recognised.

##### Value in use

Value in use of an asset is the present value of the asset's remaining service potential.

The present value of the remaining service potential of an asset is determined using the following approach:

##### Depreciated replacement cost approach:

The present value of the remaining service potential of a non cash generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the municipality would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an oversized or overcapacity asset. Oversized assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

##### Recognition and measurement

If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit for the year.

An impairment loss is recognised for non-cash-generating units if the recoverable service amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit as follows:

- To the assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

A municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable service amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in surplus or deficit for the year.

### **1.13 Intangible Assets**

#### **1.13.1 Initial Recognition**

Identifiable non-monetary assets without physical substance which are held for use in the production or supply of services, for rental to others, or for administrative purposes are classified and recognised as intangible assets. The municipality recognises an intangible asset only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality and the cost or fair value of the asset can be measured reliably.

Internally generated intangible assets are subject to strict recognition criteria before they are capitalised. Research expenditure is recognised as an expense when incurred.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use on a straight-line basis over its useful life. Development assets are tested for impairment annually.

Intangible assets are initially recognised at cost. Where an intangible asset is acquired at no cost or for a nominal consideration, its cost is its fair value as at the date it is acquired. Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

The municipality does not recognise electricity servitudes arising from a legal right as intangible assets.

#### **1.13.2 Subsequent Measurement, Amortisation and Impairment**

Subsequently all intangible assets are measured at cost, less accumulated amortisation and accumulated impairment losses.

Amortisation is charged on a straight-line basis over the intangible assets' useful lives, which are estimated to be between 2 to 7 years. Where intangible assets are deemed to have an indefinite useful life, such intangible assets are not amortised, for example servitudes (excluding electricity servitudes) obtained by the municipality give the municipality access to land for specific purposes for an unlimited period - however, such intangible assets are subject to an annual impairment test.

Intangible assets are annually tested for impairment, including intangible assets not yet available for use. Where items of intangible assets have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified except where the impairment reverses a previous revaluation. The impairment loss is the difference between the carrying amount and the recoverable amount.

The estimated useful life and amortisation method are reviewed annually. Any adjustments arising from the annual review are applied prospectively as a change in accounting estimate in surplus or deficit for the year.

#### **1.13.3 De-recognition of Intangible Assets**

The carrying amount of an intangible asset is derecognised on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from de-recognition of an intangible asset is included in surplus or deficit when the asset is derecognised. Gains are not included in revenue.

Gains or losses are calculated as the difference between the net book value of assets (cost less accumulated amortisation and accumulated impairment losses) and the sales proceeds. This is included in surplus or deficit for the year as a gain or loss on disposal of intangible assets.

### **1.14 Heritage Assets**

Heritage assets, which are culturally significant resources and which are shown at cost, are not depreciated owing to uncertainty regarding their estimated useful lives.

### **1.15 Financial Instruments**

The municipality has various types of financial instruments and these can be broadly categorised as either Financial Assets or Financial Liabilities.

#### **1.15.1 Financial Assets - Classification**



A financial asset is any asset consisting of cash or a contractual right to receive cash. The municipality has the following types of financial assets as reflected on the face of the Statement of Financial Position or in the notes thereto:

- Investments in Fixed Deposits (Banking Institutions, etc)
- Long-term Receivables
- Consumer Debtors
- Certain Other Debtors
- Short-term Investment Deposits
- Cash and Cash Equivalents

In accordance with GRAP 104, the Financial Assets of the municipality are classified as follows into the three categories allowed by this standard:

| Type of Financial Asset        | Classification in terms of GRAP 104 |
|--------------------------------|-------------------------------------|
| Short-term Investment Deposits | Financial assets at amortised cost  |
| Cash and Cash Equivalents      | Financial assets at amortised cost  |
| Long-term Receivables          | Financial assets at amortised cost  |
| Consumer Debtors               | Financial assets at amortised cost  |
| Other Debtors                  | Financial assets at amortised cost  |
| Investments in Fixed Deposits  | Financial assets at amortised cost  |

Financial assets at amortised cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months, which are classified as non-current assets.

Cash and cash equivalents include cash on hand (including petty cash) and cash with banks (including call deposits). Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts. The municipality categorises cash and cash equivalents as financial assets: loans and receivables.

#### 1.15.2 Financial Liabilities – Classification

A financial liability is a contractual obligation to deliver cash or another financial asset to another entity. The municipality has the following types of financial liabilities as reflected on the face of the Statement of Financial Position or in the notes thereto:

- Long-term Liabilities
- Certain Other Creditors
- Current Portion of Long-term Liabilities
- Consumer Deposits

In accordance with GRAP 104, the Financial Liabilities of the municipality are classified into the following category as allowed by this standard

- Financial liabilities at amortised cost.

Financial liabilities at amortised cost are initially measured at fair value, net of transaction costs. These are subsequently measured at amortised cost using the Effective interest method, with interest expense recognised on an effective yield basis.

### 1.15.3 Initial and Subsequent Measurement

#### 1.15.3.1 Financial Assets:

Financial assets at amortised cost are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. Subsequently, these assets are measured at amortised cost using the Effective Interest Method less any impairment, with revenue recognised on an effective yield basis.

#### 1.15.3.2 Financial Liabilities:

Financial Liabilities at amortised cost are initially measured at fair value net of transaction costs. Subsequently, these liabilities are measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis..

Financial liabilities are recognised on the trade date at which the municipality becomes a party to the contractual provisions of the instrument.

### 1.15.4 Impairment of Financial Assets

Financial assets are assessed for indicators of impairment at reporting date. Financial assets are impaired where there is objective evidence of impairment of Financial Assets (such as the probability of insolvency or significant financial difficulties of the debtor). If there is such evidence the recoverable amount is estimated and an impairment loss is recognised in accordance with GRAP 104.

Initially Accounts Receivable are valued at fair value and subsequently carried at amortised cost using the effective interest rate method. An estimate is made for doubtful debt based on past default experience of all outstanding amounts at year-end. Amounts receivable within 12 months from the date of reporting are classified as current.

A provision for impairment of trade receivables is established when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms of

receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The provision is made whereby the recoverability of Consumer Debtors is assessed individually or collectively after grouping the assets in financial assets with similar credit risk characteristics if individual assessment was not possible.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets and recognised in surplus or deficit for the year with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in surplus or deficit for the year.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through surplus or deficit for the year to the extent that the carrying amount of the instruments at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

#### 1.15.5 De-recognition of Financial Assets

The municipality derecognises Financial Assets only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity, except when Council approves the write-off of Financial Assets due to non-recoverability.

If the municipality neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the municipality recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the municipality retains substantially all the risks and rewards of ownership of a transferred financial asset, the municipality continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

#### 1.15.6 De-recognition of Financial Liabilities

The municipality derecognises Financial Liabilities when, and only when, the municipality's obligations are discharged, cancelled or they expire.

### 1.16 Leases

#### **The Municipality as Lessee**

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and equipment or Intangible Assets subject to finance lease agreements are capitalised at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Corresponding liabilities are included in the Statement of Financial Position as

Finance Lease Liabilities. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred. Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to Property, plant, equipment or Intangible Assets. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to de-recognition of financial instruments are applied to lease payables. The lease asset is depreciated over the shorter of the asset's useful life or the lease term.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised as an expense in surplus or deficit for the year on a straight-line basis over the term of the relevant lease.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

### **The Municipality as Lessor**

Operating lease rental income is recognised on a straight-line basis over the term of the relevant lease.

### **1.17 Inventories**

Inventories comprising consumable stores, raw materials and finishing goods are initially measured at cost except where inventories are acquired at no cost, or for nominal consideration, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value, determined on the weighted average cost.

Inventories are measured at the lower of cost and current replacement cost where they are held for:

- Distribution at no charge or for a nominal charge; or
- Consumption in the production process of goods to be distributed at no charge or for a nominal charge



Unsold properties represent unsold units in economic selling schemes where the net realisable value of each unit is either nil or a nominal amount. As a consequence of the passage of time the municipality is not in a position to determine the cost of such inventory. Furthermore, the use of current replacement cost would not only distort the statement of financial position by inflating the value of inventories but would also result in a credit to the Housing operating account contrary to section 14 of the Housing Act, 1997. Accordingly unsold properties are stated in the annual financial statements at net realisable value.

Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values.

### **1.18 Employee Benefits**

The objective of GRAP 25 is to prescribe the accounting and disclosure for employee benefits. The Standard of GRAP requires a municipality to recognise:

- a liability when an employee has provided service in exchange for employee benefits to be paid in the future; and
- An expense when a municipality consumes the economic benefits or service potential arising from service provided by an employee in exchange for employee benefits.

The Standard of GRAP states the recognition, measurement and disclosure requirements of:

- Short term employee benefits;
- All short term employee benefits;
- Short term compensated absences;
- Bonus, incentive and performance related payments;
- Post-employment benefits;
- Other long term employee benefits; and
- Termination benefits.

The municipality has adopted GRAP 25 Employee Benefits in the current year.

The objective of GRAP 25 is to prescribe the accounting and disclosure for employee benefits. The municipality has recognised:

- a liability when an employee has provided service in exchange for employee benefits to be paid in the future; and
- an expense when a municipality consumes the economic benefits or service potential arising from service provided by an employee in exchange for employee benefits.

This municipality recognises all actuarial gains and losses and past service costs immediately in the statement of financial performance once occurred.

### **Short-term Employee Benefits**

Remuneration to employees is recognised in surplus or deficit for the year as the services are rendered, except for non-accumulating benefits, which are only recognised when the specific event occurs.

The costs of all short-term employee benefits such as leave pay, are recognised during the period in which the employee renders the related service. The liability for leave pay is based on the total accrued leave days at year end and is shown as an accrual in the Statement of Financial Position. The municipality recognises the expected cost of performance bonuses only when the municipality has a present legal or constructive obligation to make such payment and a reliable estimate can be made.

### **Past service costs**

Past service costs are recognised immediately in surplus or deficit, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

### **Post-employment benefit: Defined Contribution Plans**

Defined contribution plan is a plan under which the municipality pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient asset to pay all employee benefits relating to employee service in the current and prior periods.

The municipality's contributions to the defined contribution funds are established in terms of the rules governing those plans. Contributions are recognised in surplus or deficit for the year in which the service is rendered by the relevant employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available. The municipality has no further payment obligations once the contributions have been paid.

### **Post-employment benefits: Defined Benefit Plans**

Defined benefit plan is a post-employment benefit plan other than a defined contribution plans.

For defined benefit plans the cost of providing the benefits is determined using the projected unit credit method.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged to surplus or deficit for the year in which they arise.

### **Pension obligations**

The municipality and its employees contribute to the Natal Joint Municipal Pension Fund (Superannuation, Retirement and Provident fund). The contributions to fund obligations for the

payment of retirement benefits are charged against income in the year they become payable. Natal Joint Superannuation & Retirement Funds are defined benefit funds. The Natal Joint Provident Fund is a defined contribution funds.

The schemes are funded through payments to fund administrator or trustee-administered funds, determined by periodic actuarial calculations.

Defined benefit plans have been accounted for as defined contribution plans in accordance with the requirements on multi-employer plans where sufficient information is not available to account for such plans as defined benefit plans. As the fund administrators do not have sufficient information available to allocate the shortfall on liabilities to individual employers, no liability is recognised for any shortfall of fund asset as compared to fund liabilities. Any surcharges that may be levied by the fund from time to time in order to compensate for shortfalls, are recognised as expenses in the period in which they become payable to the fund. As surcharges are advised long in advance, based on actuarial valuations of the fund as a whole, the necessary provision for the payment thereof is made in the course of the municipality's normal budgeting processes."

**\*Post-retirement Health Care Benefits:**

The municipality has an obligation to provide Post-retirement Health Care Benefits to certain of its retirees. According to the rules of the Medical Aid Funds, with which the municipality is associated, a member (who is on the current Conditions of Service), on retirement, is entitled to remain a continued member of the Medical Aid Fund, in which case the municipality is liable for a certain portion of the medical aid membership fee.

The defined benefit liability is the aggregate of the present value of the defined benefit obligation and recognised actuarial gains and losses, adjusted by past service costs where applicable. The plan is unfunded. The present value of the defined benefit obligation is calculated using the projected unit credit method, incorporating actuarial assumptions and an appropriate discount rate. Valuations of these obligations are carried out every year by independent qualified actuaries.

Actuarial gains or losses are accounted for in full and are recognised in the Statement of Financial Performance.

**\*Long-service Allowance**

The municipality has an obligation to provide Long-service Allowance Benefits to all of its employees. According to the rules of the Long-service Allowance Scheme, which the municipality instituted and operates, an employee (who is on the current Conditions of Service), is entitled to a cash allowance, as well as additional once-off leave calculated in terms of the rules of the scheme, after 10, 15, 20, 25, 30, 35, 40 and 45 years of continued service.

The municipality's liability is based on an actuarial valuation. The projected unit credit method has been used to value the liabilities. Actuarial gains and losses on the long-term incentives are accounted for in surplus or deficit for the year.

Actuarial gains or losses are accounted for in full and are recognised in surplus or deficit for the year.

### **1.19. Provisions**

Provisions are recognised when:

- the municipality has a present or constructive obligation as a result of past events,
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

Provisions are reviewed at reporting date and the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. When the effect of discounting is material, provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money. The impact, if any, of the periodic unwinding of the discount is recognised in the Statement of Financial Performance as a finance cost as it occurs.

### **1.20 Contingent Assets and Contingent Liabilities**

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in the notes to the annual financial statements.

### **1.21 Capital Commitments**

In terms of GRAP 17, contractual commitments are disclosed for all assets. The commitment is measured at the value of the contract less amounts paid until year end. Where contracts or letters of awards have been issued, this is classified as an approved and contracted commitment.

### **1.22 Revenue Recognition**

Revenue from exchange transactions

Revenue from exchange transactions refers to revenue that accrued to the municipality directly in return for services rendered / goods sold, the value of which approximates the consideration received or receivable.

Revenue comprises the fair value of the consideration received or receivable for the sale or rendering of services in the ordinary course of the municipality's activities. Revenue is shown net of value-added tax, returns, rebates and discounts.

The municipality recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits or service potential will flow to the municipality and when specific criteria have been met for each of the municipality's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have

been resolved. The municipality bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

#### Revenue from non-exchange transactions

Revenue from non-exchange transactions refers to transactions where the municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

### Revenue from Exchange Transactions

#### Service Charges

Service charges relating to electricity are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption, based on the consumption history, are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced, except at year-end when estimates of consumption up to year-end are recorded as revenue without being invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the average monthly consumption of consumers.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property.

In circumstances where services cannot readily be measured and quantified, a flat rate service charge is levied monthly on such properties.

#### Pre-paid Electricity

Revenue from the sale of electricity pre-paid meter cards are recognised at the point of sale. Revenue from the sale of electricity prepaid meter cards made in the last month of the financial year is recognised based on an estimate of the prepaid electricity consumed as at the reporting date with reference to the consumption patterns of the individual users.

#### Finance income

Interest earned on investments is recognised in surplus or deficit for the year on the time proportionate basis that takes into account the effective yield on the investment.

#### Tariff Charges



Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant authorised tariff. This includes the issuing of licences and permits.

### **Rentals**

Revenue from the rental of facilities and equipment classified as operating leases is recognised on a straight-line basis over the term of the lease agreement where material, where such lease periods span over more than one financial year.

## **1.23 Revenue from Non-exchange Transactions**

### **Rates and Taxes**

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportion basis with reference to the principal amount receivable and effective interest rate applicable. A composite rating system charging different rate tariffs is employed. Rebates are granted to certain categories of ratepayers and are deducted from revenue.

### **Fines**

Fines constitute both spot fines and summonses.

Revenue from traffic fines is initially measured on the value stipulated on the notice, summons or equivalent document.

The revenue from traffic fines is subject to further judicial process which is outside the municipality's control. These reductions are not considered in measuring the revenue and receivable on initial recognition. This is because of the high degree of uncertainty in estimating the likely outcome of this process. Once this separated process has been concluded, any reductions are accounted for as a change in estimated revenue and in accordance with IGRAP1.

### **Public contributions**

Revenue from public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment are brought into use. Revenue is recognised at the fair value of the consideration received. Where public contributions have been received and the municipality has not met the condition, a liability is recognised.

### **Revenue from Recovery of Unauthorised, Irregular, Fruitless and Wasteful Expenditure**

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain. Such revenue is based on legislated procedures.

## **Tariff Charges**

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant authorised tariff. This includes the issuing of licences and permits.

### **1.24 Government Grants and Receipts**

Income received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met, a liability is recognised. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the municipality with no future related costs, are recognised as Accounts Receivable in the period in which they become receivable.

Interest earned on investments is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the liability and if it is the municipality's interest it is recognised as interest earned in surplus of deficit for the year.

### **1.25 Borrowing Costs**

Borrowing cost are interest and other expenses incurred by an entity in connection with the borrowing of funds.

The municipality has opted to expense all borrowing costs.

### **1.26. Cash and Cash Equivalents**

Cash includes cash-on-hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks and investments in financial instruments, net of bank overdrafts.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdrafts are expensed as incurred.

### **1.27 Unauthorised Expenditure**

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No 56 of 2003). The definition thereof is more fully defined in the MFMA.

### **1.28 Fruitless and Wasteful Expenditure**

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. The definition thereof is more fully defined in the MFMA.

### **1.29 Irregular Expenditure**

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No 56 of 2003), the Municipal Systems Act (Act No 32 of 2000), and the Public Office Bearers Act (Act No 20 of 1998) or is in contravention of the Municipality's or Municipal Entities' supply chain management policies. Irregular expenditure excludes unauthorised expenditure

### **1.30 Related Parties**

Individuals, including councillors, as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Key management personnel is defined as the Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

The objective of this Standard of GRAP is to ensure that a municipality's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and surplus or deficit may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

This Standard of GRAP requires disclosure of related party relationships, transactions and outstanding balances, including commitments, in the consolidated and separate financial statements of the municipality in accordance with the Standard of GRAP on Consolidated and Separate Financial Statements. This Standard of GRAP also applies to individual financial statements.

This Standard of GRAP requires that only transactions with related parties where the transactions are not concluded within normal operating procedures or on terms that are no more or no less favourable than the terms it would use to conclude transactions with another municipality, entity or person are disclosed.

The Standard of GRAP sets out the requirements, inter alia, for the disclosure of:

- control;
- related party transactions; and
- remuneration of management.

### **1.31 Events after the Reporting Date**

Events after the reporting date that have been classified as adjusting events have been accounted for in the Annual Financial Statements. The material events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the Annual Financial Statements.

### **1.32 Value Added Tax**

The Municipality accounts for Value Added Tax on the payments basis.

### **1.33 Service Concession Arrangements: Grantor**

The objective of this Standard is to prescribe the accounting for service concession arrangements by the grantor, a public sector entity.

An entity that prepares and presents financial statements under the accrual basis of accounting shall apply this Standard in accounting for service concession arrangements.

Arrangements within the scope of this Standard involve the operator providing a mandated function related to the service concession asset on behalf of the grantor. The operator providing the mandated function can either be a private party or another public sector entity.

Arrangements outside the scope of this Standard are those that do not involve the delivery of a mandated function and arrangements that involve the provision or management of services where the asset is not controlled by the grantor (e.g., outsourcing, service contracts, or privatisation).

### **1.34 Accounting by principles and agents**

The objective of this Standard is to outline principles to be used by an entity to assess whether it is party to a principal-agent arrangement, and whether it is a principal or an agent in undertaking transactions in terms of such an arrangement.

The definition of a principal-agent arrangement refers to an entity acting on behalf of another entity in relation to transactions with third parties. A principal is an entity that directs another (an agent) to undertake transactions with third parties, for the benefit of the principal, in terms of a binding arrangement. The focus of this Standard is establishing whether one entity directs another in relation to specific transactions with third parties within a particular arrangement, rather than considering whether one entity directs or has the power over another entity generally.

When an entity is party to a principal-agent arrangement, it shall assess whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement. The assessment of whether an entity is a principal or an agent requires the entity to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Principal-agent arrangements are governed by a binding arrangement. The requirements of these binding arrangements, particularly the rights and obligations established for the various parties, inform an entity's assessment of whether it undertakes transactions for its own benefit, or for the benefit of another entity. The terms and conditions of the binding arrangement should be assessed to determine the roles, responsibilities and authority of parties in relation to the activities and resulting transactions undertaken in terms of that arrangement.

When an entity in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If an entity concludes that it is not the agent, then it is the principal in the transactions.

An entity is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- (a) It does not have the power to determine the significant terms and conditions of the transaction.
- (b) It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- (c) It is not exposed to variability in the results of the transaction

Accounting by a principal or an agent

- A principal recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement.
- An agent recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal.
- An entity recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of other Standards of GRAP.

### **1.35 Reportable Segments**

The reportable segments of the municipality has been identified in accordance with GRAP 18. Reportable segments are the actual segments which are reported on in the Segment Report. The municipality has the following segments:

- Corporate Services
- Youth Development
- Chief Operations Officer
- Community Services & Public amenities
- Community Safety
- Finance
- Economic Development & Planning
- Civil Engineering & Human Settlements
- Electrical Engineering Services

KwaDukuza operates in a relatively contained geographical area with no foreign, national or inter-provincial operations. All operations occur within the iLembe district in accordance with the developmental nature of local government. Any further breakdown is not necessary and currently not available and the cost to develop will be excessive.

Management shall consider the cost benefit of the above segment in the upcoming financial year.

### **1.36 Statutory Receivables**



**Identification:**

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

The transaction amount (for purposes of this Standard) for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

**Recognition:**

The Municipality recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the accounting policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

**Initial measurement:**

The Municipality initially measures statutory receivables at their transaction amount.

**Subsequent measurement:**

The Municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable); impairment losses; and
- amounts derecognised.

**Derecognition:**

The Municipality derecognises a statutory receivable, or a part thereof, when:

- the rights to the cash flows from the receivable are settled, expire, or are waived.

2 Investment Properties

|                     | 2023        |                                         | 2022        |                                         |
|---------------------|-------------|-----------------------------------------|-------------|-----------------------------------------|
|                     | COST        | ACCUMULATED AMORTISATION AND IMPAIRMENT | COST        | ACCUMULATED AMORTISATION AND IMPAIRMENT |
| INVESTMENT PROPERTY | 187,816,000 | -                                       | 187,816,000 | -                                       |
|                     | 187,816,000 | -                                       | 187,816,000 | -                                       |

RECONCILIATION OF INVESTMENT PROPERTY - 2023

|                     | OPENING BALANCE | FAIR VALUE ADJUSTMENTS | TRANSFERS/DISPOSALS | CLOSING BALANCE |
|---------------------|-----------------|------------------------|---------------------|-----------------|
| INVESTMENT PROPERTY | 192,670,000     | 7,746,000              | (12,600,000)        | 187,816,000     |
|                     | 192,670,000     | 7,746,000              | (12,600,000)        | 187,816,000     |

The last effective date of the fair value adjustment was June 2023. The valuations were performed by a Professional Valuer. The valuation was based on the estimated amount for which an asset should exchange on the date of evaluation between a willing buyer and willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The municipal valuer has extensive experience in the location and category of investment property valued with the necessary qualifications.

Rent income received on the above investment properties during 2022/2023 financial year is R1 653 242

There is no expenditure relating to repairs and maintenance in the investment properties.

RECONCILIATION OF INVESTMENT PROPERTY - 2022

|                     | OPENING BALANCE | FAIR VALUE ADJUSTMENTS | TRANSFERS/DISPOSALS | CLOSING BALANCE |
|---------------------|-----------------|------------------------|---------------------|-----------------|
| INVESTMENT PROPERTY | 171,625,000     | 21,045,000             | -                   | 192,670,000     |
|                     | 171,625,000     | 21,045,000             | -                   | 192,670,000     |

Rent income received on the above investment properties during 2021/2022 financial year is R1 738 275.84

There is no expenditure relating to repairs and maintenance in the investment properties.

3 Property, Plant and equipment

|                                     | 2023          |                                         | 2022 - restated |                                         |
|-------------------------------------|---------------|-----------------------------------------|-----------------|-----------------------------------------|
|                                     | COST          | ACCUMULATED DEPRECIATION AND IMPAIRMENT | COST            | ACCUMULATED DEPRECIATION AND IMPAIRMENT |
| COMMUNITY ASSETS                    | 461,238,937   | (159,322,353)                           | 391,009,049     | (138,317,218)                           |
| SOLID WASTE                         | 6,437,135     | (1,881,347)                             | 7,051,127       | (2,858,378)                             |
| VEHICLES                            | 114,680,688   | (57,870,922)                            | 97,684,679      | (55,749,372)                            |
| INFRASTRUCTURE ROADS AND STORMWATER | 1,941,074,215 | (449,345,299)                           | 1,420,912,541   | (411,745,570)                           |
| INFRASTRUCTURE ELECTRICAL           | 1,066,029,389 | (337,592,182)                           | 983,819,583     | (314,845,765)                           |
| FURNITURE & FITTINGS                | 88,938,906    | (61,855,740)                            | 78,329,786      | (57,993,978)                            |
| LAND                                | 352,410,618   | -                                       | 353,370,618     | -                                       |
| LEASED ASSETS                       | 3,898,102     | (3,410,525)                             | 3,898,102       | (3,167,046)                             |
|                                     | 4,034,707,990 | (1,071,278,367)                         | 3,336,075,484   | (984,677,327)                           |
|                                     | 4,034,707,990 | (1,071,278,367)                         | 3,336,075,484   | (984,677,327)                           |

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RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT-2023

|                                   | OPENING BALANCE | ADDITIONS    | RECLASSIFICATION OF CAPITALISED AUC | DONATIONS | RECOGNITION OF EXPENSED ITEMS | DERECOGNITION OF ASSETS | ASSETS WRITTEN OFF | DEPRECIATION   | IMPAIRMENT LOSS | IMPAIRMENT REVERSAL | CLOSING BALANCE |
|-----------------------------------|-----------------|--------------|-------------------------------------|-----------|-------------------------------|-------------------------|--------------------|----------------|-----------------|---------------------|-----------------|
| Community Assets                  | 252,691,930     | 77,119,508   | (6,383,619)                         |           |                               |                         |                    | (18,360,190)   | (2,644,944)     |                     | 301,916,584     |
| Solid Waste                       | 4,192,749       | 1,771,797,09 |                                     |           |                               | (994,072)               |                    | (414,686)      |                 |                     | 4,595,788       |
| Vehicles                          | 41,935,307      | 22,840,968   |                                     |           |                               | (1,196,024)             | (210,493)          | (6,559,856)    | (136)           |                     | 56,809,766      |
| Infrastructure Roads & Stormwater | 1,009,166,968   | 523,234,143  | (3,072,469)                         |           |                               | -                       |                    | (37,178,751)   | (420,983)       |                     | 1,491,728,977   |
| Infrastructure Electrical         | 668,973,818     | 64,475,517   | 9,901,088                           |           | 10,698,826                    | (1,216,574)             |                    | (23,603,012)   | (792,455)       |                     | 728,437,208     |
| Furniture & Fittings              | 20,336,808      | 10,157,208   | 61,000                              | 856,064   | 2,965,794                     | (277,694)               | (35,461)           | (6,957,298,36) | (22,255)        |                     | 27,083,166      |
| Land                              | 353,370,618     | -            |                                     |           |                               | (960,000)               |                    |                |                 |                     | 352,410,618     |
| Leased Assets                     | 731,056         | -            |                                     |           |                               |                         |                    | (243,479)      |                 |                     | 487,577         |
|                                   | 2,351,396,154   | 699,599,140  | -                                   | 856,064   | 13,664,620                    | (4,644,364)             | (245,955)          | (93,317,273)   | (3,880,773)     | -                   | 2,963,429,683   |

Classification of Assets Under Construction 2022/2023:

|                           | COST        | ACCUMULATED IMPAIRMENT | OPENING BALANCE | ADDITIONS   | TRANSFERRED OUT OF AUC | IMPAIRMENT | CLOSING BALANCE |
|---------------------------|-------------|------------------------|-----------------|-------------|------------------------|------------|-----------------|
| Community Assets          | 56,322,052  | (5,545,348)            | 50,776,703,68   | 63,673,515  | (28,716,933)           | -          | 85,733,285      |
| Infrastructure Electrical | 70,754,095  |                        | 70,754,095,44   | 64,475,517  | (90,513,527)           |            | 44,716,085      |
| Furniture & Fittings      | 1,644,487   |                        | 1,644,486,68    | -           |                        |            | 1,644,487       |
| Solid Waste               |             |                        |                 | 1,295,797   |                        |            | 1,295,797       |
| Roads & Stormwater        | 75,079,032  | (23,453,140)           | 51,625,892,33   | 523,098,712 | (413,609,315)          |            | 161,115,288     |
| TOTAL                     | 203,799,666 | (28,998,488)           | 174,801,178     | 652,543,540 | (532,839,776)          | -          | 294,504,942     |

Disclosure of Slow Moving Assets under Construction

| Project            | Value     | Reason for Delay                                                                                                  |
|--------------------|-----------|-------------------------------------------------------------------------------------------------------------------|
| Viakspuit Cemetery | 1,160,618 | Technical specifications for the project has been completed. Project is awaiting funding availability to proceed. |

Loss on disposal as reflected on the Statement of Financial Performance consists of :

|                         |                   |
|-------------------------|-------------------|
|                         | 2022/2023         |
| Derecognition of Assets | 12,506,805        |
| Assets Written Off      | 615,955           |
| Auction Assets          | 2,008,427         |
|                         | <u>15,130,186</u> |

Gain on disposal as reflected on the Statement of Financial Performance consists of :

|                         |                |
|-------------------------|----------------|
|                         | 2022/2023      |
| Derecognition of Assets | -              |
| Assets Written Off      | -              |
| Auction Assets          | 124,550        |
|                         | <u>124,550</u> |

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT-2022 - RESTATED

|                                   | OPENING BALANCE | ADDITIONS   | RECLASSIFICATION OF CAPITALISED AUC | DONATIONS | RECOGNITION OF EXPENSED ITEMS | DERECOGNITION OF ASSETS | ASSETS WRITTEN OFF | DEPRECIATION   | IMPAIRMENT LOSS | IMPAIRMENT REVERSAL | CLOSING BALANCE |
|-----------------------------------|-----------------|-------------|-------------------------------------|-----------|-------------------------------|-------------------------|--------------------|----------------|-----------------|---------------------|-----------------|
| Community Assets                  | 232,793,861     | 43,336,270  | (5,656,809)                         |           |                               |                         |                    | (17,599,243)   | (182,251)       |                     | 252,691,830     |
| Solid Waste                       | 4,740,464       | 585,369,60  |                                     |           |                               | (688,245)               |                    | (444,841)      |                 |                     | 4,192,749       |
| Vehicles                          | 37,668,531      | 11,095,951  |                                     |           |                               | (852,103)               |                    | (5,977,071)    |                 |                     | 41,935,307      |
| Infrastructure Roads & Stormwater | 961,807,058     | 98,026,414  | (6,634,631)                         |           |                               | (2,860,528)             |                    | (34,020,685)   | (7,150,659)     |                     | 1,009,166,968   |
| Infrastructure Electrical         | 603,846,372     | 65,041,131  | 12,130,524                          |           | 11,181,335                    | (1,568,162)             |                    | (21,625,870)   | (30,513)        |                     | 668,973,818     |
| Furniture & Fittings              | 16,362,866      | 10,073,357  | 160,915                             | 320,683   |                               | (459,215)               | (28,759)           | (6,063,611.56) | (30,429)        |                     | 20,335,808      |
| Land                              | 351,884,418     |             |                                     | 2,750,000 |                               | (1,263,800)             |                    |                |                 |                     | 353,370,618     |
| Leased Assets                     | 1,427,847       |             |                                     |           |                               |                         |                    | (696,791)      |                 |                     | 731,056         |
|                                   | 2,210,530,445   | 228,158,493 | (1)                                 | 3,070,683 | 11,181,335                    | (7,692,052)             | (28,759)           | (86,428,112)   | (7,393,851)     | -                   | 2,351,398,154   |

Classification of Assets Under Construction 2021/2022:

|                           | OPENING BALANCE    | ACCUMULATED IMPAIRMENT | ADDITIONS          | TRANSFERRED OUT OF AUC | IMPAIRMENT | CLOSING BALANCE    |
|---------------------------|--------------------|------------------------|--------------------|------------------------|------------|--------------------|
| Community Assets          | 43,382,982         | (5,545,348)            | 39,674,437         | (26,735,367)           | -          | 50,776,704         |
| Infrastructure Electrical | 45,422,703         |                        | 65,041,131         | (39,709,738)           |            | 70,754,095         |
| Furniture & Fittings      | 107,239,308        | (23,453,140)           | 97,951,375         | (130,111,651)          |            | 1,644,487          |
| Roads & Stormwater        |                    |                        |                    |                        |            | 51,625,892         |
| <b>TOTAL</b>              | <b>196,044,993</b> | <b>(28,998,488)</b>    | <b>204,311,429</b> | <b>(196,556,756)</b>   | <b>-</b>   | <b>174,801,178</b> |

Disclosure of Slow Moving Assets under Construction

| Project                                                     | Value     | Reason for Delay                                                                                                                                          |
|-------------------------------------------------------------|-----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
| Nonoti Beach Node Development                               | 5,313,660 | The physical ground work could only commence after obtaining the environmental authorization and completion of other intricate legislative prerequisites. |
| Computer Software and Applications: Tools & Systems Project | 572,119   | Due to the complex requirements of the project , extended planning processes were required to ensure a successful project roll-out.                       |

Loss on disposal as reflected on the Statement of Financial Performance consists of :

|                         |                  |
|-------------------------|------------------|
|                         | 2021/2022        |
| Derecognition of Assets | 3,921,348        |
| Assets Written Off      | -                |
| Auction Assets          | 2,109,868        |
|                         | <b>6,031,215</b> |

Gain on disposal as reflected on the Statement of Financial Performance consists of :

|                         |                |
|-------------------------|----------------|
|                         | 2021/2022      |
| Derecognition of Assets | 16,100         |
| Assets Written Off      | -              |
| Auction Assets          | 149,389        |
|                         | <b>165,489</b> |

4 Intangible Assets

|                                       | 2023              |                                         |                   | 2022              |                                         |                  |
|---------------------------------------|-------------------|-----------------------------------------|-------------------|-------------------|-----------------------------------------|------------------|
|                                       | COST              | ACCUMULATED AMORTISATION AND IMPAIRMENT | CARRYING VALUE    | COST              | ACCUMULATED AMORTISATION AND IMPAIRMENT | CARRYING VALUE   |
| Intangible Assets                     | 21,008,960        | (20,700,854)                            | 308,105           | 21,008,960        | (20,547,013)                            | 461,947          |
| Intangible Assets - Under Development | 16,577,202        | (354,818)                               | 16,222,384        | 926,937           | (354,818)                               | 572,119          |
|                                       | <b>37,586,162</b> | <b>(21,055,672)</b>                     | <b>16,530,489</b> | <b>21,935,897</b> | <b>(20,901,831)</b>                     | <b>1,034,066</b> |

Reconciliation of Intangible Assets - 2023

|                                       | OPENING BALANCE  | ADDITIONS         | ASSET UNDER CONSTRUCTION BROUGHT INTO USE | ASSETS WRITTEN OFF | AMORTISATION     | IMPAIRMENT LOSS | CLOSING BALANCE   |
|---------------------------------------|------------------|-------------------|-------------------------------------------|--------------------|------------------|-----------------|-------------------|
| Intangible Assets                     | 461,947          |                   |                                           |                    | (153,842)        | -               | 308,105           |
| Intangible Assets - Under Development | 572,119          | 15,650,265        |                                           |                    |                  |                 | 16,222,384        |
|                                       | <b>1,034,066</b> | <b>15,650,265</b> | <b>-</b>                                  | <b>-</b>           | <b>(153,842)</b> | <b>-</b>        | <b>16,530,489</b> |

Reconciliation of Intangible Assets - 2022

|                                       | OPENING BALANCE  | ADDITIONS | ASSET UNDER CONSTRUCTION BROUGHT INTO USE | ASSETS WRITTEN OFF | AMORTISATION     | IMPAIRMENT LOSS | CLOSING BALANCE  |
|---------------------------------------|------------------|-----------|-------------------------------------------|--------------------|------------------|-----------------|------------------|
| Intangible Assets                     | 993,754          |           |                                           |                    | (531,807)        | -               | 461,947          |
| Intangible Assets - Under Development | 572,119          |           |                                           |                    |                  |                 | 572,119          |
|                                       | <b>1,565,873</b> | <b>-</b>  | <b>-</b>                                  | <b>-</b>           | <b>(531,807)</b> | <b>-</b>        | <b>1,034,066</b> |

5 Heritage Assets

|                      | 2023           |                                         |                | 2022           |                                         |                |
|----------------------|----------------|-----------------------------------------|----------------|----------------|-----------------------------------------|----------------|
|                      | COST           | ACCUMULATED AMORTISATION AND IMPAIRMENT | CARRYING VALUE | COST           | ACCUMULATED AMORTISATION AND IMPAIRMENT | CARRYING VALUE |
|                      | 105,386        | -                                       | 105,386        | 105,386        | -                                       | 105,386        |
| Historical Monuments | <b>105,386</b> | <b>-</b>                                | <b>105,386</b> | <b>105,386</b> | <b>-</b>                                | <b>105,386</b> |



**2023**  
**R**

**2022 - Restated**  
**R**

## **6 EMPLOYEE BENEFIT OBLIGATIONS**

### **6.1 Pension benefits**

The Municipality's personnel are members of one of the Natal Joint Municipal Pension retirement funds, namely the Superannuation, Retirement and Provident Funds. As the aforementioned funds are multi-employer funds, the allocation of any surplus/deficit to individual municipalities cannot be determined. Furthermore disclosure of further details such as actuarial assumptions, cannot be attributed to any specific municipality and is of no relevance to users of the municipality's financial statements. Below is a synopsis of the most recent pension fund reports.

#### **Superannuation**

The interim valuation carried out on the Superannuation Fund as at 31 March 2022 reflected:

- The valuation reveals that the fund is 108.9% funded on the "best estimate" Funding basis as at the valuation date, and is also fully funded on the alternative basis as set out in PF Notice No. 2 of 2016.
- Asset composition on valuation date appropriate to nature of the liabilities.
- Investment strategy suitable for the Fund.
- The view of the valuator is that the fund is in a sound financial position as at the valuation date.

#### **Provident Fund**

The interim valuation carried out on the Provident Fund as at 31 March 2022 reflected:

- The Fund is financially sound at valuation date
- The valuation reveals that the Fund is 100.2% funded as at the valuation date

The contribution rate allocated towards risk benefits and expenses in the year following the valuation date is expected to exceed the actual cost leaving an excess of some 1.56% of pensionable salaries.

- Asset composition appropriate to the nature of the liabilities
- Investment strategy suitable for Fund
- The fund self-insures its death benefits and disability benefits

#### **Retirement Fund**

The latest statutory valuation of the Retirement Fund (defined benefit) as at 31 March 2022 reflected:

The Fund is financially sound at valuation date  
The fund is 107.1% funded on the "best estimate" Funding basis as at the valuation date, and it is not fully funded on the alternative bases as set out in PF Notice No. 2 of 2016.

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**2023**  
**R**

**2022 - Restated**  
**R**

Asset composition appropriate to the nature of the liabilities  
Investment strategy suitable for the Fund  
Fund's self insures its risk benefits

## **6.2 Post-employment medical benefits**

The municipality operates on 5 accredited medical aid schemes, namely Bonitas, Key Health, LA Health, Samwumed and HosMed.

Pensioners continue on the option they belonged to on the day of their retirement. The independent valuers, Arch Actuarial Consulting, carry out a statutory valuation on an annual basis as at 30 June 2023.

The principal actuarial assumptions used were as follows:

In estimating the liability for post-employment medical aid benefits a number of assumptions are required as per GRAP 25. APN 30 states that the assumptions should be realistic and mutually compatible. The most relevant actuarial assumptions used in this valuation are discussed below.

|                                                                                                |          |          |
|------------------------------------------------------------------------------------------------|----------|----------|
| Discount rate per annum                                                                        | 12.51%   | 13.14%   |
| Health care cost inflation rate                                                                | 8.12%    | 10.00%   |
| Net effective discount rate                                                                    | 4.06%    | 2.39%    |
| Average retirement age                                                                         | 62       | 62       |
| Proportion continuing membership at retirement                                                 | 75%      | 75%      |
| Mortality during employment                                                                    | SA 85-90 | SA 85-90 |
| Mortality post-retirement                                                                      | PA (90)  | PA (90)  |
| (No explicit assumption was made about additional mortality or health care costs due to AIDS). |          |          |

| Percentage of in-service members withdrawing before retirement: | Males | Females | Males | Females |
|-----------------------------------------------------------------|-------|---------|-------|---------|
| Age 20 - 24                                                     | 9%    | 9%      | 9%    | 9%      |
| Age 25 - 29                                                     | 8%    | 8%      | 8%    | 8%      |
| Age 30 - 34                                                     | 6%    | 6%      | 6%    | 6%      |
| Age 35 - 39                                                     | 5%    | 5%      | 5%    | 5%      |
| Age 40 - 44                                                     | 5%    | 5%      | 5%    | 5%      |
| Age 45 - 49                                                     | 4%    | 4%      | 4%    | 4%      |
| Age 50 - 54                                                     | 3%    | 3%      | 3%    | 3%      |
| Age 55 - 59                                                     | 0%    | 0%      | 0%    | 0%      |
| Age 60+                                                         | 0%    | 0%      | 0%    | 0%      |

### **Discount Rate:**

GRAP 25 defines the determination of the Discount rate assumption to be used as follows: "The discount rate that reflects the time value of money is best approximated by reference to market yields at the reporting date on government bonds. Where there is no deep market in government bonds with a sufficiently long maturity to match the estimated maturity of all the benefit payments, an entity uses current market rates of the appropriate term to discount shorter term payments, and estimates the discount rate for longer maturities by extrapolating current market rates along the yield curve."

Consequently, a discount rate of 12.51% per annum has been used. The corresponding index linked yield at this term is 5.06%. These rates do not reflect any adjustments for taxation. These rates were deduced from the interest rate data obtained from the Johannesburg Stock Exchange after the market close on 30th June 2023.

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|                                                                                                                             | 2023<br>R           | 2022 - Restated<br>R |
|-----------------------------------------------------------------------------------------------------------------------------|---------------------|----------------------|
| The amounts recognised in the Statement of Financial Position were determined as being the present value of the obligation: | <b>107 926 000</b>  | <b>110 993 000</b>   |
| Movement in the defined benefit obligation is as follows:                                                                   |                     |                      |
| Balance at beginning of the year                                                                                            | 110 993 000         | 99 970 000           |
| Current service cost                                                                                                        | 3 980 000           | 3 808 000            |
| Interest cost                                                                                                               | 11 337 000          | 10 032 000           |
| Benefit payments                                                                                                            | ( 3 757 000)        | ( 3 551 000)         |
| Actuarial (gains)/losses                                                                                                    | ( 14 627 000)       | 734 000              |
| Balance at end of year                                                                                                      | <b>107,926,000</b>  | <b>110,993,000</b>   |
| The amounts recognised in the Statement of Financial Performance were as follows:                                           |                     |                      |
| Current service cost                                                                                                        | 3 980 000           | 3 808 000            |
| Interest cost                                                                                                               | 11 337 000          | 10 032 000           |
| Benefit payments                                                                                                            | ( 3 757 000)        | ( 3 551 000)         |
| Actuarial (gains)/losses                                                                                                    | ( 14 627 000)       | 734 000              |
| TOTAL                                                                                                                       | <b>( 3 067 000)</b> | <b>11 023 000</b>    |

**SENSITIVITY RESULTS**

In order to illustrate the sensitivity of the results to changes in certain key variables, the liability has been recalculated using the following assumptions:

- (1) A 1% increase / decrease in the assumed rate of health care cost inflation;
- (2) A 1% increase / decrease in the discount rate.
- (3) A one-year age increase and decrease in the assumed rates of post-employment mortality.
- (4) A one-year decrease in the assumed average retirement age
- (5) a decrease of 10% in the assumed proportion of in-service members that remain members at retirement.

**Table 1: Sensitivity Analysis on the Accrued Liability (R Millions)**

2023  
R

2022 - Restated  
R

| Assumption                 | Change | Eligible Employees | Continuation Members | Total   | % Change |
|----------------------------|--------|--------------------|----------------------|---------|----------|
| Central assumptions        |        | 63.019             | 44.907               | 107.926 |          |
| Health care inflation rate | +1%    | 68.854             | 46.933               | 115.787 | 7%       |
|                            | -1%    | 55.760             | 42.516               | 98.276  | -9%      |
| Discount rate              | +1%    | 53.239             | 41.439               | 94.678  | -12%     |
|                            | -1%    | 75.410             | 48.953               | 124.363 | 15%      |
| Post-employment mortality  | +1 yr  | 61.731             | 43.713               | 105.444 | -2%      |
|                            | -1 yr  | 64.269             | 46.086               | 110.355 | 2%       |
| Average retirement age     | -1 yr  | 66.978             | 44.907               | 111.885 | 4%       |
| Membership continuation    | -10%   | 55.168             | 44.907               | 100.075 | -7%      |

Note to Table 1: The post-employment mortality adjustment “-1 yr”, for example, assumes that someone aged 70 will experience the mortality of someone aged 69. The liability is expected to increase under this scenario because members are expected to live longer.

**Table 2: Sensitivity Analysis on Current-Service and Interest Costs for year ending 30/06/2023**

| Assumption                 | Change | Current-Svc. Cost | Interest Cost | Total      | % Change |
|----------------------------|--------|-------------------|---------------|------------|----------|
| Central assumptions        |        | 3,980,000         | 11,337,000    | 15,317,000 |          |
| Health care inflation rate | +1%    | 4,694,000         | 12,602,000    | 17,296,000 | 13%      |
|                            | -1%    | 3,260,000         | 10,033,000    | 13,293,000 | -13%     |
| Morality rates             | x1.2   | 3,653,000         | 10,520,000    | 14,173,000 | -7%      |
|                            | x0.8   | 4,372,000         | 12,326,000    | 16,698,000 | 9%       |

### 6.3 Long service awards and retirement gifts

The independent valuers, Arch Actuarial Consulting, carry out a statutory valuation on an annual basis as at 30 June 2023.

The principal actuarial assumptions used were as follows:

In estimating the liability for long service leave benefits, a number of assumptions are required as per GRAP 25. These assumptions should be realistic and mutually compatible. The most relevant actuarial assumptions used in this valuation are discussed below.

|                                      |        |        |
|--------------------------------------|--------|--------|
| Discount rate per annum              | 11.38% | 10.80% |
| General Salary Inflation (long term) | 6.62%  | 8.47%  |
| Net effective discount rate          | 4.47%  | 2.15%  |

**KWADUKUZA MUNICIPALITY**  
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**FOR THE YEAR ENDED 30 JUNE 2023**

|  | 2023<br>R | 2022 - Restated<br>R |
|--|-----------|----------------------|
|--|-----------|----------------------|

Examples of mortality rates used were as follows:

|                             |          |          |
|-----------------------------|----------|----------|
| Average retirement age      | 62 years | 62 years |
| Mortality during employment | SA85-90  | SA85-90  |

*Members withdrawn from service:*

|             | Males | Females | Males | Females |
|-------------|-------|---------|-------|---------|
| Age 20 - 24 | 9%    | 9%      | 9%    | 9%      |
| Age 25 - 29 | 8%    | 8%      | 8%    | 8%      |
| Age 30 - 34 | 6%    | 6%      | 6%    | 6%      |
| Age 35 - 39 | 5%    | 5%      | 5%    | 5%      |
| Age 40 - 44 | 5%    | 5%      | 5%    | 5%      |
| Age 45 - 49 | 4%    | 4%      | 4%    | 4%      |
| Age 50 - 54 | 3%    | 3%      | 3%    | 3%      |
| Age 55 - 59 | 0%    | 0%      | 0%    | 0%      |
| Age 60+     | 0%    | 0%      | 0%    | 0%      |

**Discount Rate:**

GRAP 25 defines the determination of the Discount rate assumption to be used as follows: "The discount rate that reflects the time value of money is best approximated by reference to market yields at the reporting date on government bonds. Where there is no deep market in government bonds with a sufficiently long maturity to match the estimated maturity of all the benefit payments, an entity uses current market rates of the appropriate term to discount shorter term payments, and estimates the discount rate for longer maturities by extrapolating current market rates along the yield curve."

Consequently, a discount rate of 11.38% per annum has been used. The corresponding index linked yield at this term is 4.98%. These rates do not reflect any adjustments for taxation. These rates were deduced from the interest rate data obtained from the Johannesburg Stock Exchange after the market close on 30th June 2023.

The amounts recognised in the Statement of Financial Position were determined as follows:

|                                                  |                          |                          |
|--------------------------------------------------|--------------------------|--------------------------|
| Liability in the Statement of Financial Position | <u><u>27 553 000</u></u> | <u><u>27 365 000</u></u> |
|--------------------------------------------------|--------------------------|--------------------------|

Movement in the defined benefit obligation is as follows:

|                                  |                          |                          |
|----------------------------------|--------------------------|--------------------------|
| Balance at beginning of the year | 27 365 000               | 24 875 000               |
| Current service cost             | 2 530 000                | 2 418 000                |
| Interest cost                    | 3 242 000                | 2 228 000                |
| Actuarial (Gain)/losses          | ( 1 549 000)             | 451 000                  |
| Benefit payments                 | ( 4 035 000)             | ( 2 607 000)             |
| Balance at end of year           | <u><u>27 553 000</u></u> | <u><u>27 365 000</u></u> |

The amounts recognised in the Statement of Financial Performance were as follows:

|                         |                       |                         |
|-------------------------|-----------------------|-------------------------|
| Current service cost    | 2 530 000             | 2 418 000               |
| Interest cost           | 3 242 000             | 2 228 000               |
| Actuarial (Gain)/losses | ( 1 549 000)          | 451 000                 |
| Benefit payments        | ( 4 035 000)          | ( 2 607 000)            |
| TOTAL                   | <u><u>188 000</u></u> | <u><u>2 490 000</u></u> |



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**Summary:**

|                                                    |                     |                    |
|----------------------------------------------------|---------------------|--------------------|
| Statement of Financial Position obligation for:    |                     |                    |
| Post-employment medical benefits                   | 107 926 000         | 110 993 000        |
| Current Portion                                    | 4 082 000           | 3 757 000          |
| Non- Current Portion                               | 103 844 000         | 107 236 000        |
| Long Service Award                                 | 27 553 000          | 27 365 000         |
| Current Portion                                    | 4 264 000           | 4 035 000          |
| Non- Current Portion                               | 23 289 000          | 23 330 000         |
|                                                    | <b>135 479 000</b>  | <b>138 358 000</b> |
| Statement of Financial Performance obligation for: |                     |                    |
| Post-employment medical benefits                   | ( 3 067 000)        | 11 023 000         |
| Long Service Award loss                            | 188 000             | 2 490 000          |
|                                                    | <b>( 2 879 000)</b> | <b>13 513 000</b>  |

**SENSITIVITY ANALYSIS**

In order to illustrate the sensitivity of our results to changes in certain key variables, the liabilities were recalculated using the following assumptions: -

- (1) 1% increase/decrease in the assumed general earnings inflation rate.
- (2) 1% increase/decrease in the discount rate.
- (3) 2 year increase/decrease in the assumed average retirement age of eligible employees.
- (4) A two-fold increase and a 50% decrease in the assumed rates of withdrawal from service.

**SENSITIVITY RESULTS**

**Table 1: Sensitivity Analysis on the Unfunded Accrued Liability**

Tables 1 illustrates, for example, that if earnings inflation is 1% greater than long term assumption made, the liability will be 6% higher than the accrued liability.

| Assumption                             | Change | Liability  | % Change |
|----------------------------------------|--------|------------|----------|
| <b>Central assumptions</b>             |        | 27,553,000 |          |
| <b>General earnings inflation rate</b> | +1%    | 29,161,000 | 6%       |
|                                        | -1%    | 26,090,000 | -5%      |
| <b>Discount rate</b>                   | +1%    | 25,991,000 | -6%      |
|                                        | -1%    | 29,296,000 | 6%       |
| <b>Average retirement age</b>          | +2 yrs | 28,879,000 | 5%       |
|                                        | -2 yrs | 26,077,000 | -5%      |
| <b>Withdrawal rates</b>                | x2     | 22,759,000 | -17%     |
|                                        | x0.5   | 30,754,000 | 12%      |

2023  
R

2022 - Restated  
R

**Table 2: Sensitivity Analysis on Current-Service and Interest Costs for year ending 30/06/2023**

| Assumption                 | Change | Current-Svc. Cost | Interest Cost | Total     | % Change |
|----------------------------|--------|-------------------|---------------|-----------|----------|
| <b>Central assumptions</b> |        | 2,530,000         | 3,242,000     | 5,772,000 |          |
| <b>General earnings</b>    | +1%    | 2,718,000         | 3,452,000     | 6,170,000 | 7%       |
| <b>inflation rate</b>      | -1%    | 2,362,000         | 3,051,000     | 5,413,000 | -6%      |
| <b>Withdrawal rates</b>    | x1.2   | 2,396,000         | 3,106,000     | 5,502,000 | -5%      |
|                            | x0.8   | 2,677,000         | 3,390,000     | 6,067,000 | 5%       |

#### Impact of COVID - 19

It is difficult to estimate what impact the pandemic is likely to have on the Municipality's liability at this stage. There is still much uncertainty as to how it will affect mortality in the medium to long term, and what effect treatments and/or vaccines will have.

#### 7 LONG-TERM RECEIVABLES

|                                                             |                |                |
|-------------------------------------------------------------|----------------|----------------|
| Housing selling scheme loans                                | 2 715 848      | 3 108 574      |
| Less: Allowance for impairment and future housing discounts | ( 2 215 105)   | ( 2 728 659)   |
| <b>Total</b>                                                | <b>500 742</b> | <b>379 915</b> |

#### Transfer to Current Portion

|                                                          |                |                |
|----------------------------------------------------------|----------------|----------------|
| Less: Current portion transferred to current receivables | ( 45 712)      | ( 31 479)      |
| <b>Total Receivables</b>                                 | <b>455 030</b> | <b>348 436</b> |

|                               |         |         |
|-------------------------------|---------|---------|
| Written - off during the year | 441 690 | 663 669 |
|-------------------------------|---------|---------|

#### HOUSING SELLING SCHEME LOANS

Loans have been granted to individuals who qualified in terms of the KwaZulu-Natal Department of Housing' s programme. The loans are repayable over terms ranging from 5 to 30 years at interest rates varying between 11.25% and 13.5%

#### 8 INVENTORIES

|                               |                   |                   |
|-------------------------------|-------------------|-------------------|
| Housing Inventory             | 135,227           | 142,490           |
| Consumable stores             | 2,479,221         | 1,191,177         |
| Mechanical spares             | 33,893            | 10,627            |
| Electrical maintenance spares | 8,516,453         | 8,881,505         |
| <b>Total Inventories</b>      | <b>11 164 795</b> | <b>10 225 799</b> |

Periodically, physical stock counts are carried out.

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|                                                  | <b>2023</b>        | <b>2022 - Restated</b> |
|--------------------------------------------------|--------------------|------------------------|
|                                                  | <b>R</b>           | <b>R</b>               |
| <b>9. RECEIVABLES FROM EXCHANGE TRANSACTIONS</b> |                    |                        |
| Electricity                                      | 177 158 289        | 163 000 462            |
| Estate                                           | 98 356             | 93 568                 |
| Refuse                                           | 24 790 674         | 22 451 197             |
| VAT on Consumer debtors                          | 32 591 148         | 30 387 821             |
| Legal Fees                                       | 7 601 457          | 6 320 249              |
| Encroachment and plot clearing                   | 530 309            | 543 703                |
| Sundry Adjustments                               | 182 248            | 130 521                |
| Interest                                         | 13 193 151         | 11 242 187             |
| Add back credits included above                  | 1 314 450          | 358 385                |
| Less: Allowance for impairment                   | ( 73 487 589)      | ( 65 912 575)          |
|                                                  | <b>183 972 493</b> | <b>168 615 517</b>     |
| <b>Electricity</b>                               |                    |                        |
| Current (0 – 30 days)                            | 146 558 220        | 111 108 691            |
| 31 - 60 Days                                     | 6 383 672          | 4 228 872              |
| 61 - 90 Days                                     | 2 713 710          | 2 260 449              |
| 91 - 120 Days                                    | 1 258 734          | 1 608 927              |
| Greater than 120 days                            | 20 243 953         | 43 793 522             |
| <b>Total</b>                                     | <b>177 158 289</b> | <b>163 000 462</b>     |
| <b>Estate</b>                                    |                    |                        |
| Current (0 – 30 days)                            | 1 869              | 1 692                  |
| 31 - 60 Days                                     | 1 413              | 1 086                  |
| 61 - 90 Days                                     | 1 179              | 1 086                  |
| 91 - 120 Days                                    | 1 086              | 1 086                  |
| Greater than 120 days                            | 92 809             | 88 619                 |
| <b>Total</b>                                     | <b>98 356</b>      | <b>93 568</b>          |
| <b>Refuse</b>                                    |                    |                        |
| Current (0 – 30 days)                            | 4 905 141          | 5 301 788              |
| 31 - 60 Days                                     | 1 515 664          | 1 103 721              |
| 61 - 90 Days                                     | 1 085 097          | 841 034                |
| 91 - 120 Days                                    | 1 029 559          | 787 485                |
| Greater than 120 days                            | 16 255 213         | 14 417 169             |
| <b>Total</b>                                     | <b>24 790 674</b>  | <b>22 451 197</b>      |

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**R**

**9. RECEIVABLES FROM EXCHANGE TRANSACTIONS (Continued)**

**VAT on Consumer Debtors - Statutory Receivables**

|                       |            |            |
|-----------------------|------------|------------|
| Current (0 – 30 days) | 24 466 390 | 17 237 323 |
| 31 - 60 Days          | 1 214 794  | 864 189    |
| 61 - 90 Days          | 630 661    | 492 093    |
| 91 - 120 Days         | 356 682    | 365 417    |
| Greater than 120 days | 5 922 622  | 11 428 800 |

|              |                   |                   |
|--------------|-------------------|-------------------|
| <b>Total</b> | <b>32 591 148</b> | <b>30 387 821</b> |
|--------------|-------------------|-------------------|

**Legal Fees**

|                       |           |           |
|-----------------------|-----------|-----------|
| Current (0 – 30 days) | 784 562   | 2 286 216 |
| 31 - 60 Days          | 160 895   | 98 426    |
| 61 - 90 Days          | 432 349   | 191 187   |
| 91 - 120 Days         | 1 961     | 103 344   |
| Greater than 120 days | 6 221 690 | 3 641 075 |

|              |                  |                  |
|--------------|------------------|------------------|
| <b>Total</b> | <b>7 601 457</b> | <b>6 320 249</b> |
|--------------|------------------|------------------|

**Encroachment and plot clearing**

|                       |         |         |
|-----------------------|---------|---------|
| Current (0 – 30 days) | 43 616  | 36 185  |
| 31 - 60 Days          | -       | 101 866 |
| 61 - 90 Days          | -       | 23 816  |
| 91 - 120 Days         | -       | -       |
| Greater than 120 days | 486 694 | 381 836 |

|              |                |                |
|--------------|----------------|----------------|
| <b>Total</b> | <b>530 309</b> | <b>543 703</b> |
|--------------|----------------|----------------|

**Sundry Adjustments**

|                       |            |           |
|-----------------------|------------|-----------|
| Current (0 – 30 days) | 447 918    | 135 297   |
| 31 - 60 Days          | ( 49 322)  | 9 329     |
| 61 - 90 Days          | ( 117 831) | 7 115     |
| 91 - 120 Days         | ( 29 325)  | ( 5 651)  |
| Greater than 120 days | ( 69 193)  | ( 15 569) |

|              |                |                |
|--------------|----------------|----------------|
| <b>Total</b> | <b>182 248</b> | <b>130 521</b> |
|--------------|----------------|----------------|

**Interest**

|                       |            |           |
|-----------------------|------------|-----------|
| Current (0 – 30 days) | 617 443    | 469 617   |
| 31 - 60 Days          | 452 005    | 365 118   |
| 61 - 90 Days          | 378 323    | 333 265   |
| 91 - 120 Days         | 322 101    | 306 765   |
| Greater than 120 days | 11 423 280 | 9 767 422 |

|              |                   |                   |
|--------------|-------------------|-------------------|
| <b>Total</b> | <b>13 193 151</b> | <b>11 242 187</b> |
|--------------|-------------------|-------------------|

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|                                                                                          | 2023<br>R           | 2022 - Restated<br>R |
|------------------------------------------------------------------------------------------|---------------------|----------------------|
| <b>Nett Credits included above</b>                                                       |                     |                      |
| <b>Total</b>                                                                             | <b>1 314 450</b>    | <b>358 385</b>       |
| Statutory receivables included in receivables from Exchange transactions are as follows; |                     |                      |
| <b>Gross Debtors:</b>                                                                    |                     |                      |
| VAT on Consumer Debtors                                                                  | 32 591 148          | 30 387 821           |
|                                                                                          | <b>32 591 148</b>   | <b>30 387 821</b>    |
| <b>Impairment:</b>                                                                       |                     |                      |
| VAT on Consumer Debtors impairment                                                       | ( 6 383 106)        | ( 5 460 276)         |
|                                                                                          | <b>( 6 383 106)</b> | <b>( 5 460 276)</b>  |
| <b>Net Debtors:</b>                                                                      |                     |                      |
| VAT on Consumer Debtors                                                                  | 26 208 042          | 24 927 544           |
|                                                                                          | <b>26 208 042</b>   | <b>24 927 544</b>    |
| <b>Reconciliation of the Allowance for Impairment</b>                                    |                     |                      |
| <b>Balance at beginning of the year</b>                                                  |                     |                      |
| Receivables from exchange transactions                                                   | 65 912 575          | 69 670 460           |
| Long term receivables                                                                    | 2 728 659           | 3 084 565            |
| Receivables from non-exchange transactions                                               | 223 415 851         | 212 556 294          |
| <b>Total balance at beginning of the year</b>                                            | <b>292 057 084</b>  | <b>285 311 320</b>   |
| <b>(Release from) / Contribution to provision</b>                                        |                     |                      |
| Receivables from exchange transactions                                                   | 7 575 015           | ( 3 757 885)         |
| Long term receivables                                                                    | ( 513 554)          | ( 355 907)           |
| Receivables from non-exchange transactions                                               | 6 105 933           | 10 859 556           |
| <b>Total (Release from) / Contribution to provision</b>                                  | <b>13 167 393</b>   | <b>6 745 764</b>     |



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|                                                     | 2023<br>R          | 2022 - Restated<br>R |
|-----------------------------------------------------|--------------------|----------------------|
| <b>Balance at end of year</b>                       |                    |                      |
| Receivables from exchange transactions              | 73 487 589         | 65 912 575           |
| Long term receivables                               | 2 215 105          | 2 728 659            |
| Receivables from non-exchange transactions          | 229 521 783        | 223 415 851          |
| <b>Total Balance at end of year</b>                 | <b>305 224 478</b> | <b>292 057 084</b>   |
| <b>Bad debts written off</b>                        |                    |                      |
| Bad debts written off - Exchange Transactions       | 864 382            | 863 528              |
| Bad debts written off - Non - Exchange Transactions | 2 303 160          | 5 167 348            |
| <b>Total Bad debts written off</b>                  | <b>3 167 542</b>   | <b>6 030 876</b>     |

**10. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS**

|                                      |                    |                    |
|--------------------------------------|--------------------|--------------------|
| Rates - Statutory Receivables        | 204 447 864        | 171 510 911        |
| Other debtors                        | 186 017 918        | 171 952 797        |
| Department of Housing - RDP projects | 251 934            | 251 934            |
| Operating leases                     | 1 023 754          | 1 283 948          |
| less: Allowance for impairment       | ( 229 521 783)     | ( 223 415 851)     |
|                                      | <b>162 219 687</b> | <b>121 583 740</b> |

**Rates**

|                       |                    |                    |
|-----------------------|--------------------|--------------------|
| Current (0 – 30 days) | 32 865 406         | 35 031 513         |
| 31 - 60 Days          | 12 408 247         | 11 481 181         |
| 61 - 90 Days          | 9 981 435          | 8 089 585          |
| 91 - 120 Days         | 7 842 465          | 6 020 407          |
| Greater than 120 days | 141 350 311        | 110 888 225        |
| <b>Total</b>          | <b>204 447 864</b> | <b>171 510 911</b> |

**Other Debtors:**

**Included in Other Debtors are:**

|                                                                    |                    |                    |
|--------------------------------------------------------------------|--------------------|--------------------|
| Traffic Fines Debtor - Statutory Receivables                       | 132 166 256        | 121 426 432        |
| Accrued Income                                                     | 14 221 977         | 3 044 817          |
| Ilembe water deposits                                              | 56 491             | 56 491             |
| Sundry Debtors - R&G                                               | 36 196 361         | 35 479 032         |
| Prepaid expenditure                                                | 2 599 502          | 10 332 903         |
| Housing bridge financing and medical aid                           | 162 656            | 146 104            |
| Over payment of contractors                                        | 224 052            | 1 101 613          |
| Department of Transport (DOT) - Motor vehicle licensing commission | 390 623            | 365 404            |
|                                                                    | <b>186 017 918</b> | <b>171 952 797</b> |

Statutory receivables included in receivables from non-exchange transactions are as follows;

**Gross Debtors:**

|                |                    |                    |
|----------------|--------------------|--------------------|
| Traffic Fines  | 132 166 256        | 121 426 432        |
| Property Rates | 204 447 864        | 171 510 911        |
|                | <b>336 614 120</b> | <b>292 937 343</b> |

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|                           | 2023<br>R                    | 2022 - Restated<br>R         |
|---------------------------|------------------------------|------------------------------|
| <b>Impairment:</b>        |                              |                              |
| Traffic Fines impairment  | ( 88 729 720)                | ( 88 357 657)                |
| Property Rates impairment | <u>( 132 615 008)</u>        | <u>( 126 686 915)</u>        |
|                           | <u><u>( 221 344 728)</u></u> | <u><u>( 215 044 573)</u></u> |
| <b>Net Debtors:</b>       |                              |                              |
| Traffic Fines             | 43 436 536                   | 33 068 775                   |
| Property Rates            | <u>71 832 856</u>            | <u>44 823 996</u>            |
|                           | <u><u>115 269 392</u></u>    | <u><u>77 892 770</u></u>     |

Traffic fines constitute both spot fines and summonses. They are issued in terms of the Criminal Procedures Act, hence this is therefore recognised as a statutory receivable. Revenue from traffic fines is initially measured on the value stipulated on the notice, summons or equivalent document. The revenue from traffic fines is subject to further judicial process which is outside the municipality's control. These reductions are not considered in measuring the revenue and receivable on initial recognition. This is because of the high degree of uncertainty in estimating the likely outcome of this process. Once this separated process has been concluded, any reductions are accounted for as a change in estimated revenue and in accordance with IGRAP1.

Property rates is levied in terms of the Municipal Properties Rates Act, hence this is therefore recognised as a statutory receivable. The receivable is calculated by applying the Council approved rates and charges against the valuation of the individual properties within the municipal jurisdiction. Council approved rebates and exemptions are further applied to reduce the receivable. Interest and admin charges are applied on outstanding debt as per council's approved tariff of charges.

The basis of impairment takes into account the following:

1. The estimate was determined in accordance with the Credit Control Policy of the municipality, and the impairment methodology.
2. In assessing whether statutory receivables are impaired, management considered both individual receivables that may be impaired as well as groups of similar receivables that may be impaired.
3. The total debtors were further separated into groups of similar receivables with similar risk profiles and assessed for impairment (indigent, in liquidation, accounts not paid for 3 months or longer, handed-over and deemed not recoverable and handed over accounts that have not been paid in the last 3 months and longer - 100%)

## **11 VAT Receivable**

|     |                   |                  |
|-----|-------------------|------------------|
| VAT | <u>72 639 619</u> | <u>7 579 913</u> |
|-----|-------------------|------------------|

VAT is recognised / (accounted for) on a payments basis. Once payment is received from debtors VAT is paid over to SARS.

These amounts are receivable by the municipality as a result of transaction attracting value added tax (VAT) as legislated under the Value Added Tax Act 89 of 1991 from the South African Revenue Services.  
VAT is deemed as Statutory Receivables

No impairments against the VAT receivables.

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**2023**  
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**12 Short term investments**

**The municipality has the following short term investments**

|                                                                                      |                   |                   |
|--------------------------------------------------------------------------------------|-------------------|-------------------|
| ABSA Bank Account - Stanger Branch<br>Account Number 2079270909                      | 32,512,741        | 30,241,597        |
| ABSA Bank Account - Stanger Branch<br>Account Number 2080460797                      | 25,829,730        | 24,000,000        |
| Standard Bank Account - Durban Branch<br>Account Number 058756442-095                | -                 | 9,185,000         |
| Nedbank Bank Account - Treasury Branch<br>Account Number 03/7881022337/000169/000171 | 15,897,390        | 15,000,000        |
| Nedbank Bank Account - Treasury Branch<br>Account Number 03/7881022337/170           | 10,000,000        | -                 |
|                                                                                      | <b>84 239 862</b> | <b>78 426 597</b> |

**13 Cash and cash equivalents**

Cash and cash equivalents consist of:

|                                       | Bank statement balances |             | Cash book balances |             |
|---------------------------------------|-------------------------|-------------|--------------------|-------------|
|                                       | 2023                    | 2022        | 2023               | 2022        |
| Bank Balances and short term deposits | 1,790,899,695           | 864,085,490 | 1,805,281,205      | 872,437,220 |

The municipality had the following Investment and Bank accounts

| Account number / description                                                               | Bank statement balances |            | Cash book balances |            |
|--------------------------------------------------------------------------------------------|-------------------------|------------|--------------------|------------|
|                                                                                            | 2023                    | 2022       | 2023               | 2022       |
| First National Bank Account - Stanger Branch<br>Account Number 62288308672                 | 708,710                 | 674,084    | 708,710            | 674,084    |
| First National Bank Account - Stanger Branch<br>Account Number 62288306147                 | 353,606                 | 336,330    | 353,606            | 336,330    |
| First National Bank Account - Stanger Branch<br>Account Number 62363519251                 | 18,784,858              | 17,846,815 | 18,784,858         | 17,846,815 |
| ABSA Account - Durban Branch<br>Account Number 93 1800 0892                                | 74,687,597              | 70,190,916 | 74,687,597         | 70,190,916 |
| ABSA Bank Account - Stanger Branch<br>Account Number 9330098057                            | 39,139,697              | 36,838,166 | 39,139,697         | 36,838,166 |
| ABSA Bank Account - Stanger Branch<br>Account Number 932 12992298                          | 877,758                 | 827,377    | 877,758            | 827,377    |
| ABSA Bank Account - Stanger Branch<br>Account Number 932 1890676                           | 263,302                 | 248,189    | 263,302            | 248,189    |
| ABSA Bank Account - Stanger Branch<br>Account Number 932 1890529                           | 974,278                 | 918,357    | 974,278            | 918,357    |
| ABSA Bank Account - Stanger Branch<br>Account Number 932 1063433                           | 3,339,387               | 3,147,716  | 3,339,387          | 3,147,716  |
| ABSA Bank Account - Stanger Branch<br>Account Number 932 1889635                           | 4,445,101               | 4,189,965  | 4,445,101          | 4,189,965  |
| ABSA Bank Account - Stanger Branch<br>Account Number 932 1890113                           | 302,924                 | 285,537    | 302,924            | 285,537    |
| ABSA Bank Account - Stanger Branch<br>Account 932 3556707                                  | 14,112,882              | 13,289,612 | 14,112,882         | 13,289,612 |
| ABSA Bank Account - Stanger Branch<br>Account Number 932 6885911                           | 6,867,028               | 6,472,880  | 6,867,028          | 6,472,880  |
| First National Bank Account - Stanger Branch<br>Account Number 53730256310: Cheque Account | -                       | 5,140,595  | 1,329,289          | 5,140,595  |

**KWADUKUZA MUNICIPALITY**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**13 Cash and cash equivalents (Continued)**

| Account number / description                                                                                     | Bank statement balances |                    | Cash book balances   |                    |
|------------------------------------------------------------------------------------------------------------------|-------------------------|--------------------|----------------------|--------------------|
|                                                                                                                  | 2023                    | 2022               | 2023                 | 2022               |
| Primary Bank Account ABSA Bank Stanger Branch<br>Account Number 4087 627126                                      | 30,410,721              | 70,446,596         | 43,188,883           | 73,952,854         |
| Fines Bank Account<br>First National Bank Account - Stanger Branch<br>Account Number 62079758268: Cheque Account | -                       | 1,423,043          | -                    | 1,423,043          |
| Grants Bank Account (2)<br>ABSA- Stanger Branch<br>Account Number 408 8893526: Cheque Account                    | 65,781,284              | 62,596,581         | 65,781,284           | 62,596,581         |
| ABSA Bank - Stanger Branch<br>Account Number 408 8890536                                                         | 2,879,445               | 42,240             | 2,879,445            | 4,450,344          |
| ABSA Bank - Stanger Branch<br>Account Number 408 8890196                                                         | 4,148,020               | 5,184,876          | 4,148,020            | 5,184,876          |
| ABSA Bank - Stanger Branch<br>Account Number 408 889105                                                          | 12,647,823              | 14,312,255         | 12,647,823           | 14,312,255         |
| ABSA Bank - Stanger Branch<br>Account Number 408 8891427                                                         | 38,875                  | 38,778             | 38,875               | 38,778             |
| ABSA Bank - Stanger Branch<br>Account Number 408 8892732                                                         | 54,382                  | 53,534             | 54,382               | 53,534             |
| ABSA Bank - Stanger Branch<br>Account Number 408 8893047                                                         | 149,651                 | 64,725             | 149,651              | 64,725             |
| ABSA Bank - Stanger Branch<br>Account Number 408 8893306                                                         | 30,744                  | 31,036             | 30,744               | 31,036             |
| ABSA Bank - Stanger Branch<br>Account Number 93 5527 2791                                                        | 9,171,945               | 8,850,423          | 9,171,945            | 8,850,423          |
| ABSA Bank - Stanger Branch<br>Account Number 9357410284                                                          | 16,154,881              | 15,724,920         | 16,154,881           | 15,724,920         |
| ABSA Bank Account - Stanger Branch<br>Account Number 93 3046 2759                                                | 2,813,692               | 2,652,194          | 2,813,692            | 2,652,194          |
| ABSA Bank Account - Stanger Branch<br>Account Number 93 3924 6273                                                | 15,372,692              | 14,475,931         | 15,372,692           | 14,475,931         |
| ABSA Bank Account - Stanger Branch<br>Account Number 93 3252 2727                                                | 6,621,068               | 6,241,037          | 6,621,068            | 6,241,037          |
| AUDITED STATEMENT OF CHANGES IN NET ASSETS<br>Account Number 40 9577 4472                                        | 111,835,203             | 295,465,596        | 111,835,203          | 295,465,596        |
| Standard Bank Account - Durban Branch<br>Account Number 058756442-092                                            | 46,731,729              | 43,623,256         | 46,731,729           | 43,623,256         |
| Standard Bank Account - Durban Branch<br>Account Number 058756442-094                                            | 54,789,046              | 51,144,622         | 54,789,046           | 51,144,622         |
| Nedbank Account - Stanger Branch<br>Account Number 03/7881022337/166                                             | 69,392,406              | 65,211,668         | 69,392,406           | 65,211,668         |
| Investec Bank Account - Durban Branch<br>Account Number 1100-482666-620                                          | 46,595,151              | 43,297,209         | 46,595,151           | 43,297,209         |
| ABSA Bank Account - Stanger Branch<br>Account Number 4100653842                                                  | 2,973,959               | 2,795,920          | 2,973,959            | 2,795,920          |
| Nedbank Bank Account - Treasury Branch<br>Account Number 03/7881022337/163                                       | 2,670                   | 2,509              | 2,670                | 2,509              |
| Petty Cash & Cash on hand                                                                                        | -                       | -                  | 274,059              | 437,369            |
| ABSA Bank Account - Stanger Branch<br>Account Number 93 7782 6059 (Disaster R&R Grant)                           | 1,059,700,030           | -                  | 1,059,700,030        | -                  |
| ABSA Bank Account - Stanger Branch<br>Account Number 93 734 01425 (Disaster R Grant)                             | 67,747,149              | -                  | 67,747,149           | -                  |
|                                                                                                                  | <b>1,790,899,695</b>    | <b>864,085,490</b> | <b>1,805,281,205</b> | <b>872,437,220</b> |



**KWADUKUZA MUNICIPALITY**  
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**2023**  
**R**

**2022 - Restated**  
**R**

**14 Revaluation reserve**

|                       |                   |                   |
|-----------------------|-------------------|-------------------|
| Opening balance       | 18,313,137        | 18,313,137        |
| Movement for the year | -                 | -                 |
| Closing balance       | <b>18,313,137</b> | <b>18,313,137</b> |

**15 HOUSING OPERATING ACCOUNT**

The Housing Operating Account is represented by the following assets and liabilities:

|                                          |                  |                  |
|------------------------------------------|------------------|------------------|
| Fixed Assets                             | 3 030 015        | 1 125 885        |
| Housing Inventory                        | 135 227          | 142 490          |
| Debtors                                  | 474 581          | 458 006          |
| Debtors: Department of Human Settlements | 251 934          | 251 934          |
| Accumulations                            | 5 020 371        | 6 885 830        |
| Prepaid debtors                          | ( 183 972)       | ( 135 989)       |
|                                          | <b>8 728 156</b> | <b>8 728 156</b> |

**16 LEASES**

**Minimum Finance lease payments due:**

|                                                |   |               |
|------------------------------------------------|---|---------------|
| Within one year                                | - | 53,466        |
| Later than 1 year and no later than 5 years    | - | -             |
|                                                | - | 53,466        |
| less: Future finance charges                   | - | ( 481)        |
| <b>Present value of minimum lease payments</b> | - | <b>52,985</b> |

**Present value of minimum Finance lease payments due:**

|                                             |   |        |
|---------------------------------------------|---|--------|
| Within one year                             | - | 52,985 |
| Later than 1 year and no later than 5 years | - | -      |
|                                             | - | 52,985 |

The municipality had entered into lease agreement with Motswako Office Solutions for the use of photocopy machines, effective 01 January 2019. The lease ran for a period of 3 years.

The municipality had entered into lease agreement with Vodacom for the use of tablets effective 01 September 2020. The lease ran for a period of 2 years.

**OPERATING LEASES - RECEIVABLES (Municipality as a Lessor)**

**The future minimum lease payments receivable under operating leases for the actual receivables are as follows:**

|                                             |                  |                  |
|---------------------------------------------|------------------|------------------|
| No later than 1 year                        | 823 309          | 784 104          |
| Later than 1 year and no later than 5 years | 1 772 173        | 2 595 482        |
| Later than 5 years                          | -                | -                |
|                                             | <b>2 595 482</b> | <b>3 379 586</b> |

**Salient leases**

The municipality has entered into a non-cancellable lease with a private contractor to operate the Dolphin Caravan park. The lease runs for a period of 25 years, starting 1 July 2001. Rental income escalates at 5% per annum.

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**2023**  
**R**

**2022 - Restated**  
**R**

**OPERATING LEASES - PAYABLES (Municipality as a Lessee)**

The future minimum lease payments payable under operating leases for the actual payables are as follows:

|                                             |          |                |
|---------------------------------------------|----------|----------------|
| No later than 1 year                        | -        | 424 153        |
| Later than 1 year and no later than 5 years | -        | -              |
| Later than 5 years                          | -        | -              |
|                                             | <u>-</u> | <u>424 153</u> |

The municipality has entered into lease agreement with Shann Investments (Pty) Ltd for the occupation of premises. The lease runs for a period of 3 years, which terminated on the 31 August 2018, with an option to extend for a further 2 years. Rental expense escalates at 8% per annum. The lease is currently month to month.

**17 Unspent conditional grants, receipts and Public contributions**

Unspent conditional grants and receipts comprises of:

**Unspent conditional grants and receipts:**

|                                                   |                    |                   |
|---------------------------------------------------|--------------------|-------------------|
| Municipal Infrastructure Grant                    | 148,777            | -                 |
| Department of Minerals and Energy DME (INEP)      | 1,145,832          | -                 |
| New library                                       | 508,000            | -                 |
| Housing Accreditation                             | 2,475,484          | 6,550,354         |
| Ballito Junction Road                             | 9,873,612          | 9,873,612         |
| IFA Huletts Sports Facility                       | 97,810             | 97,810            |
| IFA Huletts Beach Node Development                | 20,725             | 20,725            |
| KZN EDTEA                                         | 1,000,000          | -                 |
| Title Deeds Restoration Grant                     | 2,688,225          | 2,688,225         |
| Natural Resource Management Project Grant (EDTEA) | 192,437            | 1,700,000         |
| Housing Grant (DOHS)                              | 48,249,726         | 44,566,570        |
| Municipal Disaster Response Grant                 | 26,823,089         | -                 |
| Municipal Disaster Recovery Grant (R&R)           | 899,719,693        | -                 |
| CETA Candidacy grant                              | 985,932            | -                 |
|                                                   | <u>993,929,340</u> | <u>65,497,296</u> |

Further details of amounts recognised in Revenue - refer to Note 26

**18 Provisions**

**Reconciliation of Current provision**

*Reimbursement of Developers Contribution*

|                                |          |          |
|--------------------------------|----------|----------|
| Opening balance                | -        | -        |
| Transfer to current provisions | -        | -        |
| Utilised during the year       | -        | -        |
| Total                          | <u>-</u> | <u>-</u> |

*Rehabilitation of Landfill Site*

|                                     |                  |                  |
|-------------------------------------|------------------|------------------|
| Opening balance                     | 2,760,651        | 1,941,467        |
| Additions /(Decrease) to provisions | 108,922          | 819,184          |
| Total                               | <u>2,869,573</u> | <u>2,760,651</u> |

**Total Current Provision:**

|                         |                         |
|-------------------------|-------------------------|
| <u><b>2,869,573</b></u> | <u><b>2,760,651</b></u> |
|-------------------------|-------------------------|

**KWADUKUZA MUNICIPALITY**  
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|                                                  | 2023<br>R         | 2022 - Restated<br>R |
|--------------------------------------------------|-------------------|----------------------|
| <b>Reconciliation of Non - Current provision</b> |                   |                      |
| 1. Rehabilitation of Landfill Site               |                   |                      |
| Opening balance                                  | 11,344,069        | 11,718,044           |
| Additions / (Decrease) to provisions             | (75,708)          | (373,975)            |
| Total                                            | <b>11,268,362</b> | <b>11,344,069</b>    |
| 2. Developers Contribution                       |                   |                      |
| Opening balance                                  | 5,775,147         | 5,720,051            |
| Additions / (Decrease) to provisions             | (270,716)         | 55,096               |
| Utilised during the year                         | -                 | -                    |
| Total                                            | <b>5,504,431</b>  | <b>5,775,147</b>     |
| 3. Deferred Interest                             |                   |                      |
| Opening balance                                  | 2,809,107         | 2,864,203            |
| Additions / (Decrease) to provisions             | 270,716           | (55,096)             |
| Utilised during the year                         | -                 | -                    |
| Total                                            | <b>3,079,823</b>  | <b>2,809,107</b>     |
| <b>Total Non - Current Provision:</b>            | <b>19,852,616</b> | <b>19,928,324</b>    |
| Total Current Provision:                         | 2,869,573         | 2,760,651            |
| Total Non - Current Provision                    | 19,852,616        | 19,928,324           |
| Total Provisions:                                | <b>22,722,189</b> | <b>22,688,975</b>    |
| Net adjustments to Provisions                    | <b>33,214</b>     | <b>445,209</b>       |

The provision created for the rehabilitation of the landfill site is based on a professional study conducted by Ecological and Environmental Services of the rehabilitation costs of the Shakaville dumpsite.

The provision reflects a total of R14 137 934 as the present value.

The provision created for the Developers Contribution is based on potential reimbursement of bulk infrastructure development undertaken by the respective developers. These are in terms of agreements signed between the municipality and the relevant developers and reimbursements will only occur when various conditions have been met.

## **19 Long term Liabilities**

### **Loans - Bank Loans**

Bear interest at 9.73% to 10.83% and is redeemed in bi-annual instalments, including interest, over varying periods until 2032.

**Please refer to Appendix A for further details.**

|                                                    |                    |                    |
|----------------------------------------------------|--------------------|--------------------|
| Loans                                              | 176,095,772        | 188,689,134        |
| Current portion transferred to Current Liabilities | (13,688,366)       | (12,593,362)       |
| <b>Total Long Term Liabilities</b>                 | <b>162,407,406</b> | <b>176,095,771</b> |

**KWADUKUZA MUNICIPALITY**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

|                                                           | <b>2023</b><br><b>R</b> | <b>2022 - Restated</b><br><b>R</b> |
|-----------------------------------------------------------|-------------------------|------------------------------------|
| <b>20 TRADE &amp; OTHER PAYABLES</b>                      |                         |                                    |
| Trade payables                                            | 352 849 611             | 203 020 931                        |
| Payments received in advance                              | 36 931 890              | 33 108 597                         |
| Other creditors                                           | 21 274 225              | 15 843 778                         |
| Housing Agency Creditor - Department of Human Settlements | 819 425                 | -                                  |
| Expenditure captured on Cash Book but not released        | 4,762,803               | 1 012 421                          |
| Deposits - other                                          | 3 704 696               | 3 656 437                          |
| Staff leave                                               | 28 792 044              | 23 952 490                         |
| Staff bonus                                               | 12 185 648              | 11 783 632                         |
| Retentions                                                | 36 583 502              | 28 966 359                         |
|                                                           | <b>497 903 844</b>      | <b>321 344 645</b>                 |
| Payments in advance includes prepaid electricity accruals |                         |                                    |
| <b>21 Consumer Deposits</b>                               |                         |                                    |
| Consumer Deposits in respect of:<br>Electricity           | <b>43 728 074</b>       | <b>39 877 832</b>                  |
| <b>22 Service charges</b>                                 |                         |                                    |
| Sale of electricity                                       | 1,047,114,304           | 1,026,249,335                      |
| Refuse removal                                            | 91,191,356              | 77,673,637                         |
|                                                           | <b>1,138,305,661</b>    | <b>1,103,922,972</b>               |
| <b>23 Other Income</b>                                    |                         |                                    |
| Contributions demand based                                | 20,204,845              | 19,972,232                         |
| Building plan fees                                        | 9,373,236               | 10,265,589                         |
| Sundries                                                  | 791,783                 | 8,969,314                          |
| Admin charges                                             | 1,941,187               | 1,846,008                          |
| Miscellaneous income                                      | 7,410,393               | 6,301,383                          |
| Special Rating Areas Income                               | 13,205,814              | 11,892,770                         |
| Advertising                                               | 4,069,722               | 3,140,213                          |
| Road Master Plans                                         | 1,045,452               | 1,436,483                          |
| Burial Fees                                               | 868,318                 | 1,064,799                          |
|                                                           | <b>58 910 750</b>       | <b>64 888 791</b>                  |
| <b>24 Investment revenue</b>                              |                         |                                    |
| <b>Interest revenue</b>                                   |                         |                                    |
| Interest Earned on Investments & Bank Accounts            | <b>92 233 107</b>       | <b>32 050 374</b>                  |

**KWADUKUZA MUNICIPALITY**  
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**FOR THE YEAR ENDED 30 JUNE 2023**

**2023**  
**R**

**2022 - Restated**  
**R**

**25 PROPERTY RATES**

|                                             |                    |                    |
|---------------------------------------------|--------------------|--------------------|
| Residential                                 | 337 780 830        | 303 618 100        |
| Business and Commercial                     | 131 103 955        | 123 000 923        |
| Industrial                                  | 32 361 331         | 29 861 535         |
| Mining                                      | 192 708            | 183 528            |
| Education and State                         | 11 324 787         | 10 758 755         |
| Agriculture                                 | 1 534 309          | 3 245 378          |
| Vacant                                      | 92 439 976         | 71 972 277         |
| Public Service Infrastructure               | 17 387             | 14 747             |
| Illegal Use/Unauthorised Use                | 6 562 101          | 2 423 000          |
| Total Actual Assessment Rates               | 613 317 383        | 545 078 244        |
| Property rates - penalties imposed          | 18 739 192         | 13 470 630         |
| <b>Assessment rates including Penalties</b> | <b>632 056 575</b> | <b>558 548 874</b> |

**Property Valuations**

|                                        |                       |                       |
|----------------------------------------|-----------------------|-----------------------|
| Residential                            | 61 625 157 586        | 59 180 897 586        |
| Commercial                             | 8 818 763 000         | 8 498 323 000         |
| Education and State                    | 564 379 000           | 562 770 000           |
| Municipal                              | 1 461 117 000         | 1 423 421 000         |
| Agriculture                            | 4 280 007 000         | 4 355 902 000         |
| Vacant                                 | 4 973 752 600         | 4 030 112 100         |
| Land reform                            | 1 252 242 000         | 1 290 282 000         |
| Monuments                              | 2 620 000             | 2 620 000             |
| Public Service Infrastructure          | 1 607 352 000         | 1 605 352 000         |
| Worship / Public Benefit Organisations | 236 190 000           | 221 490 000           |
| Illegal Use/Unauthorised Use           | 243 260 000           | 48 460 000            |
| <b>Total Property Valuations</b>       | <b>85 064 840 186</b> | <b>81 219 629 686</b> |

The last general valuation came into effect on 01 July 2021

Property rates levied in terms of the Local Government: Municipal Property Rates Act No. 6 of 2004 (MPRA) with effect from 01 July 2007

Adjustments to the valuation roll in terms of Section 78 of the MPRA (as amended) are effected on an on-going basis. The adjustments take into account consolidations and subdivisions as well as property category changes.

**Assessment rates: Cents in the rand on market valuation as follows:**

|                                                                                                 |       |       |
|-------------------------------------------------------------------------------------------------|-------|-------|
| Residential, informal settlements, land reform, monuments                                       | 0.865 | 0.824 |
| Residential for commercial purposes                                                             | 0.948 | 0.903 |
| Agricultural                                                                                    | 0.217 | 0.207 |
| Industrial, business and commercial, vacant, public infrastructure, Municipal owned and worship | 2.676 | 2.549 |
| Properties used by an organ of state and used for public service purposes                       | 2.676 | 2.549 |
| Guest houses                                                                                    | 2.422 | 2.307 |
| Public service infrastructure                                                                   | 0.217 | 0.207 |
| Illegal Use/Unauthorised Use                                                                    | 0.050 | 0.050 |

The first R100 000 of the valuation of residential properties are exempt from the calculation of rates

The first 30% of the valuation of public service infrastructure properties are exempt from the calculation of rates



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**FOR THE YEAR ENDED 30 JUNE 2023**

|                                                                                                       | <b>2023<br/>R</b> | <b>2022 - Restated<br/>R</b> |
|-------------------------------------------------------------------------------------------------------|-------------------|------------------------------|
| <b>Rebates:</b>                                                                                       |                   |                              |
| Land reform, worship, state land, PBO's, monuments, informal settlements and municipal owned property | 100%              | 100%                         |
| <b>Additional rebates applicable:</b>                                                                 |                   |                              |
| Excluded services                                                                                     | 15%               | 15%                          |
| <b>All Pensioners</b>                                                                                 |                   |                              |
| Pensioners under 65 years                                                                             | 25%               | 25%                          |
| Pensioners between 65 & 75 years                                                                      | 30%               | 30%                          |
| Pensioners older than 75 years                                                                        | 35%               | 35%                          |
| <b>Industrial incentives including:</b>                                                               |                   |                              |
| In the first and second year, thereafter phased out by 10% per annum                                  | 100%              | 100%                         |
| <b>Residential Developers incentives</b>                                                              |                   |                              |
| In first & second year thereafter phased out by 10% per annum                                         | 100%              | 100%                         |
| Bonafide Agricultural properties                                                                      | 50%               | 50%                          |

**Rates are levied as follows (in terms of Section 26 of the Municipal Property Rates Act No. 6 of 2004) for the 2022/2023 financial year:**

|                                                                                                                           |                   |                   |
|---------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| On an annual basis, by application, and the final date of payment being:                                                  | 30 September 2022 | 30 September 2021 |
| On a monthly basis, and the final dates of payment being the last working day of the month from August 2022 to June 2023. |                   |                   |

|                                                        |               |               |
|--------------------------------------------------------|---------------|---------------|
| Interest is levied on outstanding rates per annum at : | 10% per annum | 10% per annum |
|--------------------------------------------------------|---------------|---------------|

|                                                                                                                                                        |     |     |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----|
| Plus administration charges two months after the final date of payment in respect of annual rate payers and 01 July in respect of monthly rate payers. | 10% | 10% |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----|

**26 GOVERNMENT GRANTS AND SUBSIDIES**

|                                                   |                    |                    |
|---------------------------------------------------|--------------------|--------------------|
| <b>Operating grants</b>                           |                    |                    |
| Equitable Share                                   | 228 012 000        | 198 138 243        |
| Municipal Infrastructure Grant                    | 68 722 222         | 61 549 000         |
| Financial Management Grant                        | 1 750 000          | 1 750 000          |
| Department of Minerals and Energy                 | 14 272 168         | 3 080 000          |
| New Library Grant                                 | 762 000            | 742 678            |
| Library Subsidy                                   | 5 890 000          | 5 610 000          |
| Museum                                            | 235 000            | 8 644 725          |
| Energy Efficiency & Demand Side Management Grant  | -                  | 3 999 999          |
| Expanded Public Works Programme                   | 1 868 000          | 1 732 000          |
| Housing Accreditation                             | 5 533 779          | 5 642 364          |
| Title Deeds Restoration Grant                     | -                  | 32 775             |
| Dept. Trade & Industry Grant (DTI)                | -                  | 6 986 917          |
| Natural Resource Management Project Grant (EDTEA) | 1 507 563          | -                  |
| Municipal Disaster Response Grant                 | 82 219 911         | -                  |
| Municipal Disaster Recovery Grant (R&R)           | 371 378 307        | -                  |
| CETA Candidacy grants                             | 14 068             | -                  |
|                                                   | <b>782 165 019</b> | <b>297 908 700</b> |

**KWADUKUZA MUNICIPALITY**  
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|                                          | 2023<br>R             | 2022 - Restated<br>R  |
|------------------------------------------|-----------------------|-----------------------|
| <b>Equitable Share</b>                   |                       |                       |
| Balance unspent at the beginning of year | -                     | -                     |
| Current year receipts                    | 228 012 000           | 198 138 243           |
| Conditions met – transferred to revenue  | <u>( 228 012 000)</u> | <u>( 198 138 243)</u> |
|                                          | <u>-</u>              | <u>-</u>              |

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.

**Municipal Infrastructure Grant**

|                                                               |                       |               |
|---------------------------------------------------------------|-----------------------|---------------|
| Balance unspent at beginning of year                          |                       | 4 940 243     |
| Current year receipts                                         | 68 871 000            | 61 549 000    |
| Conditions met - transferred to revenue                       | ( 68 722 245)         | ( 61 549 000) |
| Paid back to the National Revenue Fund                        | -                     | ( 4 940 243)  |
| Conditions still to be met - remain liabilities (see note 17) | <u><b>148 755</b></u> | <u>-</u>      |

This grant was used for municipal infrastructure.

**Financial Management Grant**

|                                                               |                     |                     |
|---------------------------------------------------------------|---------------------|---------------------|
| Current year receipts                                         | 1 750 000           | 1 750 000           |
| Conditions met - transferred to revenue                       | <u>( 1 750 000)</u> | <u>( 1 750 000)</u> |
| Conditions still to be met - remain liabilities (see note 17) | <u>-</u>            | <u>-</u>            |

This grant is used to assist the municipality to implement financial reforms required by the MFMA.

**Department of Minerals and Energy Grant**

|                                                               |                         |                     |
|---------------------------------------------------------------|-------------------------|---------------------|
| Balance unspent at beginning of year                          | -                       | -                   |
| Current year receipts                                         | 15 418 000              | 3 080 000           |
| Conditions met - transferred to revenue                       | <u>( 14 272 168)</u>    | <u>( 3 080 000)</u> |
| Conditions still to be met - remain liabilities (see note 17) | <u><b>1 145 832</b></u> | <u>-</u>            |

This grant is used for electrification projects as part of upgrading of informal settlement areas.

**Community Library services grant**

|                                                               |                       |                   |
|---------------------------------------------------------------|-----------------------|-------------------|
| Balance unspent at beginning of year                          | -                     | 16 678            |
| Current year receipts                                         | 1 270 000             | 726 000           |
| Conditions met - transferred to revenue                       | <u>( 762 000)</u>     | <u>( 742 678)</u> |
| Conditions still to be met - remain liabilities (see note 17) | <u><b>508,000</b></u> | <u>-</u>          |

This Grant is used for the payment of the cyber cadets at the Shakaskraal, Stanger Manor and KwaDukuza libraries.

**KWADUKUZA MUNICIPALITY**  
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**2023**  
**R**

**2022 - Restated**  
**R**

**Museum**

|                                                               |            |              |
|---------------------------------------------------------------|------------|--------------|
| Balance unspent at beginning of year                          | -          | 6 419 725    |
| Current year receipts                                         | 235 000    | 2 225 000    |
| Conditions met - transferred to revenue                       | ( 235 000) | ( 8 644 725) |
| Conditions still to be met - remain liabilities (see note 17) | -          | -            |

This grant is for the Museum expenditure incurred.

**Energy Efficiency & Demand Side Management**

|                                                               |   |              |
|---------------------------------------------------------------|---|--------------|
| Balance unspent at beginning of year                          | - | -            |
| Current year receipts                                         | - | 4 000 000    |
| Conditions met - transferred to revenue                       | - | ( 3 999 999) |
| Paid back to the National Revenue Fund                        | - | -            |
| Conditions still to be met - remain liabilities (see note 17) | - | <b>1</b>     |

This grant is for community upliftment

**Expanded Public Works Program**

|                                                               |              |              |
|---------------------------------------------------------------|--------------|--------------|
| Balance unspent at beginning of year                          | -            | -            |
| Current year receipts                                         | 1 868 000    | 1 732 000    |
| Conditions met - transferred to revenue                       | ( 1 868 000) | ( 1 732 000) |
| Conditions still to be met - remain liabilities (see note 17) | -            | -            |

EPWP grant funding is used to expand job creation efforts in specific focus areas where labour intensive delivery methods can be measured.

**26 Government grants and subsidies**

**Library Subsidy**

|                                                               |              |              |
|---------------------------------------------------------------|--------------|--------------|
| Balance unspent at beginning of year                          | -            | -            |
| Current year receipts                                         | 5 890 000    | 5 610 000    |
| Conditions met - transferred to revenue                       | ( 5 890 000) | ( 5 610 000) |
| Conditions still to be met - remain liabilities (see note 17) | -            | -            |

This grant is used to fund operational expenditure within the various libraries in KwaDukuza.

**Housing Accreditation Grant**

|                                                               |                  |                  |
|---------------------------------------------------------------|------------------|------------------|
| Balance unspent at beginning of year                          | 6 550 354        | 10 161 422       |
| Current year receipts                                         | 1 458 909        | 2 031 297        |
| Conditions met - transferred to revenue                       | ( 5 533 779)     | ( 5 642 364)     |
| Conditions still to be met - remain liabilities (see note 17) | <b>2 475 484</b> | <b>6 550 354</b> |

This grant is for community upliftment

**Neighbourhood Development Partnership Grant (SCADA)**

|                                                               |   |              |
|---------------------------------------------------------------|---|--------------|
| Balance unspent at beginning of year                          | - | 4 724 568    |
| Current year receipts                                         | - | -            |
| Conditions met - transferred to revenue                       | - | -            |
| Paid back to the National Revenue Fund                        | - | ( 4 724 568) |
| Conditions still to be met - remain liabilities (see note 17) | - | -            |

This grant is for Electricity Network Management.

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**2023**  
**R**

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**R**

**Neighbourhood Development Partnership Grant (Ease of Business)**

|                                                               |          |              |
|---------------------------------------------------------------|----------|--------------|
| Balance unspent at beginning of year                          | -        | 3 567 500    |
| Current year receipts                                         | -        | -            |
| Conditions met - transferred to revenue                       | -        | -            |
| Paid back to the National Revenue Fund                        | -        | ( 3 567 500) |
| Conditions still to be met - remain liabilities (see note 17) | -        | -            |
|                                                               | <u>-</u> | <u>-</u>     |

This grant is for Economic Development and Planning.

**Title Deeds Restoration Grant**

|                                                               |                  |                  |
|---------------------------------------------------------------|------------------|------------------|
| Balance unspent at beginning of year                          | 2 688 225        | 2 721 000        |
| Current year receipts                                         | -                | -                |
| Conditions met - transferred to revenue                       | -                | ( 32 775)        |
| Conditions still to be met - remain liabilities (see note 17) | <u>2 688 225</u> | <u>2 688 225</u> |

This grant is to be used to fund expenses in respect of property transfers.

**Natural Resource Management Project Grant (EDTEA)**

|                                                               |                |                  |
|---------------------------------------------------------------|----------------|------------------|
| Balance unspent at beginning of year                          | 1 700 000      | -                |
| Current year receipts                                         | -              | 1 700 000        |
| Conditions met - transferred to revenue                       | ( 1 507 563)   | -                |
| Conditions still to be met - remain liabilities (see note 17) | <u>192 437</u> | <u>1 700 000</u> |

This grant is in respect of the Mavivane Transformative Riverine Management Project (TRMP) dealing with the rehabilitation of river catchments and addressing the issues of climate change.

**Dept. Trade & Industry Grant (DTI)**

|                                                               |          |              |
|---------------------------------------------------------------|----------|--------------|
| Balance unspent at beginning of year                          | -        | -            |
| Current year receipts                                         | -        | 6 986 917    |
| Conditions met - transferred to revenue                       | -        | ( 6 986 917) |
| Conditions still to be met - remain liabilities (see note 17) | <u>-</u> | <u>-</u>     |

This grant is to be used for the funding of electrical bulk infrastructure at the KwaDukuza Mall.

**Municipal Disaster Response Grant**

|                                                               |                   |          |
|---------------------------------------------------------------|-------------------|----------|
| Balance unspent at beginning of year                          | -                 | -        |
| Current year receipts                                         | 109 043 000       | -        |
| Conditions met - transferred to revenue                       | ( 82 219 911)     | -        |
| Conditions still to be met - remain liabilities (see note 17) | <u>26 823 089</u> | <u>-</u> |

**Municipal Disaster Recovery Grant (R&R)**

|                                                               |                    |          |
|---------------------------------------------------------------|--------------------|----------|
| Balance unspent at beginning of year                          | -                  | -        |
| Current year receipts                                         | 1 271 098 000      | -        |
| Conditions met - transferred to revenue                       | ( 371 378 307)     | -        |
| Conditions still to be met - remain liabilities (see note 17) | <u>899 719 693</u> | <u>-</u> |

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|                                                               | 2023<br>R          | 2022 - Restated<br>R |
|---------------------------------------------------------------|--------------------|----------------------|
| <b>CETA Candidacy grant</b>                                   |                    |                      |
| Balance unspent at beginning of year                          | -                  | -                    |
| Current year receipts                                         | 1 000 000          | -                    |
| Conditions met - transferred to revenue                       | ( 14 068)          | -                    |
| Conditions still to be met - remain liabilities (see note 17) | <u>985 932</u>     | <u>-</u>             |
| <b>27 Public Contributions</b>                                |                    |                      |
| IFA Huletts Beach Node Development                            | -                  | 309 760              |
|                                                               | <u>-</u>           | <u>309 760</u>       |
| Balance unspent at beginning of year                          | 9 992 147          | 10 301 907           |
| Current-year receipts                                         | 1,000,000          | -                    |
| Conditions met - transferred to revenue                       | -                  | (309,760)            |
| <b>Balance unspent at end of year (Note 16)</b>               | <u>10 992 147</u>  | <u>9 992 147</u>     |
| Conditions still to be met - remain liabilities (see note 17) |                    |                      |
| <b>28 Employee related costs</b>                              |                    |                      |
| Basic                                                         | 281,973,055        | 257,719,929          |
| Bonus                                                         | 21,814,499         | 20,751,104           |
| Medical aid - company contributions                           | 27,722,117         | 26,413,812           |
| UIF                                                           | 2,199,285          | 2,069,355            |
| Industrial council levies                                     | 136,069            | 126,423              |
| Leave pay provision charge                                    | 9,474,814          | 8,509,405            |
| Leave & bonus provision expense                               | 5,241,571          | 1,305,585            |
| Travelling allowances                                         | 17,726,345         | 16,098,553           |
| Overtime payments                                             | 66,657,454         | 65,269,750           |
| Housing benefits and allowances                               | 1,148,983          | 1,092,105            |
| Group Life Assurance                                          | 2,860,673          | 1,845,091            |
| Pension Contributions                                         | 50,580,293         | 46,781,101           |
| Standby, Uniform, Telephone and Tool allowances               | 15,986,498         | 14,222,392           |
|                                                               | <u>503,521,657</u> | <u>462,204,606</u>   |
| <b>Remuneration of the Municipal Manager</b>                  |                    |                      |
| Salary and Allowances                                         | 1,525,037          | 1,458,154            |
| Travel Allowance                                              | 96,000             | 96,000               |
| Cell Allowance                                                | 17,160             | 17,160               |
| Performance Bonus                                             | 68,962             | 152,872              |
| Pension                                                       | 146,708            | 142,170              |
| Other contributions                                           | 2,125              | 19,397               |
| Leave Pay Out                                                 | -                  | 82,578               |
|                                                               | <u>1 855 992</u>   | <u>1 968 330</u>     |
| <b>Remuneration of the Chief Financial Officer</b>            |                    |                      |
| Salary and Allowances                                         | 1 028 749          | 1 061 905            |
| Travel Allowance                                              | 569 864            | 475 104              |
| Cell Allowance                                                | 14 520             | 14 520               |
| Performance Bonus                                             | 122 205            | 206 399              |
| Pension                                                       | 212 673            | 180 729              |
| Pension Surcharge                                             | -                  | 38 185               |
| Other contributions                                           | 2 125              | 17 186               |
|                                                               | <u>1 950 136</u>   | <u>1 994 028</u>     |



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|                                                                                                         | 2023<br>R        | 2022 - Restated<br>R |
|---------------------------------------------------------------------------------------------------------|------------------|----------------------|
| <b>Executive Director: Economic Development &amp; Planning</b>                                          |                  |                      |
| Salary and Allowances                                                                                   | 1 197 213        | 1 141 563            |
| Travel Allowance                                                                                        | 96 000           | 96 000               |
| Cell Allowance                                                                                          | 14 520           | 14 520               |
| Performance Bonus                                                                                       | 101 421          | 171 295              |
| Pension                                                                                                 | 236 544          | 187 647              |
| Pension Surcharge                                                                                       | -                | 39 646               |
| Other contributions                                                                                     | 915              | 15 490               |
|                                                                                                         | <b>1 646 613</b> | <b>1 666 161</b>     |
| <b>Executive Director: Corporate Services</b>                                                           |                  |                      |
| Salary and Allowances                                                                                   | 1 243 468        | -                    |
| Travel Allowance                                                                                        | -                | -                    |
| Cell Allowance                                                                                          | 11 765           | -                    |
| Leave Pay                                                                                               | -                | -                    |
| Performance Bonus                                                                                       | -                | 57 098               |
| Other contributions                                                                                     | 1 948            | -                    |
|                                                                                                         | <b>1 257 181</b> | <b>57 098</b>        |
| The Executive Director: Corporate Services was vacant for the period 31 October 2020 to 31 August 2022. |                  |                      |
| <b>Executive Director: Community Safety</b>                                                             |                  |                      |
| Salary and Allowances                                                                                   | 1 368 497        | 1 305 210            |
| Travel Allowance                                                                                        | 120 000          | 120 000              |
| Cell Allowance                                                                                          | 14 520           | 14 520               |
| Performance Bonus                                                                                       | 72 444           | 128 471              |
| Other contributions                                                                                     | 2 125            | 17 692               |
|                                                                                                         | <b>1 577 586</b> | <b>1 585 894</b>     |
| <b>Executive Director: Community Services &amp; Public Amenities</b>                                    |                  |                      |
| Salary and Allowances                                                                                   | 1 022 539        | 1 055 263            |
| Travel Allowance                                                                                        | 180 000          | 180 000              |
| Cell Allowance                                                                                          | 14 520           | 14 520               |
| Performance Bonus                                                                                       | 101 421          | 171 295              |
| Pension                                                                                                 | 196 499          | 189 947              |
| Other contributions                                                                                     | 3 335            | 15 125               |
|                                                                                                         | <b>1 518 314</b> | <b>1 626 150</b>     |
| <b>Chief Operations Officer</b>                                                                         |                  |                      |
| Salary and Allowances                                                                                   | 1 158 446        | 1 077 533            |
| Travel Allowance                                                                                        | 164 400          | 185 400              |
| Cell Allowance                                                                                          | 14 520           | 14 520               |
| Performance Bonus                                                                                       | 72 444           | 157 020              |
| Acting allowance                                                                                        | -                | 8 595                |
| Pension                                                                                                 | 210 338          | 162 277              |
| Pension Surcharge                                                                                       | -                | 34 286               |
| Other contributions                                                                                     | 2 125            | 15 616               |
|                                                                                                         | <b>1 622 272</b> | <b>1 655 248</b>     |
| <b>Executive Director: Civil Engineering &amp; Human Settlements</b>                                    |                  |                      |
| Salary and Allowances                                                                                   | 1 039 350        | 1 126 449            |
| Travel Allowance                                                                                        | 80 000           | 96 000               |
| Cell Allowance                                                                                          | 12 100           | 14 520               |
| Performance Bonus                                                                                       | 43 466           | 128 471              |
| Pension                                                                                                 | 174 971          | 202 761              |
| Other contributions                                                                                     | 1 948            | 14 671               |
|                                                                                                         | <b>1 351 836</b> | <b>1 582 872</b>     |
| The Executive Director: Civil Engineering & Human Settlements resigned on the 30 April 2023.            |                  |                      |

**KWADUKUZA MUNICIPALITY**  
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**FOR THE YEAR ENDED 30 JUNE 2023**

|                                                                                                                                                                                                    | 2023<br>R            | 2022 - Restated<br>R |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| <b>Executive Director: Electrical Engineering Services</b>                                                                                                                                         |                      |                      |
| Salary and Allowances                                                                                                                                                                              | 1 178 885            | 1 055 263            |
| Travel Allowance                                                                                                                                                                                   | 180 000              | 180 000              |
| Cell Allowance                                                                                                                                                                                     | 14 520               | 14 520               |
| Performance Bonus                                                                                                                                                                                  | 72 444               | 99 922               |
| Pension                                                                                                                                                                                            | 196 499              | 189 947              |
| Other contributions                                                                                                                                                                                | 2 125                | 14 411               |
|                                                                                                                                                                                                    | <b>1 644 472</b>     | <b>1 554 063</b>     |
| Performance Bonuses for Municipal Manager, Chief Financial Officer and Executive Directors for the 2019/2020 and 2020/2021 financial years were approved and paid in the 2021/2022 financial year. |                      |                      |
| <b>29 REMUNERATION OF COUNCILLORS</b>                                                                                                                                                              |                      |                      |
| Mayor                                                                                                                                                                                              | 1 155 510            | 897 392              |
| Deputy Mayor                                                                                                                                                                                       | 788 732              | 781 584              |
| Speaker                                                                                                                                                                                            | 964 138              | 735 224              |
| Executive Committee (EXCO)                                                                                                                                                                         | 7 434 247            | 4 956 636            |
| Councillors                                                                                                                                                                                        | 19 600 460           | 13 022 329           |
| Councillors' pension contribution                                                                                                                                                                  | 2 835 748            | 1 802 383            |
| Traditional leaders                                                                                                                                                                                | 32 800               | 14 800               |
|                                                                                                                                                                                                    | <b>32,811,634</b>    | <b>22,210,348</b>    |
| <b>30 Depreciation and amortisation</b>                                                                                                                                                            |                      |                      |
| Property, Plant & Equipment                                                                                                                                                                        | 93 317 273           | 86 428 113           |
| Intangible assets                                                                                                                                                                                  | 153 842              | 531 807              |
|                                                                                                                                                                                                    | <b>93 471 116</b>    | <b>86 959 920</b>    |
| <b>31 Impairment Loss</b>                                                                                                                                                                          |                      |                      |
| <b>Impairments / (Impairment Reversals)</b>                                                                                                                                                        |                      |                      |
| Property, Plant & Equipment                                                                                                                                                                        | 3,880,773            | 7,393,852            |
| Inventory                                                                                                                                                                                          | 1,028,646            | 1,508,272            |
|                                                                                                                                                                                                    | <b>4,909,419</b>     | <b>8,902,124</b>     |
| <b>32 Finance costs</b>                                                                                                                                                                            |                      |                      |
| Finance costs on borrowings                                                                                                                                                                        | <b>18 001 678</b>    | <b>18 936 993</b>    |
| <b>33 Debt impairment and write offs</b>                                                                                                                                                           |                      |                      |
| Contributions to debt impairment provision                                                                                                                                                         | 13 167 393           | 6 745 764            |
| Bad debts written off                                                                                                                                                                              | 3 609 233            | 6 694 545            |
|                                                                                                                                                                                                    | <b>16 776 626</b>    | <b>13 440 310</b>    |
| <b>34 Bulk purchases</b>                                                                                                                                                                           |                      |                      |
| Electricity                                                                                                                                                                                        | <b>1 020 713 805</b> | <b>943 600 182</b>   |

Bulk Purchases are the cost of commodities not generated by the municipality, which the municipality distributes in the municipal area for resale to the consumers. Electricity is purchased from Eskom and Nersa approved a 8.61% tariff hike in favour of Eskom for the 2022/2023 financial year.

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**2023**  
**R**

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**R**

**35 GENERAL EXPENSES**

Included in general expenses is the following: -

|                                                    |            |            |
|----------------------------------------------------|------------|------------|
| Replacement of faulty meters                       | 3 221 236  | 1 310 194  |
| Call out to consumer complaints                    | 691 633    | 807 153    |
| Legal costs                                        | 7 064 570  | 5 674 518  |
| Marketing                                          | 1 628 068  | 849 384    |
| Audit fee - external audit                         | 5 048 522  | 4 811 829  |
| Bank charges                                       | 4 170 389  | 3 334 368  |
| Insurance general                                  | 6 573 070  | 5 014 037  |
| Refuse bags/contract                               | 2 256 574  | 1 403 826  |
| Ward Committee                                     | 3 945 290  | 2 538 188  |
| Ballito Pro expenditure                            | 11 781 529 | 3 615 101  |
| Advertising                                        | 3 886 568  | 3 421 308  |
| Printing, Stationery & postage                     | 4 850 787  | 2 810 364  |
| SALGA Subscriptions                                | 5 814 238  | 5 193 624  |
| Water & Sanitation                                 | 11 141 763 | 14 648 268 |
| Sundry Oils & Fuels                                | 15 803 315 | 12 243 861 |
| Street lighting consumption - Eskom supplied areas | 646 626    | 1 119 388  |
| Staff & councillor training costs and bursaries    | 2 336 735  | 1 992 064  |
| Travelling & subsistence                           | 3 998 290  | 2 692 457  |
| Telephone calls / rentals                          | 5 225 595  | 3 102 776  |
| Protective clothing                                | 4 953 903  | 4 295 070  |
| Non standard service connection                    | 544 767    | 630 684    |
| Software support & licences and agreements         | 7 599 965  | 6 578 117  |
| Miscellaneous Expenses                             | 24 039 507 | 20 946 517 |
| Special Rating Area Expenditure                    | 12 242 978 | 12 462 564 |
| Rent of Property / Offices / House                 | 2 783 905  | 2 578 091  |
| EPWP                                               | 3 900 004  | 3 745 234  |
| Public Affairs                                     | 180 000    | 74 990     |
| Sukuma Sakhe                                       | 1 359 602  | 849 965    |
| SALGA Games                                        | 1 369 844  | 229 262    |
| Workman's Compensation                             | 3 040 237  | 2 765 861  |
| Skills Development Levy                            | 4 110 593  | 3 797 695  |

**TOTAL GENERAL EXPENSES**

**166 210 102**

**135 536 758**

**36 Fair value adjustment**

Investment property (Fair value model)

**7 746 000**

**21 045 000**

**37 Commitments**

**Authorised capital expenditure**

**Approved and Contracted for:**

|                |                    |                    |
|----------------|--------------------|--------------------|
| Infrastructure | 420 922 921        | 230 609 539        |
| Community      | 65 431 555         | 20 843 241         |
|                | <b>486 354 476</b> | <b>251 452 780</b> |

**Total capital commitments**

Approved and Contracted for:

**486 354 476**

**251 452 780**

Capital Commitments are exclusive of VAT

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|                                                                                                                                                                                                                                                                                                         | 2023<br>R          | 2022 - Restated<br>R |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|----------------------|
| <b>38 Contingent liabilities</b>                                                                                                                                                                                                                                                                        |                    |                      |
| <b>Details of Contingent Liabilities</b>                                                                                                                                                                                                                                                                |                    |                      |
| Reimbursement of capital costs of bulk supply to developers: (Vat Exc)                                                                                                                                                                                                                                  |                    |                      |
| The reimbursement is dependent on the developers meeting future targets as set out in the service level agreements. The timing and outcome of the reimbursements cannot presently be determined and therefore no provision for any liability that may result has been made in the financial statements. | 107,371,310        | 107,371,310          |
| C M Nmwayo - Municipality is being sued for damages - plaintiff shot in leg by municipal employee using a municipal firearm. (Unlawful arrest)                                                                                                                                                          | -                  | 18,794,000           |
| SMADA Construction - municipality is being sued for contractual damages due to cancellation of contract.                                                                                                                                                                                                | 18,841,161         | 18,841,161           |
| R I Marais - Claim against the municipality for certain maintenance and repair work done on a public road on behalf of the municipality and not being compensated for this.                                                                                                                             | -                  | 3,750,000            |
| B S P Pillay - the Plaintiff is suing a municipal employee in her personal capacity for the damages, who was acting under her scope of employment.                                                                                                                                                      | 100,000            | 100,000              |
| Rejoice T Ndlovu - claim against the municipality for damages suffered in the removal of a fence                                                                                                                                                                                                        | 200,000            | 200,000              |
| Lorris L Sunker - claim against the municipality from damages to vehicle by pot holes                                                                                                                                                                                                                   | 16,330             | 16,330               |
| Nomagugu Fakude - claim against the municipality - motor vehicle collision                                                                                                                                                                                                                              | -                  | 132,858              |
| Wandile Nicolson Ndaba - claim against the municipality for breach of agreement - duplication of sale of property ERF 56 Shakaville.                                                                                                                                                                    | 50,000             | 50,000               |
| Basil Willian Reekie - claim against the municipality for overcharged rates                                                                                                                                                                                                                             | -                  | 101,983              |
| Catide Investments (Pty) Ltd- claim against the municipality in respect of services rendered in the Sakhamkhaya Housing Project.                                                                                                                                                                        | 900,000            | 900,000              |
| T P Ngcobo & Associates - this matter is linked to the Sakhamkhaya Housing project.                                                                                                                                                                                                                     | 1,006,817          | 1,006,817            |
| Performance bonuses for Section 57 managers                                                                                                                                                                                                                                                             | 402,064            | 1,323,747            |
| The performance bonus provision relating to Section 57 managers reporting to the Municipal Manager and Municipal Manager is payable after the approval of annual performance assessment report for the period 2022/23 financial year. The bonus is based on the assessment outcome.                     |                    |                      |
| Contingent Liability for Salaries, Allowances and Benefits of Different Members of Municipal Councils                                                                                                                                                                                                   |                    |                      |
| Contingent liability payable to municipal councils upon publishing of Gazette by the Minister for Cooperative Governance and Traditional Affairs – determination of upper limits of the salaries, allowances and benefits of the different members of municipal councils on an annual basis.            | 1,120,433          | 3,809,320            |
|                                                                                                                                                                                                                                                                                                         | <b>130 008 115</b> | <b>156 397 526</b>   |

**2023**  
**R**

**2022 - Restated**  
**R**

### **39 Related parties and close family members**

#### **Related Parties**

##### **Staff member: P Murugan**

General Expenses for the year: 257,546 154,607

Nature of Transaction: The brother of the employee provide pest control services to the municipality.

##### **Councillor: G Govender**

General Expenses for the year: 46,920 78,637

Nature of Transaction: The son of the Councillor owns a company that provides panel beating and spray painting services.

##### **Councillor: C M Naicker**

General Expenses for the year: 1,926,321 1 510 886

Nature of Transaction: The son of the Councillor provided uniform and protective clothing services to the municipality.

##### **Staff member: R Bidesi**

General Expenses for the year: - 48,373

Nature of Transaction: The relative of the employee provides electrical services to the municipality.

##### **Staff member: M Naidoo**

General Expenses for the year: 5,635 80,247

Nature of Transaction: The relative of the employee provides airconditioning services to the municipality.

##### **Staff member: N Nxumalo**

General Expenses for the year: 2,437,644 406,851

Nature of Transaction: The partner of the employee provides fixtures and fittings to the municipality.

##### **Staff member: J Sewdular**

General Expenses for the year: 7,289,113 2,618,150

Nature of Transaction: The spouse of the employee provides consultancy services in respect of various capital projects.

##### **Staff member: L Mwandla**

General Expenses for the year: 205,150 -

Nature of Transaction: The partner of the employee provides construction services to the municipality.

Payments of remuneration to Senior Managers and Councillors - details of payments are set out in Notes 28 & 29



**KWADUKUZA MUNICIPALITY**  
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|                                                                               | 2023<br>R | 2022 - Restated<br>R             |
|-------------------------------------------------------------------------------|-----------|----------------------------------|
| <b>Awards to close family members of persons in the Service of the State:</b> |           | <b>2023</b>                      |
| Particulars of Award                                                          |           | Conlog                           |
| Expenditure                                                                   |           | Nil                              |
| Individual's name / Service Provider                                          |           | Mr Moodley & Mr Gaxeni           |
| Relation in Service of the State                                              |           | Spouse                           |
| State Employer                                                                |           | KZN Dept. of Health / Eskom      |
| Particulars of Award                                                          |           | Rocky Park                       |
| Expenditure                                                                   |           | Hardware                         |
| Individual's name / Service Provider                                          |           | R699 115                         |
| Relation in Service of the State                                              |           | L Naidoo                         |
| State Employer                                                                |           | Spouse<br>Dept. Of Education     |
| Particulars of Award                                                          |           | Singh's Hardware                 |
| Expenditure                                                                   |           | R358 113                         |
| Individual's name / Service Provider                                          |           | Mrs Divesh                       |
| Relation in Service of the State                                              |           | Spouse                           |
| State Employer                                                                |           | Dept. Of Education               |
| Particulars of Award                                                          |           | Munsoft                          |
| Expenditure                                                                   |           | R2 750 771                       |
| Individual's name / Service Provider                                          |           | M Rerani                         |
| Relation in Service of the State                                              |           | Daughter                         |
| State Employer                                                                |           | Office of Chief Justice          |
| Particulars of Award                                                          |           | PSA Africa                       |
| Expenditure                                                                   |           | R39 630                          |
| Individual's name / Service Provider                                          |           | T Frost                          |
| Relation in Service of the State                                              |           | Spouse                           |
| State Employer                                                                |           | Dept. Of Justice                 |
| Particulars of Award                                                          |           | Allied Hardware                  |
| Expenditure                                                                   |           | R239 811                         |
| Individual's name / Service Provider                                          |           | Dr A Kazi                        |
| Relation in Service of the State                                              |           | Son                              |
| State Employer                                                                |           | Intern Doctor - Stanger Hospital |
| Particulars of Award                                                          |           | Amanganga Power                  |
| Expenditure                                                                   |           | R67 219                          |
| Individual's name / Service Provider                                          |           | N Dlamini                        |
| Relation in Service of the State                                              |           | Mother                           |
| State Employer                                                                |           | Educator - Lee Primary           |
| Particulars of Award                                                          |           | Spilltech                        |
| Expenditure                                                                   |           | R4 025                           |
| Individual's name / Service Provider                                          |           | S Ngema                          |
| Relation in Service of the State                                              |           | Wife                             |
| State Employer                                                                |           | Operations Manager - SARS        |

**2023**  
**R**

**2022 - Restated**  
**R**

#### **40 Change in estimate**

##### **Property, Plant and equipment**

The Municipality reviewed the remaining useful lives of items of property, plant and equipment and intangible assets. Adjustments to these useful lives affect the amount of depreciation for the current year and is expected to affect future periods as well. As a result of this adjustment, the current year total depreciation decreased by a net **R7 485 219** and will continue to affect annual depreciation for the remainder of these assets' useful lives. The detail breakdown of the depreciation adjustment is as follows:

|                            | <b>2023</b>               |
|----------------------------|---------------------------|
| Community Assets           | (1,179,056)               |
| Electricity Infrastructure | (199,888)                 |
| Roads and Storm water      | (659,816)                 |
| Furniture and Fittings     | (2,693,960)               |
| Vehicles                   | (1,987,622)               |
| Intangible Assets          | (308,105)                 |
| Leased Assets              | (453,354)                 |
| Solid Waste                | (3,418)                   |
|                            | <b><u>(7,485,219)</u></b> |

#### **41 Prior period errors**

The comparatives for 2021/2022 have been restated in respect of the following errors:

##### **41.1 Restatement of Exchange Receivables (Note 10)**

|                                                                   |                           |
|-------------------------------------------------------------------|---------------------------|
| Non - exchange receivables as previously reported                 | <b>122,600,257</b>        |
| Adjusting for prior year electricity back billing 2021/2022       | 16,504,318                |
| Adjusting for prior year electricity back billing prior 2021/2022 | 29,510,943                |
| Restated balance as at 30 June 2022                               | <b><u>168,615,518</u></b> |

##### **41.2 Restatement of VAT Receivables (Note 11)**

|                                                                                   |                         |
|-----------------------------------------------------------------------------------|-------------------------|
| VAT Receivables as previously reported                                            | <b>12,142,442</b>       |
| Adjusting for VAT on prior year electricity back billing 2021/2022                | (2,152,737)             |
| Adjusting for VAT on prior year electricity back billing prior 2021/2022          | (3,849,253)             |
| Adjusting for VAT on prior year General Expenses (Travel expenses)                | (7,364)                 |
| Adjusting for VAT on prior year General Expenses (Water and Sanitation) 2021/2022 | 1,446,826               |
|                                                                                   | <b><u>7,579,913</u></b> |

##### **41.3 Restatement of Trade & Other Payables (Note 20)**

|                                                                          |                           |
|--------------------------------------------------------------------------|---------------------------|
| Trade & Other Payables as previously reported                            | <b>310,255,758</b>        |
| Adjusting to General Expenses - return of various sundry items to stores | (3,442)                   |
| Adjusting to General Expenses (Water and Sanitation) 2021/2022           | 11,092,329                |
| Restated balance as at 30 June 2022                                      | <b><u>321,344,645</u></b> |

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|                                                                                                                                  | 2023<br>R | 2022 - Restated<br>R               |
|----------------------------------------------------------------------------------------------------------------------------------|-----------|------------------------------------|
| <b>41.4 Restatement of Property, Plant &amp; Equipment (Note 3)</b>                                                              |           |                                    |
| Property, Plant & Equipment as previously reported:                                                                              |           | <b>2,389,055,561</b>               |
| Adjusting for derecognition of Land prior 2021/2022                                                                              |           | (34,728,556)                       |
| Prior year completed projects now being capitalised in 2021/2022 - Cost                                                          |           | 47,932,315                         |
| Prior year completed projects now being capitalised in 2021/2022 - WIP                                                           |           | (47,932,315)                       |
| Prior year completed projects now being capitalised in 2021/2022 - Accumulated Depreciation 2021/2022                            |           | (834,187)                          |
| Adjusting for derecognition of Community Assets (Recreational Ground) prior 2021/2022                                            |           | (1,130,725)                        |
| Adjusting for derecognition of Community Assets (Recreational Ground) prior 2021/2022 - Accumulated Depreciation 2021/2022       |           | 57,729                             |
| Adjusting for derecognition of Community Assets (Recreational Ground) prior 2021/2022 - Accumulated Depreciation prior 2021/2022 |           | 574,590                            |
| Adjusting for Land cemetery feasibility study prior 2021/2022                                                                    |           | (1,596,259)                        |
| Restated balance as at 30 June 2022                                                                                              |           | <u><u><b>2,351,398,154</b></u></u> |
| <b>Reconciliation of Adjusted 2021/2022 Surplus:</b>                                                                             |           |                                    |
| <b>Surplus for the year as previously stated</b>                                                                                 |           | <b>156,505,942</b>                 |
| <b>Service Charges</b>                                                                                                           |           |                                    |
| Adjusting for prior year electricity back billing 2021/2022                                                                      |           | 14,351,581                         |
| <b>General Expenses</b>                                                                                                          |           |                                    |
| Adjusting for VAT on prior year General Expenses (Travel expenses)                                                               |           | (7,364)                            |
| Adjusting to General Expenses - return of various sundry items to stores                                                         |           | 3,442                              |
| Adjusting to General Expenses - Water and Sanitation                                                                             |           | (9,645,503)                        |
| <b>Depreciation</b>                                                                                                              |           |                                    |
| Adjusting for Depreciation on prior year completed projects 2021/2022                                                            |           | (834,187)                          |
| Adjusting for derecognition of Community Assets (Recreational Ground) prior 2021/2022 - Depreciation 2021/2022                   |           | 57,729                             |
| <b>Housing development construction contract Revenue</b>                                                                         |           | (13,066,071)                       |
| Adjusting 2021/2022 Housing development contract revenue due removal of non-related housing construction contracts.              |           |                                    |
| <b>Housing development construction contract Expenditure</b>                                                                     |           | 13,066,071                         |
| Adjusting 2021/2022 Housing development contract revenue due removal of non-related housing construction contracts.              |           |                                    |
| <b>Restated Surplus as at 30 June 2022</b>                                                                                       |           | <u><u><b>160,431,638</b></u></u>   |

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**2023**  
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**42 Cash flows from Operating Activities:**

**Operating Surplus before working capital**

Total Surplus for the year **590,094,299** **160,431,638**

**Adjustment for:**

|                                               |                    |                    |
|-----------------------------------------------|--------------------|--------------------|
| Depreciation of Property, Plant and Equipment | 93,317,273         | 86,428,112         |
| Donations of assets                           | (856,064)          | (3,070,683)        |
| Gains on disposal of assets                   | (124,550)          | (165,489)          |
| Loss on disposal of assets                    | 15,130,186         | 6,031,215          |
| Impairment loss                               | 4,909,419          | 8,902,124          |
| Amortisation of intangible assets             | 153,842            | 531,807            |
| Contribution to provision                     | 33,214             | 445,209            |
| Retirement obligation                         | (3,067,000)        | 11,023,000         |
| Long service award                            | 188,000            | 2,490,000          |
| Investment Properties - Fair Value            | (7,746,000)        | (21,045,000)       |
| Allowance for impairment                      | 13,167,393         | 6,745,764          |
| Bad debts written off                         | 3,167,542          | 6,030,876          |
|                                               | <b>708,367,554</b> | <b>264,778,575</b> |

**Cash Generated by Operations**

Operating Surplus before working capital **708,367,554** **264,778,575**

**Movement in current assets and liabilities**

|                                                        |              |              |
|--------------------------------------------------------|--------------|--------------|
| (Increase)/decrease in inventory                       | (1,967,641)  | (1,856,163)  |
| Increase/(decrease) in conditional grants and receipts | 928,432,044  | (24,463,280) |
| (Increase)/decrease in trade and other receivables     | (72,444,155) | (61,268,208) |
| Increase/(decrease) in Trade and Other Payables        | 176,559,199  | 39,400,362   |
| Increase/decrease in VAT                               | (65,059,706) | (4,431,863)  |

**Net cash flows from operating activities** **1,673,887,295** **212,159,424**

|                                |              |              |
|--------------------------------|--------------|--------------|
| Interest earned on Investments | (92,233,107) | (32,050,374) |
| Finance expense                | 18,001,678   | 18,936,993   |

**43 Fines**

|                                 |                   |                   |
|---------------------------------|-------------------|-------------------|
| Total revenue from Fines Income | <b>12 673 538</b> | <b>10 082 528</b> |
|---------------------------------|-------------------|-------------------|

Fines are issued in terms of S341 & S56 of the Criminal Procedures Act 51 of 1977

**44 Contracted Services**

|                                                  |                    |                    |
|--------------------------------------------------|--------------------|--------------------|
| Refuse removal                                   | 91 092 760         | 65 075 256         |
| Grass cutting                                    | 37 539 828         | 36 972 162         |
| Specialist financial and GRAP related services   | 470 644            | 493 741            |
| Storm water                                      | 7 414 363          | 5 469 640          |
| Pothole repairs                                  | 4 931 985          | 5 742 427          |
| Other Contracted Services                        | 13 989 585         | 10 622 471         |
| Dump charges                                     | 16 022 896         | 12 781 957         |
| Security Services                                | 42 158 735         | 34 910 118         |
| Shark Control Expenditure                        | 4 703 630          | 4 490 385          |
| Valuation and Valuation Rolls                    | 388 048            | 1 004 900          |
| Professional Fees                                | 16 741 849         | 4 950 058          |
| Commission on Electricity vending                | 4 448 656          | 6 905 286          |
| Maintenance of building facilities and equipment | 29 479 362         | 32 553 113         |
| Electrical Mains Repairs                         | 16 573 372         | 16 475 803         |
|                                                  | <b>285 955 713</b> | <b>238 447 316</b> |

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**46 Events after the reporting date**

NERSA has approved an 18.49% increase in Eskom bulk purchase tariffs for 2023/2024. Apart from the above effect, due to the variable nature of the Eskom expenditure, the municipality is unable to determine any further financial impact.

As a result of a court order dated 07th August 2023, the municipality will undertake a housing development on ERF 917 ptn 151, which will result in the reclassification of the aforementioned property from Investment Property to Property Plant & Equipment (PPE).

**47 Unauthorised expenditure**

|                                      |                   |                  |
|--------------------------------------|-------------------|------------------|
| Provision for bad debts - (Non-Cash) | -                 | 66,312           |
| Bulk Purchases - (Cash)              | 35,075,477        | 6,163,454        |
| Expenses exceeding Budget (Cash)     | 4,116,467         | -                |
| Transfers and subsidies              | 4,355,334         | -                |
|                                      | <b>43,547,278</b> | <b>6,229,766</b> |

Unauthorised budgeted overspending - Municipal vote

**Finance Business Unit (Non Cash)**

|                  |                  |
|------------------|------------------|
| <b>3,189,239</b> | <b>4,019,903</b> |
|------------------|------------------|

Analysed as follows:

|                                                                       |           |           |
|-----------------------------------------------------------------------|-----------|-----------|
| Provision for bad debts - (Non-Cash)                                  | 3,189,239 | 4,086,215 |
| Less: Provision for bad debts Non cash recognised under item analysis | -         | ( 66 312) |

**Total authorised expenditure for the year**

|                   |                   |
|-------------------|-------------------|
| <b>46,736,517</b> | <b>10,249,668</b> |
|-------------------|-------------------|

**Reconciliation of Unauthorised expenditure written off**

|                                   |                   |                   |
|-----------------------------------|-------------------|-------------------|
| Opening Balance                   | 27,014,115        | 17,082,697        |
| Incurred for the year             | 46,736,517        | 10,249,668        |
| Written off by council            | ( 14 543 174)     | ( 318 250)        |
| <b>Remaining to be considered</b> | <b>59,207,458</b> | <b>27,014,115</b> |

**48 Fruitless and wasteful expenditure**

|                                    |                |                  |
|------------------------------------|----------------|------------------|
| Fruitless and wasteful expenditure | <b>481,002</b> | <b>1,380,260</b> |
|------------------------------------|----------------|------------------|

**Reconciliation of Fruitless and Wasteful expenditure written-off by Council**

|                                   |                  |                  |
|-----------------------------------|------------------|------------------|
| Opening Balance                   | 1,380,260        | 3,718,033        |
| Incurred for the year             | 481 002          | 1 380 260        |
| Written Off by Council            | -                | ( 3 718 033)     |
| <b>Remaining to be considered</b> | <b>1 861 262</b> | <b>1 380 260</b> |

|                                                                       |                |                  |
|-----------------------------------------------------------------------|----------------|------------------|
| Bank Charges on FNB bank account                                      | 6,719          | 64,890           |
| Interest on water and sanitation for long outstanding debtor accounts | 474,283        | 1,315,370        |
|                                                                       | <b>481,002</b> | <b>1,380,260</b> |

**Fruitless and Wasteful expenditure under Investigation:**

|                                                               |                  |   |
|---------------------------------------------------------------|------------------|---|
| Alleged Fraudulent payment of ward committee stipends         | 602,400          | - |
| Alleged Fraudulent payments of fictitious contractor invoices | 785,436          | - |
|                                                               | <b>1,387,836</b> |   |



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**2023**  
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**49 Irregular Expenditure:**

|                                                                                 |                   |                   |
|---------------------------------------------------------------------------------|-------------------|-------------------|
| Other goods and/or services not procured through competitive bidding processes. | 9,370,427         | 3,828,643         |
| Irregular expenditure pertaining to grass cutting contracts.                    | -                 | 3,619,979         |
| Section 36 approvals subsequently reclassified as irregular expenditure.        | 114,750           | 3,462,237         |
| Irregular expenditure pertaining to the procurement of security services.       | 36,584,006        | 37,723,743        |
| irregular expenditure due to non-compliance with legislation                    | 6,056,344         | -                 |
|                                                                                 | <b>52,125,526</b> | <b>48,634,602</b> |

**Reconciliation of Irregular Expenditure Written-off by Council**

|                                                 |                   |                   |
|-------------------------------------------------|-------------------|-------------------|
| Opening Balance                                 | 98 287 145        | 255 410 438       |
| Irregular expenditure incurred - Current Period | 52,125,526        | 48,634,602        |
| Written-off by Council                          | ( 84 945 674)     | ( 205 757 894)    |
| Current                                         | ( 45 967 728)     | -                 |
| Previous period                                 | ( 38 977 946)     | ( 205 757 894)    |
| <b>Remaining to be considered</b>               | <b>65 466 998</b> | <b>98 287 145</b> |

The closing balance of R65 466 998 is inclusive of matters which have been considered by the Council's investigating committee , but awaiting submission to Council for consideration. Further includes matters that are yet to submitted and or resubmitted to Council's investigating committee for consideration.

**Amounts Written off :**

After the Council's committee investigations, Council committee recommended to write-off R 84 945 674 from the total irregular expenditure amount as it was found that the municipality received value and the services were delivered to the municipality.

**50 Deviation from supply chain management regulations**

|                                                                                               |                  |                |
|-----------------------------------------------------------------------------------------------|------------------|----------------|
| Emergency                                                                                     | 482,234          | 60,000         |
| Sole Provider                                                                                 | 895,249          | 85,911         |
| Any other exceptional case which it is impractical to follow the official procurement process | 43,300           | 35,945,495     |
| Section 36 deviation transferred to irregular expenditure                                     | (114,750)        | (35,813,895)   |
| <b>Total Section 36 deviations for the financial year</b>                                     | <b>1,306,033</b> | <b>277,511</b> |

**51 Repairs and Maintenance**

|                        |                   |                   |
|------------------------|-------------------|-------------------|
| Buildings              | 5,418,464         | 4,556,327         |
| Electrical             | 25,882,306        | 28,474,111        |
| Furniture and fittings | 4,179,233         | 3,072,927         |
| Refuse                 | 10,500            | -                 |
| Roads                  | 11,347,470        | 16,411,448        |
| Storm water            | 7,414,363         | 5,469,640         |
| Vehicles               | 13,655,571        | 10,006,663        |
|                        | <b>67,907,907</b> | <b>67,991,116</b> |

The above note is provided for disclosure purposes only. The underlying accounts aggregated to the above is reflected under the categories of the nature of the expense they relate to on the Statement of Financial Performance , i.e. Contracted Services and General Expenses.

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|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 2023<br>R   | 2022 - Restated<br>R |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|----------------------|
| <b>52 Material losses incurred</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |             |                      |
| Electricity distribution losses                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 262,542,086 | 237,728,877          |
| Bad debts written off                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 3,609,233   | 6,694,545            |
| <p>Electricity energy losses of 172 096 301 kWh as at June 2023 (June 2022: 171 753 233 kWh) occurred during the year which resulted in revenue loss amounting to R262 542 086 (June 2022: R 237 728 877). The National norm for electricity losses ranges from 6% to 12%. The energy loss incurred by the municipality as at June 2023 is 25.39% (June 2022: 24.83%) and is predominantly due to transmission/distribution losses and illegal connections.</p>                                                                                                                                                                                       |             |                      |
| <b>53 Councillor's Arrear consumer Accounts as at 30 June 2023</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |             |                      |
| <p>In terms of Section 124 (1) (b) the following particulars are disclosed in respect of any arrears owed by individual councillors during the financial year: The following councillor had debt in excess of 90 days for the months stipulated below:</p>                                                                                                                                                                                                                                                                                                                                                                                            |             |                      |
| <b>Councillor: V Govender</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |             |                      |
| July 2022                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |             | 581,797              |
| August 2022                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |             | 587,129              |
| September 2022                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |             | 593,832              |
| October 2022                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |             | 600,206              |
| November 2022                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |             | 606,859              |
| December 2022                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |             | 613,554              |
| January 2023                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |             | 620,290              |
| February 2023                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |             | 626,780              |
| March 2023                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |             | 619,658              |
| April 2023                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |             | 625,865              |
| May 2023                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |             | 633,083              |
| June 2023                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |             | 639,594              |
| <p>In terms of S124 (1) (b) the above are disclosed in respect of any arrears owed by individual Councillors during the financial year. In terms of clause 30.2 of KwaDukuza Municipality Credit Control &amp; Debt Collection Policy, this matter has been consistently reported to the Office of the Speaker. The Councillor had debt in excess of 90 days for the months as stipulated. The above account is under dispute and is currently being reviewed and dealt with by the Office of the Speaker, Electricity Business Unit and the Municipal Legal Department.</p> <p>Due to the above uncertainties this debt has been fully impaired.</p> |             |                      |
| <b>54 Contributions to Organised Local Government</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |             |                      |
| Amount paid current year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 5,546,840   | 5,168,616            |
| <b>Audit Fees</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |             |                      |
| Amount paid - current year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 5,048,522   | 4,811,829            |

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|                           | 2023<br>R  | 2022 - Restated<br>R |
|---------------------------|------------|----------------------|
| <b>55 VAT</b>             |            |                      |
| VAT received for the year | 58,909,615 | 43,550,819           |
| VAT paid for year         | 495,023    | 1,911,615            |

VAT input receivables and VAT output payables are shown in Note 11.

All VAT returns have been submitted by the due date throughout the year.

**56 PAYE and UIF**

|                                 |            |            |
|---------------------------------|------------|------------|
| Current year payroll deductions | 87,395,557 | 79,826,344 |
|---------------------------------|------------|------------|

**57 Pension and Medical Aid deductions**

|                                                           |            |             |
|-----------------------------------------------------------|------------|-------------|
| Current year payroll deductions and council contributions | 78,723,594 | 114,699,232 |
|-----------------------------------------------------------|------------|-------------|

**58 Budget verses Actual variances**

Below is a reconciliation between the Annual Financial Statements and the Budget Statement. All restatements are as a result of the Annual Financial Statements being based on the nature of the transactions.

|                                                                         |               |
|-------------------------------------------------------------------------|---------------|
| <b>Service Charges</b>                                                  |               |
| As per Budget Statement                                                 | 1,138,233,445 |
| Reconciling items:                                                      |               |
| Service Charges: 400 Electricity: Appliance Maintenance                 | 135,038       |
| Service Charges: Electricity Admin Service Connection Standard 40010180 | (62,822)      |
| As per Statement of Financial Performance                               | 1,138,305,661 |

|                                                      |             |
|------------------------------------------------------|-------------|
| <b>Other Income</b>                                  |             |
| As per Budget Statement                              | 60,224,605  |
| Reconciling items:                                   |             |
| Housing development construction contract revenue    | (9,530,279) |
| Operational Revenue: Collection Charges              | (5,649,295) |
| Operational Revenue: Incidental Cash Surpluses       | (507,373)   |
| Operational Revenue: Suspense                        | -           |
| Operational Revenue: Sundries                        | -           |
| Rendering of Service: Developers Charges             | -           |
| Sale of goods: Revenue Stamps                        | -           |
| Service Charges: Sundry Revenue                      | 62,822      |
| Fines; Penalties and Forfeits                        | 1,104,456   |
| Property Rates: Special Rating Areas                 | 13,205,814  |
| Expenditure: Contracted Services: Revenue Protection | -           |
| As per Statement of Financial Performance            | 58,910,750  |

|                                                           |          |
|-----------------------------------------------------------|----------|
| <b>Gains on disposal of property, plant and equipment</b> |          |
| As per Budget Statement                                   | 154,550  |
| Reconciling items:                                        |          |
| Land: Gains                                               | (30,000) |
| As per Statement of Financial Performance                 | 124,550  |

|                                                          |           |
|----------------------------------------------------------|-----------|
| <b>Housing development construction contract revenue</b> |           |
| As per Budget Statement                                  | -         |
| Reconciling items:                                       |           |
| Housing development construction contract revenue        | 9,530,279 |
| As per Statement of Financial Performance                | 9,530,279 |

**KWADUKUZA MUNICIPALITY**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**2023**  
**R**

**2022 - Restated**  
**R**

|                                           |              |
|-------------------------------------------|--------------|
| <b>Property rates</b>                     |              |
| As per Budget Statement                   | 619,961,096  |
| Reconciling items:                        |              |
| Property Rates: Special Rating Areas      | (13,205,814) |
| Fines Revenue Illegal Dumping Site        | 6,562,101    |
| As per Statement of Financial Performance | 613,317,383  |

|                                           |            |
|-------------------------------------------|------------|
| <b>Property Rates: Penalties Imposed</b>  |            |
| As per Budget Statement                   | -          |
| Reconciling items:                        |            |
| Operational Revenue: Collection Charges   | 5,649,295  |
| Fines; Penalties and Forfeits             | 13,089,897 |
| As per Statement of Financial Performance | 18,739,192 |

|                                           |         |
|-------------------------------------------|---------|
| <b>Public contributions and donations</b> |         |
| As per Budget Statement                   | -       |
| Reconciling items:                        |         |
| Capital Donations                         | 856,064 |
| As per Statement of Financial Performance | 856,064 |

|                                                                           |              |
|---------------------------------------------------------------------------|--------------|
| <b>Fines Revenue</b>                                                      |              |
| As per Budget Statement                                                   | 33,429,993   |
| Reconciling items:                                                        |              |
| Fines Penalties and Forfeits:Penalties:Property Rates                     | (13,089,897) |
| Fines:Building                                                            | (6,562,101)  |
| Fines Penalties and Forfeits:Fines:Illegal Connections /Contempt of Court | (1,104,456)  |
| As per Statement of Financial Performance                                 | 12,673,538   |

|                                           |             |
|-------------------------------------------|-------------|
| <b>Employee Related Costs</b>             |             |
| As per Budget Statement                   | 504,174,449 |
| Reconciling items:                        |             |
| Bonus Provision                           | -           |
| As per Statement of Financial Performance | 504,174,449 |

|                                                                           |            |
|---------------------------------------------------------------------------|------------|
| <b>Depreciation, amortisation and impairment / reversal of impairment</b> |            |
| As per Budget Statement                                                   | 97,351,887 |
| Reconciling items:                                                        |            |
| Decrease in net-realisable Value of Inventory                             | 1,028,646  |
| As per Statement of Financial Performance                                 | 98,380,533 |

|                                                  |            |
|--------------------------------------------------|------------|
| <b>Debt Impairment &amp; Write Off</b>           |            |
| As per Budget Statement                          | 16,470,246 |
| Reconciling items:                               |            |
|                                                  | -          |
| Operational Revenue Incidental Cash Revenue      | (507,373)  |
| Operational Cost Indigent Relief                 | 441,690    |
| Contribution to Provisions Decommissioning Rest. | 372,062    |
| As per Statement of Financial Performance        | 16,776,626 |

|                                           |               |
|-------------------------------------------|---------------|
| <b>Bulk purchases</b>                     |               |
| As per Budget Statement                   | 1,020,839,395 |
| Reconciling items:                        |               |
| Eskom Utility Payment                     | (125,590)     |
| As per Statement of Financial Performance | 1,020,713,805 |

**KWADUKUZA MUNICIPALITY**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**2023**                      **2022 - Restated**  
**R**                              **R**

|                                                      |              |
|------------------------------------------------------|--------------|
| <b>Contracted Services</b>                           |              |
| As per Budget Statement                              | 311,905,279  |
| Reconciling items:                                   |              |
| Inventory Consumed: Materials & Supplies             | -            |
| Town Planner                                         | (83,400)     |
| Contractors:Event Promoters                          | (56,930)     |
| Outsourced Services:Professional Staff               | (1,369,844)  |
| Commission on Collection                             | 4,448,656    |
| Indigent Support                                     | 3,184,333    |
| Business and Advisory                                | (6,154,336)  |
| Legal Cost                                           | (7,064,570)  |
| Contractors Electrical                               | (4,070,368)  |
| Ballito Pro Expenditure                              | (11,781,529) |
| Contractors Maintenance                              | (650,331)    |
| Admin Support                                        | (24,927)     |
| Animal Care                                          | (55,545)     |
| First Aid                                            | (14,200)     |
| Refuse Bag Contract                                  | (2,256,574)  |
| Expenditure: Contracted Services: Revenue Protection | -            |
| As per Statement of Financial Performance            | 285,955,713  |

|                                                  |             |
|--------------------------------------------------|-------------|
| <b>Other Expenditure</b>                         |             |
| As per Budget Statement                          | 130,972,224 |
| Reconciling items:                               |             |
| Eskom Utility Payment                            | 125,590     |
| Business and Advisory                            | 6,154,336   |
| Legal Cost                                       | 7,064,570   |
| Contractors Electrical                           | 4,070,368   |
| Ballito Pro Expenditure                          | 11,781,529  |
| Contractors Maintenance                          | 650,331     |
| Admin Support                                    | 24,927      |
| Animal Care                                      | 55,545      |
| First Aid                                        | 14,200      |
| Refuse Bag Contract                              | 2,256,574   |
| Town Planner                                     | 83,400      |
| Contractors:Event Promoters                      | 56,930      |
| Outsourced Services:Professional Staff           | 1,369,844   |
| Transfer & Subsidies                             | 9,874,651   |
| Operational Revenue                              | 135,038     |
| Inventory Consumed: Materials & Supplies         | -           |
| Commission on Collection                         | (4,448,656) |
| Indigent Support                                 | (3,184,333) |
| Contribution to Provisions Decommissioning Rest. | (372,062)   |
| 026260800 Subsidies Selling Schemes              | (441,690)   |
| Employee long service benefits                   | 188,000     |
| Leave Provision                                  |             |
| Employee Benefits                                | -           |
| As per Statement of Financial Performance        | 166,431,316 |

|                                               |             |
|-----------------------------------------------|-------------|
| <b>Loss on disposal of assets</b>             |             |
| As per Budget Statement                       | 16,526,833  |
| Reconciling items:                            |             |
| Decrease in net-realisable Value of Inventory | (1,028,646) |
| Investment Property:Losses                    | (150,000)   |
| Post Retirement Long Service Awards Losses    | (188,000)   |
| Land Gains                                    | (30,000)    |
| As per Statement of Financial Performance     | 15,130,186  |



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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**2023**  
**R**

**2022 - Restated**  
**R**

|                                                                    |              |
|--------------------------------------------------------------------|--------------|
| <b>Transfers and subsidies</b>                                     |              |
| As per Budget Statement                                            | 19,404,930   |
| Reconciling items:                                                 |              |
| Transfers & Subsidies per category                                 | (19,404,930) |
| As per Statement of Financial Performance                          | -            |
| All transfer and subsidies accounted for under General Expenditure |              |

|                                                              |           |
|--------------------------------------------------------------|-----------|
| <b>Housing development construction contract expenditure</b> |           |
| As per Budget Statement                                      | -         |
| Reconciling items:                                           |           |
| Housing development construction contract expenditure        | 9,530,279 |
| As per Statement of Financial Performance                    | 9,530,279 |

|                                                                                                                                      |             |
|--------------------------------------------------------------------------------------------------------------------------------------|-------------|
| <b>Contributions Recognised Capital</b>                                                                                              |             |
| As per Budget Statement                                                                                                              | 534,155,114 |
| Reconciling items:                                                                                                                   |             |
| Developers contribution                                                                                                              | -           |
| Capital Grants listed above                                                                                                          | -           |
| Capital Donations                                                                                                                    | (856,064)   |
| As per Statement of Financial Performance                                                                                            | -           |
| Developers Contribution and Capital Donations is accounted for under Other Income and operational public contributions respectively. |             |

|                                           |           |
|-------------------------------------------|-----------|
| <b>Fair Value Adjustments</b>             |           |
| As per Budget Statement                   | 7,896,000 |
| Reconciling items:                        |           |
| Investment Losses                         | (150,000) |
| As per Statement of Financial Performance | 7,746,000 |

A high level overview of significant Operating Variances between the budget as at 30 June 2023 and Actual amounts are summarised below :

Significant for the purposes of this note is defined as greater than 15% and R1 000 000.

**Revenue:**

**58.1 Rental of facilities & Equipment**

Actual Rental revenue from the hiring of halls and sporting facilities was lower than anticipated. Current economic situation has limited the hiring of municipal halls and recreational facilities.

**58.2 Interest earned outstanding debtors**

The interest on arrears was overbudgeted. The municipality has considered adjusting the budget in the 2023-2024 financial year.

**58.3 Interest received - Investments**

This is mainly due to the increase in interest rates combined with the lower than expected capital expenditure resulting in a higher investment balance generating interest. The R1.2 Billion grant has also generated additional interest income.

**58.4 Property rates - penalties imposed**

The budget for property rates penalties imposed is included with property rates as reflected above. The net variance between these categories is 6% and therefore below the threshold.

**2023**  
**R**

**2022 - Restated**  
**R**

#### **58.5 Licences & permits (including agency fees)**

Negative variance is due to the impact of load shedding and the extension of agency services to shopping outlets and online applications.

#### **58.6 Public contributions and donations**

Donations are unforeseen and unplanned have not been budgeted for.

#### **58.7 Fines**

As indicated above Penalties and collection charges are included in the fines budget but the actual is shown separately on the Annual Financial Statements. The budget and actual revenue in respect of traffic fines is however in line taking into account the iGrap1 calculations.

#### **Expenditure**

#### **58.8 Depreciation**

A large number of projects were completed in June hence the depreciation was not incurred for a significant portion of the financial year.

#### **58.9 Finance Costs**

The municipality budgeted to procure a loan for the Construction of the Dukuzza Substation however the loan tender is currently in progress.

#### **58.10 Debt Impairment and write offs**

The increase is due to the profiling of debtors for the provision of bad debt. This is in line with the debt impairment methodology.

#### **58.11 Contracted services**

Increases in profession fees, security costs and refuse removal costs as a result of increased service delivery.

#### **58.12 Loss on disposal of assets**

Gains and losses incurred from the sale of council land, auction and write offs

#### **58.13 Transfers and subsidies**

As indicated above , transfers and subsidy actuals are reflected under general expenses.

#### **58.14 Transfers recognised - capital**

Please refer to table above for explanation.

### **59 Accounting for Principals and Agents**

#### **Motor Vehicle Registrations**

The municipality is a party to a principal-agent arrangement in terms of motor vehicle registrations and licensing. The municipality is considered to be an agent in accordance with GRAP 109, with the Provincial Department of Transport being the principal in this arrangement.

**2023**  
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**R**

#### **Details of the arrangement**

The purpose of the principal-agent relationship is to provide a service to the community and to enhance the municipality's revenue.

#### **Significant terms and conditions of the arrangement are as follows:**

The Provincial Department issues the motor vehicle license renewal form to the respective owners of the motor vehicles, indicating the amount due for the year.

The municipality provide facilities for owners of motor vehicles to pay their licenses. The Provincial Department provides the municipality with access to its IT systems to enable capturing of the amounts received and issuing of the motor vehicle licenses on their behalf. The system automatically generates the motor vehicle license upon capturing the payment of the fees due.

The municipality collects the fees due from motor vehicle owners and simultaneously issues the new licenses on behalf of the Department.

The municipality is required to pay over any revenue (cash) collected to the Department in respect of motor vehicle licenses. The municipality is entitled to payment by the Department of 8.62% of the cash collected for undertaking this activity on behalf of the Department.

#### **Significant risks have been identified as follows:**

The significant risks relates to the possible loss of any monies during transit and potential theft by employees.

#### **Mitigation strategies and benefits associated with the relationship are as follows:**

Monies collected are banked daily.

Security – Segregation of duties, each operator has their own username and password for banking details.

#### **Resources held on behalf of the principal, but recognised in the entity's own financial statements**

|                                  | <b>2023</b> | <b>2022</b> |
|----------------------------------|-------------|-------------|
| Total collections for the year   | 83,878,718  | 77,772,562  |
| Amount recognised as revenue     | 6,287,257   | 6,136,172   |
| Total Collected on behalf of DOT | 77,591,461  | 71,636,390  |
| Total paid to DOT                | 77,591,461  | 71,636,390  |
| Debtor as at year end            | 437,595     | 365,416     |
| Cash received                    | 46,971      | 68,532      |
|                                  |             |             |

#### **Liabilities and corresponding rights of reimbursement recognized as assets**

No liabilities were incurred on behalf of the principal during the financial year, and hence no outstanding payments were recorded at year end.

No corresponding rights of reimbursement that have been recognized at year end.

**2023**  
**R**

**2022 - Restated**  
**R**

**Resources (including assets and liabilities) of the entity under the custodianship of the agent**

No resources have been recognized by the municipality in its financial statements. The equipment supplied by the department must be returned to DOT when the agreement is terminated.

**60 Housing development construction contract revenue and expenditure**

**Housing Grant (DOHS)**

|                                                               |                          |                          |
|---------------------------------------------------------------|--------------------------|--------------------------|
| Opening balance                                               | 19 764 666               | 16 743 733               |
| Current year receipts                                         | 5 957 534                | 53 254 543               |
| Interest and bank charges                                     | 877 573                  | 438 363                  |
| Housing development construction contract expenditure         | ( 9 530 279)             | ( 50 671 973)            |
| Conditions still to be met - remain liabilities (see note 17) | <u><u>17 069 494</u></u> | <u><u>19 764 666</u></u> |

The Housing Development Construction contracts relate to the agreements entered into between the Municipality and the KwaZulu Natal Department of Housing in respect of housing projects where the municipality is the developer in this arrangement.

This arrangement is accounted for in line with the policy for National Housing Programmes.

The Housing Development Construction contract expenses consists mainly of contracted services wherein the municipality procures the services of building contractors and other consultants in the construction of houses on its behalf.

The Housing Development Construction contract revenue is recognised when costs are incurred.

The amounts received in advance from Department of Human Settlements for work done is recognised as an unspent grant liability and disclosed on Note 17.

**61 Going Concern**

**Going Concern assessment**

**Storm Disaster**

The KwaDukuza Municipality was ravaged by floods which occurred in April 2022. This followed alerts by the South African Weather Services regarding localized flooding in some Regions of KwaZulu-Natal, including the area of iLembe District Municipality.

The floods resulted in loss of human life and infrastructural damages. As such, some parts of the KwaDukuza Municipal areas were experiencing access challenges due to road damages, power outages and water supply cut.

Various interventions have been implemented to provide social relief and interim measures to provide access routes and urgent repair to infrastructural damages. A call for collaborative initiatives between Local and other levels of government was made to share resources and meet overwhelming needs of the residents as a result of the flood damages.

The current adverse economic conditions have resulted in consumers defaulting on paying municipal accounts due to a reduction in their disposable income, retrenchments and unemployment. However, the collection rate was 95.95% as at the end of 2022/2023 financial year, which is within National Treasury's norm of 95%. The following interventions are being implemented which have resulted in the improvement of the collection rates:

- Telephonic or email follow ups on outstanding debt, however there is a need for establishment of a call centre or interim employment of temporary staff , in order to ensure that follow ups are done regularly to all arrear debtors that are recorded on KDM financial system and optimize the revenue collection.
- Increased use of SMSs to notify debtors about collection campaigns and disconnections/blocking. All customers with cell phone numbers recorded on the billing system are sent SMS messages on a monthly basis to notify them of any amounts outstanding.
- Educating staff members about work streams that they perform regularly for consistent applications.
- Data cleansing and meter audit primarily to ensure correct billing thereby eliminating debtor queries. This is carried out on an ongoing basis.
- Credit Control utilises the debtors ageing report that is extracted from Munsoft financial system to identify monthly defaulters for follow up. The list is scrutinized and submitted to staff for contacting debtors.
- Disconnection of electricity meters on arrears debtors. Continuous enhancements and internal workshops are carried out to review and improve internal processes for a more effective approach. This has proven to be extremely effective.
- Accounts where a prepaid meter has been linked, that are outstanding for more than 30 days, are flagged automatically and instituted with a 40% partial block from purchasing prepaid electricity.
- Total block of prepaid electricity meters on arrears debtors. Similar to the conventional meters process, the consumer age analysis is scrutinized and accounts with prepaid meters are submitted to the service provider for full blocking.
- Encouraging debtors to enrol on the ACB payment platform.
- Encouraging debtors who have email addresses to receive their invoices via emails.
- Encouraging consumers to register on the e-Portal Platform to view and download statements.

Amid the current economic conditions, the Municipality is still able to pay its creditors as and when payments are due and still maintains a healthy financial position.

#### **Covid 19 Pandemic**

The Corona virus pandemic is considered to have no more impact on cash flows, cash collections, capital and operating expenditure other than specifically stated in the Annual Financial Statements and the Covid-19 related restrictions have been suspended.

#### **Conclusion**

Based on the above the KwaDukuza Municipality will continue operating in the foreseeable future, thus supporting the going concern basis of accounting.



#### 45 FINANCIAL RISK MANAGEMENT

##### *Financial Risk Management Objectives*

Due to the largely non-trading nature of activities and the way in which they are financed, municipalities are not exposed to the degree of financial risk faced by business entities.

The municipality's Corporate Treasury function provides services to the business, co-ordinates access to domestic financial markets, monitors and manages the financial risks relating to the operations of the municipality. These risks include market risk (including, fair value and interest rate risk), credit risk and liquidity risk.

The use of financial derivatives is governed by the municipality's policies approved by the Council, which provide written principles on interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. The municipality does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

##### 45.1 Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The table below analyses the municipality's financial liabilities into relevant maturity groupings based on the remaining period at the Statement of Financial Position to the contractual maturity date. The amounts disclosed in the table are the undiscounted cash flows.

| 2023                            | 1 Year or less       | Greater than 1 year | Total                |
|---------------------------------|----------------------|---------------------|----------------------|
| Gross finance lease obligations | -                    | -                   | -                    |
| Long Term Borrowings            | 13,688,366           | 162,407,406         | 176,095,772          |
| Trade and other payables        | 497,903,844          | -                   | 497,903,844          |
| Consumer deposits               | 43,728,074           | -                   | 43,728,074           |
| Government Grants               | 993,929,340          | -                   | 993,929,340          |
|                                 | <b>1,549,249,625</b> | <b>162,407,406</b>  | <b>1,711,657,030</b> |

| 2022                            | 1 Year or less     | Greater than 1 year | Total              |
|---------------------------------|--------------------|---------------------|--------------------|
| Gross finance lease obligations | 52,985             | -                   | 52,985             |
| Long Term Borrowings            | 12,593,362         | 176,095,771         | 188,689,134        |
| Trade and other payables        | 321,344,645        | -                   | 321,344,645        |
| Consumer deposits               | 39,877,832         | -                   | 39,877,832         |
| Government Grants               | 65,497,296         | -                   | 65,497,296         |
|                                 | <b>439,366,121</b> | <b>176,095,771</b>  | <b>615,461,892</b> |

##### 45.2 Maximum credit risk exposure

Credit rate risk consist mainly of cash deposits, cash equivalents and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party

Except as detailed below, the carrying amount of financial assets recorded in the Annual Financial Statements, which is net of impairment losses, represents the municipality's maximum exposure to credit risk without taking account of the value of any collateral obtained:

The maximum credit exposure in respect of the relevant financial instruments is as follows (domestic exposure only)

|                             | 2023          | 2022        |
|-----------------------------|---------------|-------------|
| Short term Investments      | 84,239,862    | 78,426,597  |
| Cash and Cash Equivalents   | 1,805,281,205 | 872,437,220 |
| Trade and other receivables | 346,692,923   | 244,563,912 |

##### 45.3 Market Risk:

##### *Interest rate risk*

As the municipality has no significant interest-bearing assets, the municipality's income and operating cash flows are substantially independent of changes in the market interest rates.

At year end, financial instruments exposed to interest rate risk were as follows:

|                                  | 2023                 | 2022               |
|----------------------------------|----------------------|--------------------|
| Bank balances and cash           | 1,805,281,205        | 872,437,220        |
| Short term Investments           | 84,239,862           | 78,426,597         |
| <b>Maximum Interest exposure</b> | <b>1,889,521,067</b> | <b>950,863,818</b> |

##### *Price risk*

The municipality is not exposed to equity price risks arising from equity investments as the municipality does not trade these investments.

KWADUKUZA MUNICIPALITY  
UNAUDITED APPENDIX A: SCHEDULE OF EXTERNAL LOANS FOR THE YEAR ENDED 30 JUNE 2023

| DESCRIPTION                 | Loan Number | Interest Rate | Date Repayable | Balance at 30/06/2021 | Received during the year | Redeemed during the year | Balance at 30/06/2022 |
|-----------------------------|-------------|---------------|----------------|-----------------------|--------------------------|--------------------------|-----------------------|
|                             |             | %             |                | R                     | R                        | R                        | R                     |
| <b>Loans</b>                |             |               |                |                       |                          |                          |                       |
| DBSA R43M LOAN              | 101267/1    | 10.83%        | 31/03/2026     | 8,332,181             | -                        | 2 083 045                | 6 249 136             |
| DBSA R28.9M (ELECT)         | 61006918/19 | 9.73%         | 30/09/2030     | 114,646,976           | -                        | 6 681 062                | 107 965 914           |
| DBSA: R5.888 LOAN           | 61006918/19 | 9.73%         | 31/12/2032     | 65,709,976            | -                        | 3 829 255                | 61 880 722            |
|                             |             |               |                |                       |                          |                          |                       |
|                             |             |               |                |                       |                          |                          |                       |
| <b>TOTAL EXTERNAL LOANS</b> |             |               |                | <b>188 689 134</b>    | <b>-</b>                 | <b>12 593 362</b>        | <b>176 095 772</b>    |
|                             |             |               |                |                       |                          |                          |                       |

| Name of Grants                                                       | Name of organ of state or municipal entity | Unspent portion 2022/2023 financial statements | Returned to National Treasury | Quarterly Receipts |               |               |               | Total Receipts | Quarterly Expenditure |             |            |               | Total Expenditure | Unspent portion 2022/2023 financial statements | Grants and Subsidies delayed / withheld | Reason for delay withholding of funds | Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act | Reason for non-compliance |
|----------------------------------------------------------------------|--------------------------------------------|------------------------------------------------|-------------------------------|--------------------|---------------|---------------|---------------|----------------|-----------------------|-------------|------------|---------------|-------------------|------------------------------------------------|-----------------------------------------|---------------------------------------|--------------------------------------------------------------------------------------------------------------------------|---------------------------|
|                                                                      |                                            |                                                |                               | July to Sept       | Oct to Dec    | Jan to Mar    | April to June |                | July to Sept          | Oct to Dec  | Jan to Mar | April to June |                   |                                                |                                         |                                       |                                                                                                                          |                           |
| Equitable Share                                                      | National Treasury                          | -                                              | -                             | 88,924,000         | 76,004,000    | 63,084,000    | -             | 228,012,000    | 88,924,000            | 76,004,000  | 63,084,000 | -             | 228,012,000       | -                                              | NO                                      | N/A                                   | YES                                                                                                                      | N/A                       |
| Municipal Infrastructure Grant (MIG)                                 | CCGTA                                      | -                                              | -                             | 14,000,000         | 52,000,000    | 2,871,000     | -             | 68,871,000     | 19,072,986            | 26,381,139  | 3,590,885  | 19,667,214    | 68,722,224        | 148,776                                        | NO                                      | N/A                                   | YES                                                                                                                      | N/A                       |
| INEP Grant                                                           | Integrated National Electrification Grant  | -                                              | -                             | 5,000,000          | 4,000,000     | 6,418,000     | -             | 15,418,000     | 8,409,117             | 8,409,117   | 3,295,423  | 2,567,628     | 14,272,868        | 1,145,832                                      | NO                                      | N/A                                   | YES                                                                                                                      | N/A                       |
| Finance Management Grant                                             | National Treasury                          | -                                              | -                             | 1,750,000          | -             | -             | -             | 1,750,000      | 235,907               | 221,268     | 255,063    | 1,037,762     | 1,750,000         | -                                              | NO                                      | N/A                                   | YES                                                                                                                      | N/A                       |
| EPWP                                                                 | National Treasury                          | -                                              | -                             | 487,000            | 841,000       | 560,000       | -             | 1,868,000      | 686,999               | 695,526     | 483,475    | -             | 1,868,000         | -                                              | NO                                      | N/A                                   | YES                                                                                                                      | N/A                       |
| Museum                                                               | Office Of the Premier                      | -                                              | -                             | -                  | 235,000       | -             | -             | 235,000        | 86,567                | 101,360     | 44,353     | 720           | 235,000           | -                                              | NO                                      | N/A                                   | YES                                                                                                                      | N/A                       |
| New Library                                                          | Department Of Arts & Culture               | -                                              | -                             | -                  | 762,000       | 508,000       | -             | 1,270,000      | 270,382               | 277,205     | 214,413    | -             | 762,000           | 508,000                                        | NO                                      | N/A                                   | YES                                                                                                                      | N/A                       |
| Housing Accreditation                                                | Department Of Human Settlements            | -                                              | -                             | -                  | -             | -             | -             | -              | 1,430,076             | 1,305,957   | 1,267,269  | 1,539,478     | 5,833,779         | 1,016,576                                      | NO                                      | N/A                                   | YES                                                                                                                      | N/A                       |
| Library Subsidy                                                      | Department Of Arts & Culture               | -                                              | -                             | -                  | 5,890,000     | -             | -             | 5,890,000      | 136,570               | 184,633     | 4,107,062  | 1,461,736     | 5,890,000         | -                                              | NO                                      | N/A                                   | YES                                                                                                                      | N/A                       |
| Neighbourhood Development Partnership Grant (NDPG)- EASE OF BUSINESS | National Treasury                          | -                                              | -                             | -                  | -             | -             | -             | -              | -                     | -           | -          | -             | -                 | -                                              | NO                                      | N/A                                   | YES                                                                                                                      | N/A                       |
| Neighbourhood Development Partnership Grant (NDPG)- SCADA            | National Treasury                          | -                                              | -                             | -                  | -             | -             | -             | -              | -                     | -           | -          | -             | -                 | -                                              | NO                                      | N/A                                   | YES                                                                                                                      | N/A                       |
| Title Deeds Restriction Grant                                        | Department Of Human Settlements            | -                                              | -                             | -                  | -             | -             | -             | -              | -                     | -           | -          | -             | -                 | -                                              | NO                                      | N/A                                   | YES                                                                                                                      | N/A                       |
| EDTEA                                                                | Dept Of Environmental Affairs              | 2,688,225                                      | -                             | -                  | -             | -             | -             | -              | 726,802,82            | 122,777     | -          | 657,983       | 1,507,563         | 192,437                                        | NO                                      | N/A                                   | YES                                                                                                                      | N/A                       |
| Municipal Employment Initiative                                      | Dept Of Environmental Affairs              | 1,700,000                                      | -                             | -                  | 1,000,000     | -             | -             | 1,000,000      | 1,368,932,83          | 13,923,496  | 7,201,176  | 14,086        | 14,086            | 985,931,64                                     | NO                                      | N/A                                   | YES                                                                                                                      | N/A                       |
| Disaster Recovery Grant                                              | National Treasury - Disaster Management    | -                                              | -                             | 109,043,000        | -             | -             | -             | 109,043,000    | -                     | -           | -          | -             | 82,219,912        | 26,823,089                                     | NO                                      | N/A                                   | YES                                                                                                                      | N/A                       |
| Disaster Rehabilitation & Relief Grant                               | National Treasury - Disaster Management    | -                                              | -                             | -                  | 1,271,098,000 | -             | -             | 1,271,098,000  | -                     | -           | -          | 371,379,307   | 371,379,307       | 899,719,893                                    | NO                                      | N/A                                   | YES                                                                                                                      | N/A                       |
|                                                                      |                                            | 10,938,579                                     | -                             | 219,884,000        | 1,497,722,000 | 1,344,539,000 | -             | 3,764,455,000  | 312,942,221           | 127,626,478 | 83,535,118 | 448,875,318   | 770,878,135       | 933,228,599                                    |                                         |                                       |                                                                                                                          |                           |

# MANAGEMENT RESPONSE AND ACTION PLAN TO PREVIOUS YEARS AGSA FINDINGS

Type of Opinion Previous Year 2021/2022: UNQUALIFIED  
 Type of Opinion: UNQUALIFIED  
 Year: 2022/2023

| NATURE OF QUERY                                                                                                                                                      | AUDIT QUERY                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | MANAGEMENT RESPONSE AS PER MAN REPORT                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | DETAILED ACTION PLAN                                                                                                                                                                                                                                                                                                               | RESPONSIBLE OFFICIAL                                                                                         | TIMEFRAME | BUSINESS UNIT      |
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| <b>Fruitless and wasteful expenditure understated</b>                                                                                                                | While reviewing investigation reports completed during the year, we noted that the municipality undertook an investigation regarding alleged financial misconduct by two employees regarding fraudulent payments of ward council stipends as well as payments of fictitious contractor invoices. The investigation was concluded on 23 February 2023. The outcome of the investigation concluded that the actions of the alleged employees resulted in gross financial misconduct, and that the municipality must recover the misappropriated funds from the two employees concerned. | Management does not agree with finding. It be noted that the matter is currently under the disciplinary process and no outcome had been issued as at 30 June 2023. Therefore, the outcome of this process cannot be pre-empted at this stage and update the UIFW register. Management will ensure that the UIFW Register is updated accordingly as soon the allegations have been confirmed depending on disciplinary proceedings and the cases remain confidential.                                                                                                                                                                                                                                                                                                                                                         | <ol style="list-style-type: none"> <li>1. Conclude the Disciplinary Process for the affected employees</li> <li>2. Incorporate the investigation outcome in the UIFW Expenditure register</li> <li>3. Submission of Disciplinary outcome to Council.</li> <li>4. Recovery of UIFW expenditure as per council resolution</li> </ol> | Executive Director: Corporate Services<br>Acting Chief Financial Officer<br>Chief Operating Officer (Legal)" | 30-Jun-24 | Corporate Services |
| <b>Differences between the amounts on the face of the financial statements and the disclosure note 60 – Housing development construction contract costs/ revenue</b> | During the audit of housing development construction contract revenue and expenditure, the following differences were noted between the comparative amount as per statement of financial performance and disclosure note 60.                                                                                                                                                                                                                                                                                                                                                          | Management agrees with audit finding. The misstatement has already been corrected in the annual financial statements. The misstatement was due to the incorrect restatement of previous year's figures. Management will ensure that the review of the financial statements improves and amounts on the face of financial statements agree to notes accompanying the financial statements, and that any differences noted are followed up and resolved timeously.                                                                                                                                                                                                                                                                                                                                                             | <ol style="list-style-type: none"> <li>1. The accounting treatment of the DOHS and Housing Projects to be managed in terms of Grap 11 - Construction Contracts.</li> <li>2. A reconciliation of the grant, income and expenditure will be maintained on a monthly basis.</li> </ol>                                                | Acting Chief Financial Officer                                                                               | Quarterly | Finance            |
| <b>Inaccuracies identified between amount disclosed in the annual financial statements and supporting documentation - commitments</b>                                | The following differences were noted when the capital commitments per management's schedules were recalculated using the contract values and expenditure incurred as of 30 June 2023.                                                                                                                                                                                                                                                                                                                                                                                                 | Management partly accepts the finding, due to the following: <ul style="list-style-type: none"> <li>- The table below shows a total contract value inclusive of VAT against and expenditure exclusive of VAT whereas the capital commitments registers utilises a VAT Exclusive Contract less Expenditure (VAT Excl). The capital commitments is VAT exclusive amounts (both contract value vs expenditure).</li> <li>- There are projects already expended as at 30 June 2023 as per the commitments register and contracts register/payment vouchers, however they appear as nil on the finding.</li> <li>- Clarity is sought whether vouchers were only audited for the contractor or both contractor and consultant, as the expenditure on the commitments register include both contractor and consultants."</li> </ul> | <ol style="list-style-type: none"> <li>1. Preparation of Interim Financial Statements bi-annually and Preparation of the AFS</li> <li>2. Timeous Submission of information to IA Office as per the IFS &amp; AFS Process plan</li> </ol>                                                                                           | Acting Chief Financial Officer                                                                               | Quarterly | Finance            |

# MANAGEMENT RESPONSE AND ACTION PLAN TO PREVIOUS YEARS AGSA FINDINGS *...continued*

| NATURE OF QUERY                                                                             | AUDIT QUERY                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | MANAGEMENT RESPONSE AS PER MAN REPORT                                                                                                                                                                                                                                                                                                                                                            | DETAILED ACTION PLAN                                                                         | RESPONSIBLE OFFICIAL                                              | TIMEFRAME | BUSINESS UNIT      |
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| <b>Cash and cash equivalents inconsistencies</b>                                            | No evidence was provided for the following outstanding cheques and deposits. It could also not be located in the subsequent bank statements. The below difference was noted with the bank balance on the account: The following differences was identified in interest received                                                                                                                                                                                                       | Management disagrees with the audit finding. With regards to the above, it is advised that the information was collated and readily available for the auditor on 22nd November 2023.<br><br>On various follow ups, it was established that the auditor was on study leave. As per the audit processes, management was of the view that the auditor will continue with the audit upon the return. | No further Action                                                                            | Acting Chief Financial Officer                                    | N/A       | N/A                |
| <b>Invaded land recorded under investment property</b>                                      | During the audit of Investment Property, it was noted that Park Land, (Portion 151 of the farm lot 69 no 917), had been invaded by informal settlers. Upon becoming aware of the incident, the municipality sought legal remedy to evict the invaders. However, before they could evict the land invaders, the court ruled in favour of the over 100 land invaders ordering the municipality not to evict the land invaders unless they provide alternative housing for the invaders. | Management disagrees with the finding. The court ruling ordering the municipality not to evict the land invaders was issued on 7th August 2023 and which falls into 2023/2024 financial year. Therefore, ERF 917 PTN 151 remained the investment property until court order date and no reclassification is required due to a timing difference.                                                 | 1. Adjust the Asset Register in line with the proof of ownership as confirmed by EDP.        | ED: Planning & Economic Development Director: Budget & Compliance | Ongoing   | Corporate Services |
| <b>Differences between payroll report and GL/ annual financial statements</b>               | During the audit of employee related costs, the following differences were noted between payroll report and GL/annual financial statements.                                                                                                                                                                                                                                                                                                                                           | Management does not agree with the finding. The differences identified have not been accurately calculated from the 12 months report against the general ledger/ financial system. Other employee related costs passed on the GL have also not been considered. Payroll journals are passed monthly between the payroll system into the financial system (Munsoft).                              | 1. Ongoing reconciliations of the Payroll Accounts against Munsoft.                          | Acting Chief Financial Officer                                    | Monthly   | Finance            |
| <b>Differences between payroll report and GL/ annual financial statements – staff bonus</b> | During the audit of staff bonus provision, the following differences were noted between staff bonus listing and GL/annual financial statements.                                                                                                                                                                                                                                                                                                                                       | The finding is accepted. The official who was responsible retired in June 2023 hence the error on the workings. The bonus provision calculations will be updated and a journal passed to updated the AFS note.                                                                                                                                                                                   | 1. Ongoing reconciliations of the Payroll Accounts against Munsoft.                          |                                                                   | Quarterly | Finance            |
| <b>Tender unfairly awarded to a losing bidder</b>                                           | During the audit of tender number MN153/2022 for the supply and delivery of printing paper for a period of three years, it was noted that the tender was unfairly awarded to Rekabal (Pty) Ltd due to the following reasons:                                                                                                                                                                                                                                                          | Management does not agree. It be noted that each line item was evaluated individually as per the approved tender specifications and as such if a sample was not provided, it was not evaluated further.                                                                                                                                                                                          | Filling of checklist during the adjudication of tenders by the Tender Adjudication Committee |                                                                   | Quarterly | Finance            |



# MANAGEMENT RESPONSE AND ACTION PLAN TO PREVIOUS YEARS AGSA FINDINGS *...continued*

| NATURE OF QUERY                                                                                                                                                              | AUDIT QUERY                                                                                                                                                                                                                                                                                                                                                                                                                                                        | MANAGEMENT RESPONSE AS PER MAN REPORT                                                                                                                        | DETAILED ACTION PLAN                                                                                                                                                                                                                                                                                                     | RESPONSIBLE OFFICIAL           | TIMEFRAME | BUSINESS UNIT                   |
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| <b>Irregularities in the tender process for awarding of tender MN136/2022: Construction of Hulet Bridge</b>                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                          |                                |           |                                 |
| <b>1.2 Outcomes of the tender appeal process</b>                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                          |                                |           |                                 |
| <b>1. Irregular award of tender MN07/2022</b>                                                                                                                                | Notwithstanding the decisions of the Tender Adjudication and Tender Appeals Committees, it must be noted that for the above bidders, tender qualification criteria were amended during the tender adjudication and appeals processes for tender MN07/2022. This is contrary to the requirements of section 118 (a) and (b) of the MFMA, read with section 28 of the SCM policy of the municipality.                                                                | Management does not agree with audit finding. In terms of the Electronic Communications and Transactions Act, 2002:                                          |                                                                                                                                                                                                                                                                                                                          |                                |           |                                 |
| <b>1. Fraud risk factors identified in the award of tender MN07/2022 to Benjivert Pty Ltd, Grace and Goodness Pty Ltd, and Yena Uyabusa Pty Ltd</b>                          | With regard to the above bidders, we received allegations from anonymous sources, and as a follow-up on those allegations, we performed additional procedures. Our analysis of the bid documentation revealed the following possible fraud risk factors. Therefore the awards to the above bidders constitute non-compliance with legislation and any expenditure incurred on the above contracts constitutes irregular expenditure and must be disclosed as such. | Management note that the auditors received allegations from anonymous sources, and as a follow-up on those allegations, they performed additional procedures | 1. An independent investigation will be carried out on this particular finding and outcomes submitted to the office of the Auditor General for consideration.                                                                                                                                                            | Municipal Manager              | 30-Jun-24 | Office of the Municipal Manager |
| <b>Suppliers in service of the state</b>                                                                                                                                     | The following awards were made to suppliers who had members who were in service of the state, however, the suppliers did not declare the connection in the bid document this is indicative of possible misrepresentation.                                                                                                                                                                                                                                          | Management agrees with audit finding.                                                                                                                        | 1. Ongoing verification of all bids via CSD & MBD4 during the finalization of the procurement process .<br>2. Finalize the legal opinion of identified staff SP'S who falsified information in the bids.<br>3. Submission of schedule to AG in third quarter for a full verification for accurate disclosure in the AFS. | Acting Chief Financial Officer | Ongoing   | Finance                         |
| <b>False declaration by suppliers in which spouses of accounting officer, senior manager (include CFO), SCM officials, councillors/ directors, or Mayor has an interest.</b> | The following suppliers submitted MBD4s, however, directors or members of these entities did not correctly disclose their interest.                                                                                                                                                                                                                                                                                                                                | Management note the finding.                                                                                                                                 | 1. Ongoing verification of all bids via CSD & MBD4 during the finalization of the procurement process .<br>2. Finalize the legal opinion of identified staff SP'S who falsified information in the bids.<br>3. Submission of schedule to AG in third quarter for a full verification for accurate disclosure in the AFS. | Acting Chief Financial Officer | Ongoing   | Finance                         |
| <b>False declaration by suppliers whose members or directors are employed by the state</b>                                                                                   | The members or directors of the following suppliers were in service of the state, however, the suppliers did not declare the connection in the bid document:                                                                                                                                                                                                                                                                                                       | Management note the finding.                                                                                                                                 | 1. Ongoing verification of all bids via CSD & MBD4 during the finalization of the procurement process .<br>2. Finalize the legal opinion of identified staff SP'S who falsified information in the bids.<br>3. Submission of schedule to AG in third quarter for a full verification for accurate disclosure in the AFS. | Acting Chief Financial Officer | Ongoing   | Finance                         |

# MANAGEMENT RESPONSE AND ACTION PLAN TO PREVIOUS YEARS AGSA FINDINGS *...continued*

| NATURE OF QUERY                                                                                                                 | AUDIT QUERY                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | MANAGEMENT RESPONSE AS PER MAN REPORT                                                                                                                                                                                                                                                                                                                                                                                              | DETAILED ACTION PLAN                                                                                                                                                                                                                                                                                                                                                                 | RESPONSIBLE OFFICIAL | TIMEFRAME | BUSINESS UNIT                   |
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| <b>Irregularities in the tender process for awarding of tender MN136/2022: Construction of Hulet Bridge</b> <i>...continued</i> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                      |                      |           |                                 |
| <b>2.1 Procurement and contract management – irregular award of tender MN105/2021</b>                                           | During our review of the prices quoted by Pro Secure per security guard per site, we noted that they were below the legislated direct PSIRA rates for security guards for the year of 2021/22.                                                                                                                                                                                                                                                                                       | Disagree with the finding. PSIRA rates are merely a guidelines that guide security industry.                                                                                                                                                                                                                                                                                                                                       | <ol style="list-style-type: none"> <li>1. Obtaining of a legal opinion regarding the award of the Tender</li> <li>2. Obtaining clarification from Provincial Treasury and COGTA</li> <li>3. Obtaining clarification from PSIRA on matters under dispute</li> <li>4. Submission of the legal opinion outcome, Provincial Treasury and COGTA and PSIRA to AG one finalized.</li> </ol> | Municipal Manager    | 30-Jun-24 | Office of the Municipal Manager |
| <b>2.2 Approved price escalations not justified.</b>                                                                            | During our review of the price adjustment when the municipality entered into a price percentage escalation with ProSecure we noted that the municipality agreed to a Consumer Price Index (CPI) escalation with ProSecure due to the tender taking longer than usual to award. The municipality agreed to a CPI price adjustment of 5% annually from year two (2) of the commencement of the contract and a further 7% for National Bargaining Council rates during the same period. | <p>Disagree with the findings: The municipality views were expressed clearly and recorded in the resolution of the TAC and further carried out by the negotiation team. The TAC recommendations extract is below:</p> <p>Flowing from the above 12 percent shall be construed as the maximum capping, paragraph 2 further records that in the event the annual increase is lower than 12 percent the lower amount shall apply.</p> | <ol style="list-style-type: none"> <li>1. Obtaining of a legal opinion regarding the award of the Tender</li> <li>2. Obtaining clarification from Provincial Treasury and COGTA</li> <li>3. Obtaining clarification from PSIRA on matters under dispute</li> <li>4. Submission of the legal opinion outcome, Provincial Treasury and COGTA and PSIRA to AG one finalized.</li> </ol> | Municipal Manager    | 30-Jun-24 | Office of the Municipal Manager |
| <b>2.3. Functionality evaluation process not aligned to the bid specifications.</b>                                             | During the review of the procurement for security services, we noted that the specification document states that scores for each of the evaluators will be averaged, weighted and totaled to obtain the final score for functionality.                                                                                                                                                                                                                                               | DISAGREE with this finding. The municipality is not legal exposed, as it is paying ProSecure as per legal enforceable contract. In terms of the signed contract, it is only ProSecure who is the member of both PSIRA and National Bargaining Council for Security Sector. In these two bodies, members are expected to remain compliant with their rules and pay necessary levies to be in good standing.                         | <ol style="list-style-type: none"> <li>1. Obtaining of a legal opinion regarding the award of the Tender</li> <li>2. Obtaining clarification from Provincial Treasury and COGTA</li> <li>3. Obtaining clarification from PSIRA on matters under dispute</li> <li>4. Submission of the legal opinion outcome, Provincial Treasury and COGTA and PSIRA to AG one finalized.</li> </ol> | Municipal Manager    | 30-Jun-24 | Office of the Municipal Manager |

# MANAGEMENT RESPONSE AND ACTION PLAN TO PREVIOUS YEARS AGSA FINDINGS *...continued*

| NATURE OF QUERY                                                                                                                  | AUDIT QUERY                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | MANAGEMENT RESPONSE AS PER MAN REPORT                                                                                                                                                                                                                                                                                                                       | DETAILED ACTION PLAN                                                                                                                                                                                                                                                                                                                                                                 | RESPONSIBLE OFFICIAL | TIMEFRAME | BUSINESS UNIT                   |
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| <b>Irregularities in the tender process for awarding of tender MN136/2022: Construction of Hullet Bridge</b> <i>...continued</i> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                      |                      |           |                                 |
| <b>2.4. Official by invite was part of both TEC and TAC</b>                                                                      | During the review of the TEC and TAC minutes, it was noted that Mr. C Viramuthu – Executive Director: Community Safety attended all TEC and TAC meetings as an official by invitation; however, his roles were not indicated. . There is no indication that he recused himself when tender no. MN 105/2021 was being considered by the TAC. We requested individual score sheet of individual evaluators; however, SCM Demand Manager informed us that individual score sheets are not available as the TEC evaluated the bid together and the score reflected in the TEC report was discussed by the TEC members and after the discussion was captured directly into the report. | Disagree with the finding. The tender award is regular and it was awarded have met all the tender requirements as per approved tender specification and offered a competitive, cost-effective and lowest price.                                                                                                                                             | <ol style="list-style-type: none"> <li>1. Obtaining of a legal opinion regarding the award of the Tender</li> <li>2. Obtaining clarification from Provincial Treasury and COGTA</li> <li>3. Obtaining clarification from PSIRA on matters under dispute</li> <li>4. Submission of the legal opinion outcome, Provincial Treasury and COGTA and PSIRA to AG one finalized.</li> </ol> | Municipal Manager    | 30-Jun-24 | Office of the Municipal Manager |
| <b>Amounts charged per TAX invoice exceeding quoted amount</b>                                                                   | <p>"During our review of the Pro Secure invoice for July 2023 we noted that Pro Secure charged the municipality more than it quoted charge for the service rendered per month.</p> <p>As a result of the inflated invoices the municipality incurred a potential financial loss of R 92 427.93 for July 2023 on the overpayment for the applicable sites invoices for as per the link above row 157 column I.</p>                                                                                                                                                                                                                                                                 | Management disagrees with the finding. In 2022 the Bargaining council rates become applicable, which stipulated a 7.99% increase. Thereafter in year 2023, the 12% increase to the 2022 rates were invoiced to the municipality. This increase was also in line with Bargaining council increase of 7.22% +CPI..percentage increase was then capped at 12%. | <ol style="list-style-type: none"> <li>1. Obtaining of a legal opinion regarding the award of the Tender</li> <li>2. Obtaining clarification from Provincial Treasury and COGTA</li> <li>3. Obtaining clarification from PSIRA on matters under dispute</li> <li>4. Submission of the legal opinion outcome, Provincial Treasury and COGTA and PSIRA to AG one finalized.</li> </ol> | Municipal Manager    | 30-Jun-24 | Office of the Municipal Manager |

# MANAGEMENT RESPONSE AND ACTION PLAN TO PREVIOUS YEARS AGSA FINDINGS *...continued*

| NATURE OF QUERY                                                                                                                 | AUDIT QUERY                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | MANAGEMENT RESPONSE AS PER MAN REPORT                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | DETAILED ACTION PLAN                                                                                                                                                                                                                                                                                                                             | RESPONSIBLE OFFICIAL            | TIMEFRAME | BUSINESS UNIT      |
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| <b>Irregularities in the tender process for awarding of tender MN136/2022: Construction of Hulet Bridge</b> <i>...continued</i> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                  |                                 |           |                    |
| <b>1. Job evaluation not performed as required by legislation</b>                                                               | During the audit of the human resource management, it was noted, through enquiry of management that jobs at the municipality have not been evaluated since 2008, despite a review of the staff establishment having been conducted in 2017                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Management agrees with the finding partially and wish to advise as follows: The Job Evaluation is a SALGA competency which the municipality does not have control over.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <ol style="list-style-type: none"> <li>1. Submission of Draft Organogram to Council for approval</li> <li>2. Approval of the Organogram by Council</li> <li>3. Submission of the organogram to the MEC for COGTA for approval.</li> <li>4. Submission of the new posts as per the approved organogram to the Job evaluation Committee</li> </ol> | ED: Corporate Services Services | 30-Jun-24 | Corporate Services |
| <b>2. Internal control deficiencies identified during the recruitment of staff</b>                                              | It was noted that an online application form was utilized for the post of Manager: Electrical Operations & Reticulation (North). It was further noted that some information required by Annexure B of the Municipal Staff Regulations was not included, namely, disciplinary and criminal records.                                                                                                                                                                                                                                                                                                                                                                                                                          | <p>Management disagrees with this finding and wish to state as follows: The form that was used for the post of Manager: Electrical Operations &amp; Reticulation (North) is the KDM Job Application Form align to the Regulation, the form is attached herein as annexure "A" for easy reference. The KDM does not use online applications.</p> <p>The Criminal record for the post of Manager: Electrical Operations &amp; Reticulation (North). is reflected under section D of the KDM Job application form. There was delay in vetting the employee on this position due to backlog, however the vetting result have been received and provided to the auditor.</p> | No Further Action Required                                                                                                                                                                                                                                                                                                                       | ED: Corporate Services          | N/A       | Corporate Services |
| <b>Discrepancies identified during the transfer of staff between posts</b>                                                      | It was noted that staff member P02581 was transferred in October 2022 from the Admin Officer of Corporate Services post, task grade 10, to HR Officer Organisational Development and PMS post, task grade 11. Furthermore, there is no evidence on file of motivation to deviate from legislation. It was noted that personal credentials verification was not performed for the position of Manager: Electrical Operations & Reticulation (North) due to an ongoing tender process for a vetting service during the period the post was being filled. As a result, the appointment was made subject to a positive vetting report being received subsequently. However, there is no evidence of any vetting report on file. | There was no promotion and demotion for the staff member P0258. This was as a result of him being transferred in October 2022 from the Admin Officer of Corporate Services post, task grade 10, to HR Officer Organisational Development and PMS post, task grade 10, upon a motivation by the BU. The motivation in a form of an item that was presented to council is attached. The municipality has recently advertised positions of HR Officer : Organisational Development and PMS advert is attached with proof of that the these positions are at a similar level or task grade, please see attached advert as annexure "B".                                     | No Further Action Required                                                                                                                                                                                                                                                                                                                       | ED: Corporate Services          | N/A       | Corporate Services |

# MANAGEMENT RESPONSE AND ACTION PLAN TO PREVIOUS YEARS AGSA FINDINGS *...continued*

| NATURE OF QUERY                                                                                                                 | AUDIT QUERY                                                                                                                                                                                                                                                                                                                                                                                                                           | MANAGEMENT RESPONSE AS PER MAN REPORT                                                                                                                                                                                                                                                                                              | DETAILED ACTION PLAN                                                                                                                                                                                                                                                                                                                                           | RESPONSIBLE OFFICIAL                                                                | TIMEFRAME | BUSINESS UNIT                   |
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| <b>Irregularities in the tender process for awarding of tender MN136/2022: Construction of Hulet Bridge</b> <i>...continued</i> |                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                |                                                                                     |           |                                 |
| <b>Par:8.2 Staff and training</b>                                                                                               | The Internal Audit Activity should be appropriately staffed in terms of numbers, grades, qualifications and experience, having regard to its responsibilities and objectives.                                                                                                                                                                                                                                                         | Agree with the finding. The capacity constraints within the Internal Audit Unit, has been highlighted for several years by the Auditor General and the Audit Committee, and also highlighted in the report of the Audit Committee to Council, hence the inability to complete the approved Internal Audit Plan for the 22/23 FY.   | <ol style="list-style-type: none"> <li>1. Submission of Draft Organogram to Council for approval</li> <li>2. Approval of the Organogram by Council</li> <li>3. Approval of Organogram by the MEC</li> <li>4. Budgeting of the prioritized Internal Audit Posts</li> <li>5. Filling in of the approved budgeted vacancies in the Internal Audit Unit</li> </ol> | ED: Corporate Services<br>Acting Chief Financial Officer<br>Chief Operating Officer | 30-Jun-24 | Corporate Services              |
| <b>Par:8.5.2 External assessments</b>                                                                                           | The effectiveness of the Internal Audit Activity depends substantially on the quality, training and experience of its staff. The internal audit must be subjected to an external assessment at least once every five years, the results of which should be communicated to the audit committee and accounting officer. An external assessment must be conducted by a qualified reviewer or review team from outside the municipality. | Agree with the finding. Discussions were held with Provincial Treasury to assist with and external review, this did not materialise. The external assessment will be undertaken in the 24/25 FY, provisions will be made accordingly.                                                                                              | <ol style="list-style-type: none"> <li>1. Submission of external assessment request to Provincial Treasury</li> <li>2. Undertaking of Internal Audit Assessments</li> </ol>                                                                                                                                                                                    | Chief Operating Officer                                                             | 30-Jun-24 | Office of the Municipal Manager |
| <b>Audit action plan</b>                                                                                                        | During the audit of the municipality and the perusal of the internal reports and internal audit plan as well as the audit action-plan, it was noted that management had not implemented a number of recommendations as well as a number of matters still in progress which has contributed to a number of repeat findings noted during the audit by Auditor-General.                                                                  | Management agrees with the finding. It be noted that the audit process for 2021/2022 financial year was concluded late, December 2022. Management had only six months to prepare the audit action plan and put it into action. Therefore, there was no sufficient time to execute all the actions contained in the AG Action plan. | <ol style="list-style-type: none"> <li>1. Development and approval of AG Action Plan</li> <li>2. Implementation of AG Action Plan Commitments.</li> <li>3. Submission of AG Action plan to Council Governance Structures, COGTA and AG for monitoring</li> <li>4. Implementation of Internal Audit Recommendations</li> </ol>                                  | Chief Operating Officer<br>ALL ED'S WITH AG COMMITMENTS & INTERNAL AUDIT FINDINGS   | 30-Jun-24 | COO & ALL BU's                  |
| <b>1. No policy and procedures for the appointment and use of consultants</b>                                                   | During the audit of use of consultants, we noted that the municipality did not have the policy and procedures or strategy for the appointment and use of consultants utilised by the municipality during the year to ensure that use of consultants is consistent with cost containment guidelines as well as municipal guidelines for Accounting Officers.                                                                           | Management disagrees with find, The municipality do have the policy and procedures or strategy for the appointment and use of consultants utilised by the municipality during the year to ensure that use of consultants is consistent with cost containment guidelines as well as municipal guidelines for Accounting Officers.   | No Further Action Required                                                                                                                                                                                                                                                                                                                                     | Municipal Manager                                                                   | N/A       | Office of the Municipal Manager |



# MANAGEMENT RESPONSE AND ACTION PLAN TO PREVIOUS YEARS AGSA FINDINGS *...continued*

| NATURE OF QUERY                                                                                                                   | AUDIT QUERY                                                                                                                                                                                                                                                                                                            | MANAGEMENT RESPONSE AS PER MAN REPORT                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | DETAILED ACTION PLAN                                                                                                                                                                                             | RESPONSIBLE OFFICIAL | TIMEFRAME | BUSINESS UNIT                   |
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| <b>Irregularities in the tender process for awarding of tender MN136/2022: Construction of Hulet Bridge</b> <i>...continued</i>   |                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                  |                      |           |                                 |
| <b>2. No consultancy reduction plan is in place and neither is gap/needs analysis performed</b>                                   | During the audit of consultants, we identified that the municipality did not have the consultancy reduction plan in place for the current year.                                                                                                                                                                        | Management disagrees with the finding. The municipality do have the policy and procedures or strategy for the appointment and use of consultants utilised by the municipality during the year to ensure that use of consultants is consistent with cost containment guidelines as well as municipal guidelines for Accounting Officers. The gaps analysis are done and part of the findings is that, these are the specialised services which are required on ad hoc bases. Therefore, cost versus benefit indicated that it is better to outsource than to have a fully flashed internal unit. | No Further Action Required                                                                                                                                                                                       | Municipal Manager    | N/A       | Office of the Municipal Manager |
| <b>3. No proof of monitoring the performance of the consultant's contracts</b>                                                    | During the audit, we noted that there was no proof of monitoring on a monthly basis the performance of the following contracts. Furthermore, it was noted that there is no evidence that the municipality performed gap/ needs analysis prior to the appointment of consultants for the following areas of operations. | Management does not agree with finding. The municipality is monitoring on a monthly basis the performance of the contractors under the contract or agreement. See the attached sample of performance rating schedules for Quarter for of the financial ending 30 June 2023.                                                                                                                                                                                                                                                                                                                     | 1. Gap Analysis report for any new consultants to be appointed during the 2024/25 financial year<br>2. Conduct monthly performance contract assessments.                                                         | All ED's             | 30-Jun-24 | ALL BU's                        |
| <b>4. No documented evidence to support skills transfer from consultants to officials of the municipality</b>                     | During the audit of consultants, we identified that there were no evidence of skills transfer by the consultants to the municipality or training programmes that took place.                                                                                                                                           | Management does not agree with audit finding. Management ensures that skills transfer takes place where possible. However, some of the listed services are specialised in nature and requires specialised training and qualifications. That includes services for property valuation services. This is a specialised field which requires a specific qualification and structured training under the supervision of the licenced specialist.                                                                                                                                                    | 1. Include a mandatory Skills transfer clause in all new contracts to be undertaken during the 2023/24 financial year<br>2. Undertake Skills Transfer process for positions that are not specialized in nature . | All ED's             | 30-Jun-24 | ALL BU's                        |
| <b>5. Limitation of scope- consultants' contracts of appointment and terms of reference not made available for audit purposes</b> | The contracts for the following consultants was not provided for audit, hence we could not determine if the following provisions were made in the contracts:                                                                                                                                                           | Management agrees with finding. Due to the high volume of information of information required. We were unable to supply everything timeously. However, all the required information has been provided. Management will review filing systems and introduce a team of officials to focus on the RFI's to fast track the process.                                                                                                                                                                                                                                                                 | 1. Development of Projects Files for all contracts with a standardized index list of all project information .                                                                                                   | All ED's             | 30-Jun-24 | ALL BU's                        |

# MANAGEMENT RESPONSE AND ACTION PLAN TO PREVIOUS YEARS AGSA FINDINGS *...continued*

| NATURE OF QUERY                                                                                                                 | AUDIT QUERY                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | MANAGEMENT RESPONSE AS PER MAN REPORT                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | DETAILED ACTION PLAN       | RESPONSIBLE OFFICIAL                           | TIMEFRAME | BUSINESS UNIT     |
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| <b>Irregularities in the tender process for awarding of tender MN136/2022: Construction of Hulet Bridge</b> <i>...continued</i> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                            |                                                |           |                   |
| <b>1. Possible fruitless and wasteful expenditure</b>                                                                           | Through an analysis of the payment vouchers forming part of the project information, it was established on payment certificate 8 dated 15 June 2023 that the ancillary work items was paid for, however none of the ancillary work items was verified by the audit team during the site inspection conducted on 10 October 2023. This raises alarming questions over the certification by the appointed professional consultant verifying the completed work prior to payment being made.                                                                          | Management does not agree. Ancillary Works items as per Section 7 which include the guardrails, permanent traffic signs, statutory signs and concrete bollards were delivered and kept off site for safekeeping. This decision was taken based on risk of material theft on various sites. Therefore, no items were paid for without them being delivered by the contractor.                                                                                                                                                                                                                                                                                                                                        | No Further Action Required | Executive Director: Civil Engineering Services | N/A       | Civil Engineering |
| <b>2. Overpayments noted in the project:</b>                                                                                    | There were a number of quantities of items (concrete in road wearing course, 900mm diameter pipes and gabions) that was paid in payment certificate 09 dated 15 June 2023 that did not correlate to the quantities counted by the audit team with consultant and municipal officials at the site visit conducted on 10 October 2023. These discrepancies amounted to R1 388 565 (including VAT) which is considered an overpayment on the project.                                                                                                                 | Management does not agree. Overpayment in a construction project cannot be measured while the project is still ongoing and under construction. Reason being that, legislation allows the adjustments on subsequent job certificates where there has been over or under estimation made in earlier certificates. Tender number MN140/2022 is still under construction and cannot be assessed for an over payment at this stage.                                                                                                                                                                                                                                                                                      | No Further Action Required | Executive Director: Civil Engineering Services | N/A       | Civil Engineering |
| <b>3. Inconsistencies on the application of rates</b>                                                                           | Although the BoQ allocated an amount of R117 525 (Table 1 above) for the Ancillary Works the allocation amount was reduced to R68 670 in payment certificate 8 dated 15 June 2023. In the absence of an approved variation order, the audit could not determine what items from the initial BoQ was omitted or changed. The allocation earmarked for the ancillary works was fully paid for under payment certificate 8 (i.e. R68 670) even though there was no evidence of work done based on the site inspection conducted by the audit team on 10 October 2023. | Management does not agree. Tender procedures makes the following provision under section T1.2.2.4:<br>In the event of tendered rates or lump sums being declared by the Employer to be unacceptable to it because they are either excessively low or high or not in proper balance with other rates or lump sums, the Tenderer may be required to produce evidence and advance arguments in support of the tendered rates or lump sums objected to. If, after submission of such evidence and any further evidence requested, the Employer is still not satisfied with the tendered rates or lump sums objected to, it may request the tenderer to amend these rates and lump sums along the lines indicated by it. | No Further Action Required | Executive Director: Civil Engineering Services | N/A       | Civil Engineering |

# MANAGEMENT RESPONSE AND ACTION PLAN TO PREVIOUS YEARS AGSA FINDINGS *...continued*

| NATURE OF QUERY                                                                                                                  | AUDIT QUERY                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | MANAGEMENT RESPONSE AS PER MAN REPORT                                                                                                                                                                                                                                                                                                                                                                       | DETAILED ACTION PLAN                                                                                          | RESPONSIBLE OFFICIAL | TIMEFRAME | BUSINESS UNIT |
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| <b>Irregularities in the tender process for awarding of tender MN136/2022: Construction of Hullet Bridge</b> <i>...continued</i> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                               |                      |           |               |
| <b>4. Project timelines not met and no extension of time submitted for audit purposes</b>                                        | The practical completion date was planned for the 24 July 2023, therefore the period after 20 April 2023 is a critical stage. As the overall progress of the project was 50% at date of the last project meeting minutes (20 April 2023), more frequent monitoring was required to meet prescribed timelines and to ensure that the project was on track. The project was not completed by the planned completion and there was no extension of time provided to the audit team to indicate that the practical completion date was extended. As per a letter dated 02 August 2023, the municipal manager informed the contractor of a breach in contractor as the contractor failed to complete the work by the practical completion date. Furthermore, the letter stated that contractor is liable for penalties in terms of clause 5,13 of General Conditions of Contract 2015, third edition (GCC) from the 25 July 2023. However, no evidence was provided to confirm that the contractor was charged with penalties. The project was not completed as of the site visit date on 10 October 2023 (i.e. 2,5 months delayed) and as of this date the contractor should have been charged a penalty amount of at least R390 000 (78 days x R5 000 per day). | Management agrees with audit finding. However, management performed its function and managed the timelines as per contractual milestones, which includes, inter alia, holding regular progress/site meeting to timely resolve challenges to achieve practical completion, as well as implementing the required processes as per the GCC regarding time extension and applying the required penalty clauses. |                                                                                                               |                      |           |               |
| <b>5. Site visit observations</b>                                                                                                | A site visit was conducted on 10 October 2023. It was noted from the project listing provided for audit, that the project was 90% complete, however from site visit inspection it was noted that the ancillary work, under concrete in road wearing course, 900mm diameter pipes and gabions were not complete. There were quality issues observed on site which were indicative of inadequate quality control measures being practiced during construction. Furthermore, it was noted from the breach of contract letter, dated 02 August 2023 which was sent by the municipality to the contractor that the municipality had raised concerns to the contractor regarding workmanship and quality of work in the project.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Management comment on audit finding: Management agree. From the meeting held amongst the Employer, Contractor and the Employer Agent on 3 October 2023 the issue of the quality of the works undertaken in the employers agent absence due to the dispute (15 August 2023 to 3 October 2023) were discussed.                                                                                                |                                                                                                               |                      |           |               |
| <b>6. Limitation of scope</b>                                                                                                    | A request for information (RFI) PA02 of 2023 was issued to the municipality on the 29 September 2023. As at the 03 November 2023 after a number of follow-up with relevant officials responsible for the project, some of the information requested was either incomplete or not submitted by the municipality as indicated below.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Management agrees with finding. Due to the number of requests for information we were unable to submit all the required information timeously. However, the required information has since been submitted to the auditors.                                                                                                                                                                                  | 1. Development of Projects Files for all contracts with a standardized index list of all project information. | All ED's             | 30-Jun-24 | ALL BU's      |

# MANAGEMENT RESPONSE AND ACTION PLAN TO PREVIOUS YEARS AGSA FINDINGS *...continued*

| NATURE OF QUERY                                                                                                                  | AUDIT QUERY                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | MANAGEMENT RESPONSE AS PER MAN REPORT                                                                                                                                                                                                                                                                                                                                                                    | DETAILED ACTION PLAN                                                                                | RESPONSIBLE OFFICIAL                           | TIMEFRAME | BUSINESS UNIT     |
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| <b>Irregularities in the tender process for awarding of tender MN136/2022: Construction of Hullet Bridge</b> <i>...continued</i> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                     |                                                |           |                   |
| <b>1. Disaster management plan (DMP) not approved by the municipal council</b>                                                   | However, based on a review of the DMP it was noted there was no evidence to confirm if the municipal council has adopted the DMP as the DMP only was approved at the level of the municipal manager. The municipal council should be aware of the contents of DMP and also be in a position to review and amend the DMP based on the needs of the municipality and the community.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Management does not agree. The Disaster Management Plan has been adopted by Council on the 26 May 2016, vide Resolution C660. See the attached the Disaster Management Plan, together with the Item that served at Council and the Council resolution. The Disaster Management Plan is due for review and that has been provided for during the 2023/2024 Budget and the SCM Process has been initiated. | 1. Review of the Disaster Management plan<br>2. Approval of the Disaster management plan by Council | Executive Director: Community Safety           | 30-Jun-24 | Civil Engineering |
| <b>2. Funding for disaster relief not adequate for response, recovery, rehabilitation, and reconstruction</b>                    | Furthermore, section 56(4)(a-d) of the DMA read together with DMA Framework 7.7.1.2, requires that all organs of the state must budget for costs involved in disaster response and recovery, which includes reconstruction and rehabilitation (DMA Framework 7.7.1) thus placing the onus for said funding on the municipality. Management's response to the audit finding indicated that the DMP will be revised to cater for the Threshold funding for disaster relief. From a review of the DMP it was determined that although management have included a paragraph 12 relating to funding, this paragraph does not include the process on how the funding will be sourced and the prescribed percentages (i.e. 0,6% of the municipal revenue) as set out in the DMA Framework (Table 7.2). As reported in previous the management report, management should have actioned recommendations and earmarked a provision for disaster relief. The table below is the computation of the threshold funding for the three financial years, which should have been budgeted for disaster management. | Management disagrees with finding. However, the Disaster Management Act (DMA) offers general guidance applicable to the government. This guidance needs to be considered in light of the powers and functions of local authorities, particularly in comparison to district municipalities, who bear the greater responsibility for disaster management coordination.                                     | No Further Action Required                                                                          | Executive Director: Civil Engineering Services | N/A       | Civil Engineering |

# MANAGEMENT RESPONSE AND ACTION PLAN TO PREVIOUS YEARS AGSA FINDINGS *...continued*

| NATURE OF QUERY                                                                                                                  | AUDIT QUERY                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | MANAGEMENT RESPONSE<br>AS PER MAN REPORT                                                                                                                                                                                                                                                                                                                                                                       | DETAILED ACTION PLAN       | RESPONSIBLE OFFICIAL                                            | TIMEFRAME | BUSINESS UNIT      |
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| <b>Irregularities in the tender process for awarding of tender MN136/2022: Construction of Hullet Bridge</b> <i>...continued</i> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                |                            |                                                                 |           |                    |
| <b>3. Inadequate budgeting for repairs and maintenance of roads infrastructure</b>                                               | Management has failed to respond to this audit finding thus the audit team could not ascertain what action management has been taken to resolve the audit finding pertaining to inadequate budgeting for repairs and maintenance of roads infrastructure. The importance of the maintenance of roads infrastructure was noted in the audit findings which alerted management that ongoing maintenance while may not remove the risk of damage completely but it is a risk mitigating measure to limit the damage as a result of floods and or other disasters. The maintenance policy for road infrastructure was requested from the municipality, through an email dated 03 November 2023, to gauge how the municipality determined their budget for the maintenance of their road infrastructure. However, management failed to provide this policy thus the audit team was unable to determine the method of budgeting for road maintenance. The municipality's attention is drawn to MFMA Circular 71, which indicates that the ratio below the norm of 8% is a reflection that insufficient funds are being spent on repairs and maintenance and could increase impairment of useful lives of the assets. | Management agrees with finding. Whilst it is however agreed that this is below the norm it must be considered in the context that a significant portion of repairs are undertaken via rehabilitation and restoration projects which given the nature of work undertaken are accounted for under the capital budget.                                                                                            |                            | Executive Director:<br>Civil Engineering Services<br>Acting CFO |           | Civil BU/<br>MANCO |
| <b>4. Quality issues from Site Visits</b>                                                                                        | Management have addressed the incomplete work and the quality issues reported by the audit team in the RTA. This was confirmed through a site inspection by the audit team with the responsible municipal official on 12 October 2023. Although the defects noted was rectified, there were other areas observed by the audit team that might compromise the road infrastructure over time. There was an accumulation of water resulting in ponding at the entrance of the road (Mpunzana road) near the stop sign as a result of a poor drainage system along the road. Furthermore the ponding of water could result in danger for motorists and poses a risk of accident                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Management disagrees with finding. The areas observed by the audit team that might compromise the road infrastructure over time causing an accumulation of water resulting in ponding at the entrance of the road (Mpunzana road) near the stop sign and reported as a result of a poor drainage system along the road are disputed by management. The audit was performed on a rainy day hence water ponding. | No Further Action Required | Executive Director:<br>Civil Engineering Services               | N/A       | Civil Engineering  |



# APPENDICES A TO T

## APPENDIX A: COUNCILLORS: COMMITTEE ALLOCATION & COUNCIL ATTENDANCE

### PURPOSE OF THE COUNCIL COMMITTEE

Established in terms of Municipal Structures Act, Section 80. Portfolio Committees meet monthly to discuss service delivery issues and ways to improve service delivery where needed. The Council continues with its role as a strong and effective advocate, lobbying on behalf of our community for action on important local issues and continues to receive grants from other spheres of government and external bodies.

### 2021-2026 TERM OF OFFICE (1ST JULY 2022 TO 30 JUNE 2023)

#### COUNCIL MEETINGS

| LIST OF COUNCILLORS                                                  | POLITICAL PARTY | WARD REPRESENTED     | PLANNED MEETINGS | COUNCIL MEETINGS ATTENDED                                  |
|----------------------------------------------------------------------|-----------------|----------------------|------------------|------------------------------------------------------------|
| Cllr OL Nhaca                                                        | ANC             | MAYOR                | 12               | 12                                                         |
| Cllr TV Ntuli (passed away on the 29th March 2023)                   | ANC             | DEPUTY MAYOR         | 12               | 7                                                          |
| Cllr NP Dube (joined KDM on the 11 May 2023 replacing Cllr TV Ntuli) | ANC             | PR                   | 12               | 5                                                          |
| Cllr G. Govender                                                     | ANC             | Speaker Ward Cllr 19 | 12               | 12                                                         |
| Cllr H Mbatha                                                        | ANC             | Chief Whip Ward 12   | 12               | 12                                                         |
| Cllr SK Shandu                                                       | ANC             | 1                    | 12               | 12                                                         |
| Cllr DN Ngema                                                        | ANC             | 2                    | 12               | 12                                                         |
| Cllr SO Nxele                                                        | ANC             | 3                    | 12               | 11-(28/06/2023-Leave)                                      |
| Cllr JM Banda                                                        | ANC             | 4                    | 12               | 10-(31/05/2023-Absent & 28/06/2023-Leave)                  |
| Cllr AM Baardman                                                     | ANC             | 5                    | 12               | 11-(28/06/2023-Leave)                                      |
| Cllr T Colley                                                        | DA              | 6                    | 12               | 11-(31/03/2023-Leave)                                      |
| Cllr BC Fakazi                                                       | ANC             | 7                    | 12               | 12                                                         |
| Cllr ME Ngidi                                                        | ANC             | 8                    | 12               | 12                                                         |
| Cllr NJ Mpanza                                                       | ANC             | 9                    | 12               | 11-(28/06/2023-Leave)                                      |
| Cllr TT Dube                                                         | ANC             | 10                   | 12               | 11-(28/06/2023-Leave)                                      |
| Cllr S Sithole                                                       | ANC             | 11                   | 12               | 11-(31/08/2022-Absent)                                     |
| Cllr N Qwabe                                                         | ANC             | 13                   | 12               | 11-(28/06/2023-Leave)                                      |
| Cllr WN Mntambo                                                      | ANC             | 14                   | 12               | 12                                                         |
| Cllr BP Ndlovu                                                       | ANC             | 15                   | 12               | 11 -(28/06/2023-Leave)                                     |
| Cllr SS Mthiyane                                                     | ANC             | 16                   | 12               | 11-(28/07/2022-Absent)                                     |
| Cllr CM Naicker                                                      | ANC             | 17                   | 12               | 11-(28/06/2023-Leave)                                      |
| Cllr SB Ntuli                                                        | ANC             | 18                   | 12               | 9-(26/01/2023-Leave, 23/02/2023-Leave & 30/05/2023-Absent) |

# APPENDIX A: COUNCILLORS: COMMITTEE ALLOCATION & COUNCIL ATTENDANCE ...continued

2021-2026 TERM OF OFFICE (1ST JULY 2022 TO 30 JUNE 2023) ...continued

## COUNCIL MEETINGS ...continued

| LIST OF COUNCILLORS                                                       | POLITICAL PARTY      | WARD REPRESENTED | PLANNED MEETINGS | COUNCIL MEETINGS ATTENDED                                                                       |
|---------------------------------------------------------------------------|----------------------|------------------|------------------|-------------------------------------------------------------------------------------------------|
| Cllr NS Bhengu                                                            | ANC                  | 20               | 12               | 12                                                                                              |
| Cllr NH Sithole                                                           | ANC                  | 21               | 12               | 11 (31/08/2022-Absent)                                                                          |
| Cllr P Naidoo                                                             | DA                   | 22               | 12               | 11 - (26/01/2023-Leave)                                                                         |
| Cllr NC Mdletshe                                                          | ANC                  | 23               | 12               | 12                                                                                              |
| Cllr V Mwandla                                                            | ANC                  | 24               | 12               | 12                                                                                              |
| Cllr SP Khuzwayo                                                          | ANC                  | 25               | 12               | 12                                                                                              |
| Cllr TC Nxele                                                             | ANC                  | 26               | 12               | 12                                                                                              |
| Cllr SG Mcineka                                                           | ANC                  | 27               | 12               | 11 - (26/04/2023-Leave)                                                                         |
| Cllr V Govender                                                           | ANC                  | 28               | 12               | 7 - (28/07/2022-Absent, 29/09/2022- Absent, 27/10/2022 & 28/06/2023 - Leave)                    |
| Cllr SL Cele                                                              | ANC                  | 29               | 12               | 12                                                                                              |
| Cllr F Abrahams                                                           | DA                   | 30               | 12               | 11 - (28/06/2023-Leave)                                                                         |
| Cllr K Naidoo                                                             | DA                   | PR               | 12               | 7 - (31/08/2022-Leave, 26/01/2023 - Leave, 23/02/2023 - Leave, 31/03/2023 - Leave & 28/06/2023) |
| Cllr B Mvulana                                                            | DA                   | PR               | 12               | 10 - (26/04/2023 & 28/06/2023 - Leave)                                                          |
| Cllr NA Singh                                                             | DA                   | PR               | 12               | 10 - (26/04/2023 & 28/06/2023 - Leave)                                                          |
| Cllr M Vembali                                                            | DA                   | PR               | 12               | 10 – (26/04/2023 & 28/06/2023 - Leave)                                                          |
| Cllr R Pooran                                                             | DA                   | PR               | 12               | 10 - (26/01/2023 & 28/06/2023 - Leave)                                                          |
| Cllr TN Mthethwa                                                          | DA                   | PR               | 12               | 11 - (28/06/2023 - Leave)                                                                       |
| Cllr N Sewraj                                                             | ACTIONS              | PR               | 12               | 11 - (28/06/2023 - Absent)                                                                      |
| Cllr S Zungu                                                              | ACTIONS              | PR               | 12               | 12                                                                                              |
| Cllr SC Mwandla                                                           | ACTIONS              | PR               | 12               | 12                                                                                              |
| Cllr SP Ashworth (Joined KDM Council in 23/05/2022 replacing Cllr Billot) | ACTIONS              | PR               | 12               | 10-(31/08/2022 & 27/10/2022-Leave)                                                              |
| Cllr AA Singh                                                             | ACTIONS              | PR               | 12               | 11 (31/03/2023-Absent)                                                                          |
| Cllr CM Ntleko                                                            | Independent Alliance | PR               | 12               | 11 - (26/01/2023-Leave)                                                                         |
| Cllr MM Madlala                                                           | Independent Alliance | PR               | 12               | 9 - (31/03/2023, 30/05/2023 & 31/05/2023 - Leave)                                               |

## APPENDIX A: COUNCILLORS: COMMITTEE ALLOCATION & COUNCIL ATTENDANCE ...continued

2021-2026 TERM OF OFFICE (1ST JULY 2022 TO 30 JUNE 2023) ...continued

### COUNCIL MEETINGS ...continued

| LIST OF COUNCILLORS                                                                         | POLITICAL PARTY      | WARD REPRESENTED | PLANNED MEETINGS | COUNCIL MEETINGS ATTENDED                                                                                                                                           |
|---------------------------------------------------------------------------------------------|----------------------|------------------|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Cllr PS Shezi                                                                               | Independent Alliance | PR               | 12               | 11 - (27/10/2022-Leave)                                                                                                                                             |
| Cllr PL Zungu (Joined KDM Council on 10/02/2022 replacing Councillor Ngwane                 | Independent Alliance | PR               | 12               | 11 - (27/10/2022-Leave)                                                                                                                                             |
| Cllr EM Kollia                                                                              | Independent Alliance | PR               | 12               | 12                                                                                                                                                                  |
| Cllr MM Sibisi                                                                              | IFP                  | PR               | 12               | 9 (27/10/2022,Leave, 23/02/2023 - Leave, 30/05/2023 & 31/05/2023 - Leave)                                                                                           |
| Cllr SC Pandaram (Joined KDM Council on 02/02/2022 replacing Councillor Ngcobo)             | IFP                  | PR               | 12               | 9 - (28/07/2022-Absent, 27/10/2022-Leave, 26/04/2023 - Leave)                                                                                                       |
| Cllr JF Magwaza                                                                             | IFP                  | PR               | 12               | 10 - (23/02/2023, 31/03/2023 - Leave)                                                                                                                               |
| Cllr PF Masuku                                                                              | IFP                  | PR               | 12               | 4 - (31/08/2023-Absent, 27/10/2023 - Apology, 26/01/2023 - Apology, 31/03/2023 - Absent, 26/04/2023 - Leave, 30/05/2023, 31/05/2023 - Absent, 28/06/2023 - Apology) |
| Cllr S.Kheswa (joined KDM on the 5th April 2023 replacing Cllr Nkosi)                       | EFF                  | PR               | 12               | 4                                                                                                                                                                   |
| Cllr MM Mthiyane (joined KDM on the 18 <sup>th</sup> January 2023 replacing Cllr A Mhlongo) | EFF                  | PR               | 12               | 4 - (30/05/2023 - Absent)                                                                                                                                           |
| Cllr NJ Mbonambi                                                                            | EFF                  | PR               | 12               | 9 - (28/07/2023 - Leave, 27/10/2023 - Leave, 24/11/2022 - Absent & 28/06/2023 Leave)                                                                                |
| Cllr CP Dumakude (joined KDM Council on 06/05/2022 replacing Councillor Mmodana             | EFF                  | PR               | 12               | 11 - (23/02/2023 - Apology)                                                                                                                                         |
| Cllr TT Mkhize                                                                              | ATM                  | PR               | 12               | 12                                                                                                                                                                  |
| Cllr TT Sithole ((joined KDM on 04/11/2022 replacing the late Cllr S. Dladla)               | ACDP                 | PR               | 12               | 8                                                                                                                                                                   |
| Cllr DH Mthembu                                                                             | AIC                  | PR               | 12               | 12                                                                                                                                                                  |
| Cllr S. Dladla (passed away on the 16/10/2022)                                              | ACDP                 | PR               | 12               | 5                                                                                                                                                                   |
| Cllr T.Nkosi (ceased to hold an office of Cllr in February 2023)                            | EFF                  | PR               | 12               | 7                                                                                                                                                                   |
| Cllr A. Mhlongo (ceased to hold an office of Cllr in January 2023)                          | EFF                  | PR               | 12               | 6                                                                                                                                                                   |

# APPENDIX A: COUNCILLORS: COMMITTEE ALLOCATION & COUNCIL ATTENDANCE *...continued*

## COUNCIL PORTFOLIO COMMITTEE ALLOCATION AND ATTENDANCE

### PURPOSE OF THE PORTFOLIO COMMITTEES

KwaDukuza Municipality has 4 Portfolio Committees, which are all chaired by the members of Executive Committee as prescribed by the legislation. Portfolio Committees meet on monthly basis to discuss service delivery issues and ways to improve service delivery where needed.

### 2021-2026 TERM OF OFFICE (1ST JULY 2022 TO 30 JUNE 2023)

#### FINANCE AND LOCAL PUBLIC ADMINISTRATION PORTFOLIO COMMITTEE

| COMMITTEE OF COUNCIL                                               | NAMES OF COUNCILLORS                                                        | PLANNED MEETINGS | MEETINGS ATTENDED |
|--------------------------------------------------------------------|-----------------------------------------------------------------------------|------------------|-------------------|
| <b>Finance And Local Public Administration Portfolio Committee</b> | Cllr OL Nhaca (Chairperson)                                                 | 11               | 9                 |
|                                                                    | Cllr V Mwandla                                                              | 11               | 10                |
|                                                                    | Cllr SS Mthiyane                                                            | 11               | 9                 |
|                                                                    | Cllr CM Naicker                                                             | 11               | 10                |
|                                                                    | Cllr SC Pandaram (Joined on 29/03/2022)                                     | 11               | 4                 |
|                                                                    | Cllr NS Bhengu                                                              | 11               | 7                 |
|                                                                    | Cllr NJ Mbonambi                                                            | 11               | 7                 |
|                                                                    | Cllr R Pooran                                                               | 11               | 10                |
|                                                                    | Cllr TT Sithole (joined KDM on 04/11/2022 replacing the late Cllr S.Dladla) | 11               | 4                 |
|                                                                    | Cllr SP Ashworth (joined on 22/06/2022)                                     | 11               | 8                 |
|                                                                    | Cllr S. Dladla (deceased on the 16/10/2022)                                 | 11               | 3                 |

FLPA meeting dated, 18/01/2023 was postponed.

#### FINANCE AND LOCAL PUBLIC ADMINISTRATION PORTFOLIO COMMITTEE

| COMMITTEE OF COUNCIL                | NAMES OF COUNCILLORS                                                  | PLANNED MEETINGS | MEETINGS ATTENDED |
|-------------------------------------|-----------------------------------------------------------------------|------------------|-------------------|
| <b>INFRASTRUCTURE AND TECHNICAL</b> | VACANT (Chairperson) Cllr TV Ntuli-passed away on the 29th March 2023 | 11               | 7                 |
|                                     | Cllr TT Dube                                                          | 11               | 9                 |
|                                     | Cllr BC Fakazi                                                        | 11               | 9                 |
|                                     | Cllr SG Mcineka                                                       | 11               | 9                 |
|                                     | Cllr TC Nxele                                                         | 11               | 9                 |
|                                     | Cllr MM Madlala                                                       | 11               | 9                 |
|                                     | Cllr SC Pandaram                                                      | 11               | 7                 |
|                                     | Cllr P Naidoo                                                         | 11               | 8                 |
|                                     | Cllr Ashworth (Joined Council on the 22/ 06/ 2022)                    | 11               | 6                 |
|                                     | Cllr A Singh                                                          | 11               | 4                 |

IAT meeting dated, 10/11/2022 was postponed.

IAT meeting dated, 05/04/2023 was postponed.

## APPENDIX A: COUNCILLORS: COMMITTEE ALLOCATION & COUNCIL ATTENDANCE *...continued*

### ECONOMIC DEVELOPMENT PLANNING, SPECIAL PROGRAMMES & YOUTH AFFAIRS PORTFOLIO COMMITTEE

| COMMITTEE OF COUNCIL                                              | NAMES OF COUNCILLORS | PLANNED MEETINGS | MEETINGS ATTENDED |
|-------------------------------------------------------------------|----------------------|------------------|-------------------|
| ECONOMIC DEVELOPMENT PLANNING, SPECIAL PROGRAMMES & YOUTH AFFAIRS | Cllr SL Cele         | 11               | 9                 |
|                                                                   | Cllr JM Banda        | 11               | 7                 |
|                                                                   | Cllr ME Ngidi        | 11               | 7                 |
|                                                                   | Cllr S. Ntuli        | 11               | 7                 |
|                                                                   | Cllr BP Ndlovu       | 11               | 9                 |
|                                                                   | Cllr P Shezi         | 11               | 3                 |
|                                                                   | Cllr ZP Dumakude     | 11               | 2                 |
|                                                                   | Cllr PS Masuku       | 11               | 4                 |
|                                                                   | Cllr S. Zungu        | 11               | 7                 |
|                                                                   | Cllr B.Mvulana       | 11               | 6                 |

EDP meeting dated, 27/01/2023 was postponed.

EDP meeting dated, 31/03/2023 was postponed.

### MUNICIPAL SERVICES PORTFOLIO COMMITTEE

| COMMITTEE OF COUNCIL | NAMES OF COUNCILLORS                    | PLANNED MEETINGS | MEETINGS ATTENDED |
|----------------------|-----------------------------------------|------------------|-------------------|
| MUNICIPAL SERVICES   | Cllr CN Mdletshe                        | 11               | 10                |
|                      | Cllr S Sithole                          | 11               | 10                |
|                      | Cllr SK Shandu                          | 11               | 10                |
|                      | Cllr WN Mntambo                         | 11               | 9                 |
|                      | Cllr V Govender., joined 15/06/2022     | 11               | 3                 |
|                      | Cllr SO Nxele                           | 11               | 10                |
|                      | Cllr PF Masuku                          | 11               | 6                 |
|                      | Cllr F Abrahams                         | 11               | 10                |
|                      | Cllr AA Singh                           | 11               | 10                |
|                      | Cllr PL Zungu (He joined on 15/06/2022) | 11               | 9                 |

MS meeting dated, 15/09/2022 was postponed.



## APPENDIX B: EXECUTIVE COMMITTEE & COMMITTEE PURPOSE

### PURPOSE OF THE EXECUTIVE COMMITTEE

Members of the Executive Committee are appointed by the Mayor from among Councillors. The duties of the Executive Committee are to assist the Mayor in the execution of his/her duties. The Mayor may delegate specific responsibilities to each member of the Executive Committee. The following Councillors are the members of the Executive Committee of KwaDukuza Municipality.

### 2021-2026 TERM OF OFFICE (1ST JULY 2022 TO 30 JUNE 2023)

#### EXECUTIVE COMMITTEE

| COMMITTEE OF COUNCIL | NAMES OF COUNCILLORS                                                          | PLANNED EXCO MEETINGS | EXCO MEETINGS ATTENDED                                                                              |
|----------------------|-------------------------------------------------------------------------------|-----------------------|-----------------------------------------------------------------------------------------------------|
| EXECUTIVE COMMITTEE  | Cllr OL Nhaca                                                                 | 21                    | 20 (12/10/2022-Leave Of Absence)                                                                    |
|                      | Cllr TV Ntuli (Deceased on the 29th March 2023)                               | 21                    | 15                                                                                                  |
|                      | Cllr SL Cele                                                                  | 21                    | 21                                                                                                  |
|                      | Cllr NC Mdletshe                                                              | 21                    | 21                                                                                                  |
|                      | Cllr DH Mthembu                                                               | 21                    | 19 (07/09/2022 & 12/04/2023-Apology)                                                                |
|                      | Cllr MM Sibisi                                                                | 21                    | 19 (03/03/2023 & 12/04/2023-Absent)                                                                 |
|                      | Cllr T Colley                                                                 | 21                    | 18 (03/02/2023-Absent & 03/03/2023 -Leave Of Absence)                                               |
|                      | Cllr MM Mthiyane (joined KDM on the 18th January 2023 replacing Cllr T.Nkosi) | 21                    | 2 (12/04/2023-Leave Of Absence & 10/05/2023-Absent)                                                 |
|                      | Cllr CM Ntleko                                                                | 21                    | 16 (17/08/2022-Leave) (30/08/2022-Absent) (07/09/2002-Absent) (12/10/2022-Leave) (25/01/2023-Leave) |
|                      | Cllr N Sewraj                                                                 | 21                    | 17 (07/09/2022 – Absent) (18/10/2022-Apology) (08/02/2023-Absent) (29/06/2023-Apology)              |
|                      | Cllr T Nkosi (ceased to hold an office of Cllr in February 2023)              | 21                    | 7                                                                                                   |

## APPENDIX C: THIRD TIER ADMINISTRATIVE STRUCTURE



## APPENDIX D: FUNCTIONS OF THE MUNICIPALITY

KwaDukuza Municipality is one of the Local Municipalities within the family of iLembe District Municipality. As a Local Authority, KwaDukuza is responsible, in terms of the Constitution of the Republic of South Africa, 1996 - Schedule 4: Functional areas, Part B for,

- Air pollution
- Building regulations
- Childcare facilities
- Electricity and gas reticulation
- Firefighting services
- Local tourism
- Municipal planning
- Stormwater management systems in built-up areas
- Trading regulations

The Municipality is also responsible for the following Schedule 5 Part B functions,

- Beaches and amusement facilities
- Billboards and the display of advertisements in public places
- Cemeteries, funeral parlours, and crematoria
- Cleansing
- Control of public nuisances
- Control of undertakings that sell liquor to the public
- Facilities for the accommodation, care, and burial of animals
- Fencing and fences
- Licensing of dogs
- Licensing and control of undertakings that sell food to the public
- Local amenities
- Local sport facilities
- Markets
- Municipal abattoirs
- Municipal parks and recreation
- Municipal roads
- Noise pollution
- Pounds
- Public places
- Refuse removal, refuse dumps and solid waste disposal
- Street trading
- Street lighting
- Traffic and parking

KwaDukuza Municipality is not responsible for the provision of water and sanitation as it is the competency of iLembe District Municipality.

## APPENDIX E: WARD REPORTING

### WARD COMMITTEE FUNCTIONALITY INDICATORS

| INDICATOR                                                                                                  | MINIMUM REQUIREMENT                  | EVIDENCE REQUIRED                        |
|------------------------------------------------------------------------------------------------------------|--------------------------------------|------------------------------------------|
| Number of ward committee meetings held                                                                     | One meeting per month                | Minutes and attendance register          |
| Number of ward committee meetings chaired by Ward Councillor i.t.o Sec 73 of the Municipal Structures Act; | One meeting per month                | Minutes and attendance Register          |
| Percentage attendance by ward committee members                                                            | 50% + 1                              | Attendance register                      |
| Number of community feedback meetings held                                                                 | One per quarter                      | Minutes / Report and attendance register |
| Percentage of reports submitted by ward committee members                                                  | 100% submission of reports per month | Ward committee members' reports          |
| Submission of ward reports on planned activities                                                           | One report per quarter               | Ward report by ward councillor           |

## APPENDIX F: WARD INFORMATION

### PROGRESS ON FUNCTIONALITY OF WARD COMMITTEES AS AT END OF 2022/23 FINANCIAL YEAR:

#### FOURTH QUARTER FUNCTIONALITY RESULTS OF 2021/22 FINANCIAL YEAR (APRIL – JUNE 2022)

The newly elected ward committee's first functionality assessment and verification process was only conducted of the 28th of July 2022.

| TOTAL NO OF WARDS | NO OF FUNCTIONAL WARD COMMITTEES | % OF FUNCTIONAL WARD COMMITTEES | FUNCTIONAL WARD COMMITTEES                                    | NO OF NON-FUNCTIONAL WARD COMMITTEES | % OF NON-FUNCTIONAL WARD COMMITTEES |
|-------------------|----------------------------------|---------------------------------|---------------------------------------------------------------|--------------------------------------|-------------------------------------|
| 30                | 17                               | 57%                             | 1, 2, 3, 5, 8, 9, 12, 13, 14, 15, 18, 20, 23, 24, 25, 26 & 27 | 13                                   | 43%                                 |

#### FIRST QUARTER FUNCTIONALITY RESULTS OF 2022/23 FINANCIAL YEAR (JULY – SEPTEMBER 2022)

| TOTAL NO OF WARDS | NO OF FUNCTIONAL WARD COMMITTEES | % OF FUNCTIONAL WARD COMMITTEES | FUNCTIONAL WARD COMMITTEES                                               | NO OF NON-FUNCTIONAL WARD COMMITTEES | % OF NON-FUNCTIONAL WARD COMMITTEES |
|-------------------|----------------------------------|---------------------------------|--------------------------------------------------------------------------|--------------------------------------|-------------------------------------|
| 30                | 20                               | 67%                             | 1, 2, 4, 5, 6, 7, 8, 10, 11, 13, 14, 15, 18, 19, 21, 24, 25, 26, 29 & 30 | 10                                   | 33%                                 |

#### SECOND QUARTER FUNCTIONALITY RESULTS OF 2022/23 FINANCIAL YEAR (OCTOBER – DECEMBER 2022)

| TOTAL NO OF WARDS | NO OF FUNCTIONAL WARD COMMITTEES | % OF FUNCTIONAL WARD COMMITTEES | FUNCTIONAL WARD COMMITTEES                                                                      | NO OF NON-FUNCTIONAL WARD COMMITTEES | % OF NON-FUNCTIONAL WARD COMMITTEES |
|-------------------|----------------------------------|---------------------------------|-------------------------------------------------------------------------------------------------|--------------------------------------|-------------------------------------|
| 30                | 26                               | 87%                             | 1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 12, 13, 14, 15, 17, 18, 19, 20, 21, 23, 24, 25, 26, 27, 29 & 30 | 4                                    | 13%                                 |

#### THIRD QUARTER FUNCTIONALITY RESULTS OF 2022/23 FINANCIAL YEAR (JANUARY – MARCH 2022)

| TOTAL NO OF WARDS | NO OF FUNCTIONAL WARD COMMITTEES | % OF FUNCTIONAL WARD COMMITTEES | FUNCTIONAL WARD COMMITTEES                                                   | NO OF NON-FUNCTIONAL WARD COMMITTEES | % OF NON-FUNCTIONAL WARD COMMITTEES |
|-------------------|----------------------------------|---------------------------------|------------------------------------------------------------------------------|--------------------------------------|-------------------------------------|
| 30                | 21                               | 70%                             | 1, 2, 5, 6, 7, 8, 9, 10, 13, 15, 18, 19, 20, 21, 23, 24, 25, 26, 27, 29 & 30 | 9                                    | 30%                                 |



## APPENDIX G: RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE

- **Consequence Management** – The municipality must apply the consequence management processes consistently and effectively. This must also be strengthened with the recommendations made by the AG during the year.
- **Compliance** – Audit Committee recommends that compliance is a standing item for MANCO and Portfolio Committee meetings and to fast-track the process of resourcing this function.
- **UIFW Expenditure** – Council is urged to act in addressing the incurrence of irregular expenditure and implement consequence management, where necessary. The remaining balances of UIFW expenditure must be investigated properly, recommendations must be implemented, and action is to be taken against those found to be responsible (including recovery where possible).
- **Vacancies** – Council must fast track the approval of the amended organogram for the Internal Audit Unit, and filling of key positions including, Internal auditors, ED Civil Engineering Services, and other critical positions.
- **Risk Management** – Council and management to continue to monitor implementation of risk action plans.
- **Audit Findings** – Management to take combined ownership and responsibility of the findings raised by the AG and must closely monitor the implementation of this process and hold those that are not meeting commitments made to the AG, accountable.
- **Electricity losses** – Council and management to urgently intensify the implementation of strategies to curb electricity losses. There must be ongoing monitoring and evaluation of strategies implemented to ensure effectiveness. Further to this, council, and management to assess the probability and impact of a decrease in electricity revenue due to consumers migrating to alternative energy sources.
- **Contract Management** – Management must ensure that service providers and suppliers are performing according to contractual obligations, by conducting ongoing assessments of the service providers, and implementing corrective measures timeously. Each business unit must take responsibility for contracts within their respective areas.
- **Disaster Management Grants** – Council must prioritise the processing of Disaster Management Grants and ensure that the conditions relating to each project are met. Further to that, the SCM processes relating to these projects must be strengthened to ensure proper compliance with the PMS regulations and policy.

## APPENDIX H: LONG TERM CONTRACTS & PUBLIC PRIVATE PARTNERSHIP

| TENDER NO   | DESCRIPTION                                                                                                                                                                           | CLOSING DATE | AWARD DATE | SUCCESSFUL BIDDER                 | PREFERENTIAL POINTS | AMOUNT IN Rands | DEPARTMENT                      |
|-------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|------------|-----------------------------------|---------------------|-----------------|---------------------------------|
| MN 147/2021 | Supply and delivery of specialised fleet (fire engines) for a period of 3 years                                                                                                       | 01/03/2022   | 08/07/2022 | Rural Metro Emergency Services    | 100                 | R9 972 417.00   | Electrical Engineering Services |
| MN 91/2020  | Panel of contractors for the disconnection, reconnection and auditing of electricity services including TID rollover implementation as and when required for a period three (3) years | 07/08/2021   | 15/07/2022 | Ijubane Investments (Pty) Ltd     | 100                 | Rates           | Electrical Engineering Services |
| MN 202/2021 | Panel of contractors for supply, install and commission of infills electrification for a period of 3 (three) years                                                                    | 31/03/2022   | 15/07/2022 | Ijubane Investments               | 100                 | Rates           | Electrical Engineering Services |
|             |                                                                                                                                                                                       |              |            | Yebo Ys Projects                  |                     | Rates           |                                 |
|             |                                                                                                                                                                                       |              |            | Worth Kings Electrical            |                     | Rates           |                                 |
|             |                                                                                                                                                                                       |              |            | Thake Electrical                  |                     | Rates           |                                 |
| MN 188/2021 | Supply, installation and management of an STS compliant prepayment electricity vending system for a period of three (3) years                                                         | 25/03/2022   | 15/07/2022 | Contour Technology (Pty) Ltd      | 100                 | R 9 504 000.00  | Financial Services              |
| MN 147/2021 | Supply and delivery of specialised fleet (fire engines) for a period of 3 years                                                                                                       | 01/03/2022   | 08/08/2022 | Rm Rural Metro Emergency Services | 100                 | R 9 972 417.00  | Electrical Engineering Services |
| MN 92/2022  | Provision of electronic payment processing services for the period of three years                                                                                                     | 15/07/2022   | 02/09/2022 | Pay At Services (Pty) Ltd         | 100                 | Rates           | Financial Services              |
| MN 46/2022  | Call for proposals: provision of risk assessment during staff recruitment and selection process for a period of three years                                                           | 03/08/2022   | 30/09/2022 | Smart H.R Solutions Cc            | 100                 | Rates           | Corporate Services              |

## APPENDIX H: LONG TERM CONTRACTS & PUBLIC PRIVATE PARTNERSHIP *...continued*

| TENDER NO   | DESCRIPTION                                                                                                                                                                                                                        | CLOSING DATE | AWARD DATE | SUCCESSFUL BIDDER                                                    | PREFERENTIAL POINTS | AMOUNT IN Rands | DEPARTMENT                               |
|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|------------|----------------------------------------------------------------------|---------------------|-----------------|------------------------------------------|
| MN 112/2021 | Appointment of contractor for MV substations upgrade and refurbishment for a period of three years                                                                                                                                 | 04/03/2022   | 14/10/2022 | Worth Kings                                                          | 100                 | R 16 382 310.05 | Civil Engineering Services               |
| MN 89/2021  | Panel of contractors for betterment and Regravelling of roads 3-year contract                                                                                                                                                      | 15/09/2021   | 14/10/2022 | Future Valdo                                                         |                     | Rates           | Civil Engineering Services               |
|             |                                                                                                                                                                                                                                    |              |            | Havilah Commercial Projects                                          |                     | Rates           |                                          |
|             |                                                                                                                                                                                                                                    |              |            | Heavy Feathers                                                       |                     | Rates           |                                          |
|             |                                                                                                                                                                                                                                    |              |            | JKDM Company                                                         |                     | Rates           |                                          |
|             |                                                                                                                                                                                                                                    |              |            | Njomco Enterprise                                                    |                     | Rates           |                                          |
|             |                                                                                                                                                                                                                                    |              |            | Njomsa Boerdery                                                      |                     | Rates           |                                          |
|             |                                                                                                                                                                                                                                    |              |            | Onombuthu                                                            |                     | Rates           |                                          |
|             |                                                                                                                                                                                                                                    |              |            | Saneh's Contractors                                                  |                     | Rates           |                                          |
|             |                                                                                                                                                                                                                                    |              |            | Sihawusethu                                                          |                     | Rates           |                                          |
|             |                                                                                                                                                                                                                                    |              |            | Today's Hope                                                         |                     | Rates           |                                          |
|             |                                                                                                                                                                                                                                    |              |            | Trishuul Plant Hire                                                  |                     | Rates           |                                          |
|             |                                                                                                                                                                                                                                    |              |            | Unlimited ABC Trading And Projects                                   |                     | Rates           |                                          |
|             |                                                                                                                                                                                                                                    |              |            | Khulanimathenjwa                                                     |                     | Rates           |                                          |
|             |                                                                                                                                                                                                                                    |              |            | Trading Nhlangothi Cleaning Services                                 |                     | Rates           |                                          |
| MN71/2022   | Provision of outdoor advertising services- illuminated street name signs incorporating commercial advertising panels to be located at street intersections within the KwaDukuza municipal jurisdiction for a three (3) year period | 19/07/2022   | 06/12/2022 | Primedia Outdoor                                                     | 100                 | Rates           | Economic Development & Planning Services |
| MN 34/2022  | Supply, delivery and installation of office furniture for a period of three (3) years                                                                                                                                              | 31/08/2022   | 09/12/2022 | Remau Office Furniture<br>Cars In Action<br>Regency Office Furniture | 100                 | Rates           | Corporate Services                       |

## APPENDIX H: LONG TERM CONTRACTS & PUBLIC PRIVATE PARTNERSHIP *...continued*

| TENDER NO   | DESCRIPTION                                                                                                                                                                                                                                          | CLOSING DATE | AWARD DATE | SUCCESSFUL BIDDER                                            | PREFERENTIAL POINTS | AMOUNT IN Rands | DEPARTMENT                      |
|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|------------|--------------------------------------------------------------|---------------------|-----------------|---------------------------------|
| MN 117/2022 | Panel of up to three contractors for testing, fault locating, cable identification and very low frequency (pressure) testing of low (LV) and medium (MV) voltage cables during normal and after normal working hours for a period of three (3) years | 14/10/2022   | 09/12/2022 | Megatest Cc<br>Capital Power Projects (Pty) Ltd              | 100                 | Rates           | Electrical Engineering Services |
| MN 94/2022  | KDM panel of up to three (3) contractors for the LV network upgrade and refurbishment for a period of three years                                                                                                                                    | 14/10/2022   | 14/12/2022 | Worth Kings Trading<br>Wenzan Electrical<br>Yebo Ys Projects | 100                 | Rates           | Electrical Engineering Services |
| MN 153/2022 | Supply and delivery of printing paper for a period of three (3) years                                                                                                                                                                                | 26/10/2022   | 14/12/2022 | KFC Engineering And Industrial Supplies                      | 100                 | Rates           | Financial Services              |
| MN 44/2022  | Panel for pothole patches 3 years                                                                                                                                                                                                                    | 22/08/2022   | 03/02/2023 | Heavy Further Trading                                        |                     | Rates           | Civil Engineering Services      |
|             |                                                                                                                                                                                                                                                      |              |            | Ntandoyakhe Projects                                         |                     | Rates           |                                 |
|             |                                                                                                                                                                                                                                                      |              |            | Khulekwayo Group                                             |                     | Rates           |                                 |
|             |                                                                                                                                                                                                                                                      |              |            | Siyajabula Umhlaba Trading                                   |                     | Rates           |                                 |
|             |                                                                                                                                                                                                                                                      |              |            | Mahlase Electronics                                          |                     | Rates           |                                 |
|             |                                                                                                                                                                                                                                                      |              |            | 4 Four 7 Trading                                             |                     | Rates           |                                 |
|             |                                                                                                                                                                                                                                                      |              |            | Jada Holding                                                 |                     | Rates           |                                 |
|             |                                                                                                                                                                                                                                                      |              |            | Amamboma Construction                                        |                     | Rates           |                                 |
|             |                                                                                                                                                                                                                                                      |              |            | Zondivilla Trading                                           |                     | Rates           |                                 |
|             |                                                                                                                                                                                                                                                      |              |            | Somadi Trading                                               |                     | Rates           |                                 |
|             |                                                                                                                                                                                                                                                      |              |            | Ndongenhle Trading                                           |                     | Rates           |                                 |
|             |                                                                                                                                                                                                                                                      |              |            | Makhe Mfundo                                                 |                     | Rates           |                                 |
|             |                                                                                                                                                                                                                                                      |              |            | Palenium Enterprise                                          |                     | Rates           |                                 |
|             |                                                                                                                                                                                                                                                      |              |            | Mabhodla Civils                                              |                     | Rates           |                                 |

## APPENDIX H: LONG TERM CONTRACTS & PUBLIC PRIVATE PARTNERSHIP *...continued*

| TENDER NO  | DESCRIPTION                       | CLOSING DATE | AWARD DATE | SUCCESSFUL BIDDER                     | PREFERENTIAL POINTS | AMOUNT IN Rands | DEPARTMENT                 |
|------------|-----------------------------------|--------------|------------|---------------------------------------|---------------------|-----------------|----------------------------|
| MN 44/2022 | Panel for pothole patches 3 years | 22/08/2022   | 03/02/2023 | Simply Bhele Projects                 |                     | Rates           | Civil Engineering Services |
|            |                                   |              |            | Bandezi Development                   |                     | Rates           |                            |
|            |                                   |              |            | Umgogodla Civils                      |                     | Rates           |                            |
|            |                                   |              |            | Flaxen Lake Trading                   |                     | Rates           |                            |
|            |                                   |              |            | Trishuul Plant And Civils             |                     | Rates           |                            |
|            |                                   |              |            | Phiwe Ukunqoba Projects               |                     | Rates           |                            |
|            |                                   |              |            | Omuhle Solutions                      |                     | Rates           |                            |
|            |                                   |              |            | Yameli Projects                       |                     | Rates           |                            |
|            |                                   |              |            | Krb Empire Group                      |                     | Rates           |                            |
|            |                                   |              |            | Rekabal                               |                     | Rates           |                            |
|            |                                   |              |            | African Compass Trading               |                     | Rates           |                            |
|            |                                   |              |            | Ntshamase Mlilo Projects              |                     | Rates           |                            |
|            |                                   |              |            | P And F Construction                  |                     | Rates           |                            |
|            |                                   |              |            | Amahlingu Civils                      |                     | Rates           |                            |
|            |                                   |              |            | Sphe Noxolo Trading And Projects      |                     | Rates           |                            |
|            |                                   |              |            | Bay City Trading 383cc                |                     | Rates           |                            |
|            |                                   |              |            | Umcaciselwa Trading                   |                     | Rates           |                            |
|            |                                   |              |            | Today's Hope Trading And Projects 162 |                     | Rates           |                            |
|            |                                   |              |            | Blue Eyez Protection Services         |                     | Rates           |                            |
|            |                                   |              |            | Mvelarse Trading                      |                     | Rates           |                            |
|            |                                   |              |            | Nhlangothi Trucking                   |                     | Rates           |                            |
|            |                                   |              |            | Mbuyazi Partners                      |                     | Rates           |                            |
|            |                                   |              |            | Onzwakele                             |                     | Rates           |                            |
|            |                                   |              |            | Zipvila                               |                     | Rates           |                            |
|            |                                   |              |            | Nangundu                              |                     | Rates           |                            |
|            |                                   |              |            | Khucula Trading                       |                     | Rates           |                            |
|            |                                   |              |            | Manyosi Brothers                      |                     | Rates           |                            |
|            |                                   |              |            | Enzowakhe                             |                     | Rates           |                            |
|            |                                   |              |            | Nathi Mpungose Trading Enterprise     |                     | Rates           |                            |
|            |                                   |              |            | Sekesime                              |                     | Rates           |                            |
|            |                                   |              |            | Mfuyi Electrical And Civil            |                     | Rates           |                            |



## APPENDIX H: LONG TERM CONTRACTS & PUBLIC PRIVATE PARTNERSHIP *...continued*

| TENDER NO   | DESCRIPTION                                                                                                                         | CLOSING DATE | AWARD DATE | SUCCESSFUL BIDDER                     | PREFERENTIAL POINTS | AMOUNT IN Rands | DEPARTMENT                      |
|-------------|-------------------------------------------------------------------------------------------------------------------------------------|--------------|------------|---------------------------------------|---------------------|-----------------|---------------------------------|
| MN 118/2022 | Supply and delivery of single, three phase smart meters and associated accessories for a period of three (3) years                  | 13/12/2023   | 03/02/2023 | Ijubane Investments                   | 100                 | Rates           | Electrical Engineering Services |
| MN 158/2022 | Supply and delivery of toilet paper for a period of three (3) years                                                                 | 26/10/2022   | 20/02/2023 | Siza Sandla Trading Pty Ltd           | 100                 | Rates           | Financial Services              |
| MN 07/2022  | Panel of contractors for road rehabilitation 3 years contract                                                                       | 24/11/2022   | 24/02/2023 | Amagambushu Construction              |                     | Rates           | Civil Engineering Services      |
|             |                                                                                                                                     |              |            | Asambe Cane Transport                 |                     | Rates           |                                 |
|             |                                                                                                                                     |              |            | Camson Investments                    |                     | Rates           |                                 |
|             |                                                                                                                                     |              |            | Gns Civils                            |                     | Rates           |                                 |
|             |                                                                                                                                     |              |            | Hambagashle                           |                     | Rates           |                                 |
|             |                                                                                                                                     |              |            | North Coast General Supplies          |                     | Rates           |                                 |
|             |                                                                                                                                     |              |            | Onombuthu                             |                     | Rates           |                                 |
|             |                                                                                                                                     |              |            | Sm Holding                            |                     | Rates           |                                 |
|             |                                                                                                                                     |              |            | Sibaya Asphaltting And Civils         |                     | Rates           |                                 |
|             |                                                                                                                                     |              |            | Skhothemlo Construction               |                     | Rates           |                                 |
|             |                                                                                                                                     |              |            | Tez Truck Plant And Civil             |                     | Rates           |                                 |
| MN 130/2022 | Appointment of panel of service providers for provision of KDM staff medical and psychological assistance for period of three years | 24/11/2022   | 24/02/2023 | Uphembele Consulting Group Pty Ltd    | 95                  | Rates           | Corporate Services              |
|             |                                                                                                                                     |              |            | Dr Rm Pather                          | 95                  | Rates           |                                 |
| MN 108/2021 | Appointment of panel of service providers to conduct training and skills development for a period of three (3) years                | 22/07/2022   | 24/02/2023 | TASC Business Consulting And Training |                     | Rates           | Corporate Services              |
|             |                                                                                                                                     |              |            | Small Business Consulting Academy     |                     | Rates           |                                 |
|             |                                                                                                                                     |              |            | Saryx Engineering Group Pty Ltd       |                     | Rates           |                                 |
| MN 94/2022  | KDM panel of up to three (3) contractors for the lv network upgrade and refurbishment for a period of three years                   | 22/10/2022   | 24/02/2023 | Capital Power Projects                |                     | Rates           | Electrical Engineering Services |

## APPENDIX H: LONG TERM CONTRACTS & PUBLIC PRIVATE PARTNERSHIP *...continued*

| TENDER NO   | DESCRIPTION                                                                                                                              | CLOSING DATE | AWARD DATE | SUCCESSFUL BIDDER                     | PREFERENTIAL POINTS | AMOUNT IN Rands | DEPARTMENT                              |
|-------------|------------------------------------------------------------------------------------------------------------------------------------------|--------------|------------|---------------------------------------|---------------------|-----------------|-----------------------------------------|
| MN 203/2022 | Tender for long term loan Dukuza Substation                                                                                              | 26/07/2022   | 03/03/2023 | Nedbank                               | 100                 | R202 988 468.31 | Financial Services                      |
| MN 93/2022  | Panel of up to five contractors for MV network electrical infrastructure refurbishments and upgrades for a period of three (3) years     | 09/10/2022   | 10/03/2023 | Yebo Ys Projects                      | 100                 | Rates           | Electrical Engineering Services         |
|             |                                                                                                                                          |              |            | Worth Kings                           |                     | Rates           |                                         |
|             |                                                                                                                                          |              |            | Capital Power                         |                     | Rates           |                                         |
| MN 233/2022 | Provision of indigent and pauper burial services for a period of three years                                                             | 07/02/2023   | 17/04/2023 | Rambros Funeral Services              | 100                 | Rates           | Community Services And Public Amenities |
| MN 108/2021 | Appointment of panel of service providers to conduct training and skills development for a period of three years                         | 22/07/2022   | 17/04/2023 | Caylin Firearms And Training PTY LTD  | 100                 | Rates           | Corporate Services                      |
|             |                                                                                                                                          |              |            | TASC Business Consulting And Training |                     | Rates           |                                         |
|             |                                                                                                                                          |              |            | Small Business Consulting Academy     |                     | Rates           |                                         |
|             |                                                                                                                                          |              |            | Saryx Engineering Group Pty Ltd       |                     | Rates           |                                         |
| MN 130/2021 | Appointment of panel of service providers to conduct municipal minimum competency training for a period of three years                   | 07/07/2022   | 17/04/2023 | KYM Management Consulting             | 100                 | Rates           | Corporate Services                      |
|             |                                                                                                                                          |              |            | Morar Incorporated                    | 100                 | Rates           |                                         |
| MN 216/2022 | Establishment for the panel of contactors (grade 7-9) for rehabilitation and new municipal public infrastructure for a period of 3 years | 25/01/2023   | 17/04/2023 | Mela Okuhle                           |                     | Rates           | Civil Engineering Services              |
|             |                                                                                                                                          |              |            | Emihle Live                           |                     | Rates           |                                         |
|             |                                                                                                                                          |              |            | Blue Crane Projects                   |                     | Rates           |                                         |
|             |                                                                                                                                          |              |            | Amagambushu Construction              |                     | Rates           |                                         |
|             |                                                                                                                                          |              |            | Benjivert                             |                     | Rates           |                                         |
|             |                                                                                                                                          |              |            | Motheo Group                          |                     | Rates           |                                         |
|             |                                                                                                                                          |              |            | Durban Maintenance                    |                     | Rates           |                                         |
|             |                                                                                                                                          |              |            | GNS Civils                            |                     | Rates           |                                         |
|             |                                                                                                                                          |              |            | Siwa Consulting                       |                     | Rates           |                                         |
|             |                                                                                                                                          |              |            | Mzimkhulu Trading                     |                     | Rates           |                                         |
|             |                                                                                                                                          |              |            | VMT Projects                          |                     | Rates           |                                         |
|             |                                                                                                                                          |              |            | Khoskhu Trading And Projects          |                     | Rates           |                                         |
|             |                                                                                                                                          |              |            | Hersham M Contractors                 |                     | Rates           |                                         |
|             |                                                                                                                                          |              |            | Aqua Transport                        |                     | Rates           |                                         |

...continued

| TENDER NO   | DESCRIPTION                                                                                                                                                        | CLOSING DATE | AWARD DATE | SUCCESSFUL BIDDER                                                                                                                                                                                                                                                                   | PREFERENTIAL POINTS                                                          | AMOUNT IN RANDS                                                                                                   | DEPARTMENT                 |
|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|----------------------------|
| MN 162/2022 | Appointment of a panel of service providers for the provision of access to various media platforms for KwaDukuza municipality for a three (3) year contract period | 20/10/2022   | 19/05/2023 | Sivubela Intuthuko Pty Ltd<br><br>Madampi Media Pty Ltd                                                                                                                                                                                                                             | 80<br><br>100                                                                | Rates                                                                                                             | Corporate Governance       |
| MN 200/2022 | Provision of short-term insurance for a period of 36 months                                                                                                        | 25/01/2023   | 19/05/2023 | Serenity Financial Services                                                                                                                                                                                                                                                         | 100                                                                          | R4 938 639.62                                                                                                     | Financial Services         |
| MN 215/2022 | Establishment for the panel for contractors (grade 4-6) for rehabilitation and new municipal public infrastructure for a period of three (3) years                 | 24/01/2023   | 26/05/2023 | Manotrim(Pty)Ltd<br>Road Logic<br>Owethulumsebenzi<br>Njomco Enterprise<br>Khulani Mathenjwa<br>Umphini Construction<br>Arbotype<br>Grace And Goodness<br>Zama Zama Engineering<br>Zoma M Projects Pty Ltd<br>Ntungani Construction<br>Ibusaphi Trading<br>Mgwilisi Trading Pty Ltd | <br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br> | Rates<br>Rates<br>Rates<br>Rates<br>Rates<br>Rates<br>Rates<br>Rates<br>Rates<br>Rates<br>Rates<br>Rates<br>Rates | Civil Engineering Services |
| MN 247/2022 | Appointment of panel of service providers: travel agency for a three-year period                                                                                   | 09/06/2023   | 31/03/2023 | Global Travel<br>Travel With Flair<br>Adventure Travel                                                                                                                                                                                                                              | 91<br>95<br>80                                                               | Rates<br>Rates<br>Rates                                                                                           | Corporate Services         |
| MN 69/2021  | The manufacture, supply, and delivery of refuse bin bags for KwaDukuza Municipality for a period of three (3) years                                                | 06/082021    | 15/10/2021 | SNOBHO (PTY) LTD                                                                                                                                                                                                                                                                    | 100                                                                          | Rates based tender                                                                                                | Community services         |
| MN 145/2022 | The manufacture, supply, and delivery of clear refuse bin bags for KwaDukuza Municipality for a period of three (3) years                                          | 20/09/2022   | 04/11/2022 | VERIGREEN (PTY) LTD                                                                                                                                                                                                                                                                 | 100                                                                          | Rates based tender                                                                                                | Community services         |

## APPENDIX I: SERVICE PROVIDER PERFORMANCE ASSESSMENT SCHEDULE

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 Portfolio Committee. 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 following are the service providers engaged in each business unit during the **2022/2023** financial year.

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

| BID NUMBER                     | NAME OF EXTERNAL SERVICE PROVIDER | DATE CONTRACT AWARDED | SERVICE PROVIDED IN TERMS OF THE SLA                                                                                                                                                                                                                        | VALUE OF PROJECT | COMPARISON WITH PREVIOUS YEAR 2021/2022                          |                                                                  | CURRENT FINANCIAL YEAR 2022/2023                      |                                                                  | ASSESSMENT OF SERVICE PROVIDERS PERFORMANCE (PLEASE MARK WITH AN X) |   |   |
|--------------------------------|-----------------------------------|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------------------------------------------------------|------------------------------------------------------------------|-------------------------------------------------------|------------------------------------------------------------------|---------------------------------------------------------------------|---|---|
|                                |                                   |                       |                                                                                                                                                                                                                                                             |                  | TARGET                                                           | ACTUAL                                                           | TARGET                                                | ACTUAL                                                           | G                                                                   | S | P |
| COMMUNITY SAFETY BUSINESS UNIT |                                   |                       |                                                                                                                                                                                                                                                             |                  |                                                                  |                                                                  |                                                       |                                                                  |                                                                     |   |   |
| N/A                            | KZN Sharks Board                  | N/A                   | Provision of shark's net and drumlines at KwaDukuza beaches                                                                                                                                                                                                 | Ongoing          | R4 529 585.00                                                    | R4 116 186.47                                                    | R4 529 580.00                                         | R4 359 041.50                                                    | X                                                                   |   |   |
| MN 105/2021                    | Pro Secure (Pty) Ltd              | 01/04/2023            | Provision of security service                                                                                                                                                                                                                               | N/A              | R10 802 544.00 (Electrical)<br>R23 197 456.00 (Community Safety) | R10 760 531.90 (Electrical)<br>R23 100 421.14 (Community Safety) | R14 902 544.00 (Electrical)<br>N/A (Community Safety) | R13 284 473.72 (Electrical)<br>R48 430 107.52 (Community Safety) | X                                                                   |   |   |
| MN 209/2019                    | Pro Secure (Pty) Ltd              | 04/11/2020            | Upgrade and maintenance of the Closed Circuit Television Surveillance Cameras (CCTV), Provision and installation of new hardware and software and the development of a CCTV Policy and scope of practice for a period of 3 years for KwaDukuza Municipality | R1 646 994.77    | N/A                                                              | N/A                                                              | N/A                                                   | R379 436.56                                                      | X                                                                   |   |   |

# APPENDIX I: SERVICE PROVIDER PERFORMANCE ASSESSMENT SCHEDULE *...continued*

| BID NUMBER                        | NAME OF EXTERNAL SERVICE PROVIDER                   | DATE CONTRACT AWARDED | SERVICE PROVIDED IN TERMS OF THE SLA                                              | VALUE OF PROJECT | COMPARISON WITH PREVIOUS YEAR 2021/2022 |                | CURRENT FINANCIAL YEAR 2022/2023 |                | ASSESSMENT OF SERVICE PROVIDERS PERFORMANCE (PLEASE MARK WITH AN X) |   |   |
|-----------------------------------|-----------------------------------------------------|-----------------------|-----------------------------------------------------------------------------------|------------------|-----------------------------------------|----------------|----------------------------------|----------------|---------------------------------------------------------------------|---|---|
|                                   |                                                     |                       |                                                                                   |                  | TARGET                                  | ACTUAL         | TARGET                           | ACTUAL         | G                                                                   | S | P |
| COMMUNITY SAFETY BUSINESS UNIT    |                                                     |                       |                                                                                   |                  |                                         |                |                                  |                |                                                                     |   |   |
| MN 125/2019                       | Fidelity Cash Solutions (Pty) Ltd                   | 01/07/2021            | Provision of cash-in-transit services                                             | R1 206 558.00    | N/A                                     | R431 464.00    | N/A                              | R469 322.24    | X                                                                   |   |   |
| MN 207/2019                       | FG Uniforms cc                                      | 20/07/2020            | Supply and delivery of fire and emergency services uniforms for three years       | N/A              | N/A                                     | R18 428.75     | N/A                              | R62 394.30     | X                                                                   |   |   |
| MN 207/2019                       | 3D Sensation Trading (Pty) Ltd                      | 21/07/2020            | Supply and delivery of fire and emergency services uniforms for three years       | N/A              | N/A                                     | R1 118 272.10  | N/A                              | R1 926 320.66  | X                                                                   |   |   |
| MN 262/2019                       | Sundari Investments CC                              | 25/06/2021            | Supply and delivery of goods for disaster management unit for a period of 3 years | N/A              | N/A                                     | R2 190 936.92  | N/A                              | R3 021 582.90  | X                                                                   |   |   |
| MN 147/2021                       | Rural Metro Emergency Management Services (Pty) Ltd | 18/11/2022            | Supply and delivery of specialised fleet (Fire trucks) for a period of 3 years    | R19 944 834.00   | N/A                                     | N/A            | N/A                              | R4 829 994.25  | X                                                                   |   |   |
| ELECTRICAL SERVICES BUSINESS UNIT |                                                     |                       |                                                                                   |                  |                                         |                |                                  |                |                                                                     |   |   |
| MN 266/2019                       | Isizwe Electrical                                   | 7.12.2020             | High Mast Lighting and streetlights in all wards                                  | R1 416 942.68    | R1 416 942.68                           | R1 416 942.68  | R1 971 022.70                    | R1 971 022.70  | X                                                                   |   |   |
| MN 266/2019                       | Yebo Yes Electrical                                 | 7.12.2020             | High Mast Lighting and streetlights in all wards                                  | R1 854 594.45    | R1 854 594.45                           | R1 854 594.45  | R2 511 331.77                    | R2 511 331.77  | X                                                                   |   |   |
| MN 266/2019                       | NMR Electrical                                      | 15.04.2021            | High Mast Lighting and streetlights in all wards                                  | R2 502 943.37    | R2 502 943.37                           | R2 502 943.37  | R3 309 935.77                    | R3 309 935.77  | X                                                                   |   |   |
| MN 266/2019                       | XXX Electrical                                      | 7.12.2020             | High Mast Lighting and streetlights in all wards                                  | R883 019.21      | R883 019.21                             | R883 019.21    | R 3 855 083.66                   | R 3 855 083.66 | X                                                                   |   |   |
| MN 158/2019                       | Veritas Engineering                                 | 29.07.2020            | 33/11 KV intake substation between Shakaskraal & point of supply substations      | R 42 495 295.68  | R30 000 000                             | R23 727 212.06 | R6 140 152.88                    | R6 140 152.88  | X                                                                   |   |   |
| MN 202/2021                       | Thake                                               | 26.07.2022            | Electrification, extensions and infills                                           | 0                | 0                                       | 0              | R8 686 296.61                    | R8 686 296.61  | X                                                                   |   |   |



# APPENDIX I: SERVICE PROVIDER PERFORMANCE ASSESSMENT SCHEDULE *...continued*

| BID NUMBER                        | NAME OF EXTERNAL SERVICE PROVIDER | DATE CONTRACT AWARDED | SERVICE PROVIDED IN TERMS OF THE SLA      | VALUE OF PROJECT | COMPARISON WITH PREVIOUS YEAR 2021/2022 |               | CURRENT FINANCIAL YEAR 2022/2023 |                | ASSESSMENT OF SERVICE PROVIDERS PERFORMANCE (PLEASE MARK WITH AN X) |   |   |
|-----------------------------------|-----------------------------------|-----------------------|-------------------------------------------|------------------|-----------------------------------------|---------------|----------------------------------|----------------|---------------------------------------------------------------------|---|---|
|                                   |                                   |                       |                                           |                  | TARGET                                  | ACTUAL        | TARGET                           | ACTUAL         | G                                                                   | S | P |
| ELECTRICAL SERVICES BUSINESS UNIT |                                   |                       |                                           |                  |                                         |               |                                  |                |                                                                     |   |   |
| MN 202/2021                       | XXX Electrical                    | 26.07.2022            | Electrification, extensions and infills   | 0                | 0                                       | 0             | R5 467 908.92                    | R5 467 908.92  | X                                                                   |   |   |
| MN 84/2021                        | Thake                             | 02.12.2022            | Lot 14 Switchroom upgrade                 | 0                | 0                                       | 0             | R4 979 952.25                    | R4 979 952.25  | X                                                                   |   |   |
| MN 33/2021                        | Solethu CSI JV                    | 01.04.2022            | SCADA system                              | R23 757 645,97   | N/A                                     | N/A           | R13 990 715.91                   | R13 990 715.91 | X                                                                   |   |   |
| MN 94/2022                        | XXX Electrical                    | 27.02.2023            | LV network upgrade                        | Panel            | N/A                                     | N/A           | R244 007.50                      | R244 007.50    | X                                                                   |   |   |
| MN 94/2022                        | Capital Power                     |                       |                                           | Panel            | N/A                                     | N/A           | R625 228.25                      | R625 228.25    | X                                                                   |   |   |
| MN 94/2022                        | Yebo Yes                          | 27.02.2023            | LV network upgrade                        | Panel            | 0                                       | 0             | R569 448.05                      | R569 448.05    | X                                                                   |   |   |
| MN 94/2022                        | Wenzan Electrical                 | 27.02.2023            | LV network upgrade                        | Panel            | 0                                       | 0             | R737 584.75                      | R737 584.75    | X                                                                   |   |   |
| MN 92/2022                        | Yebo Yes                          | 21.06.2021            | Grid protection relays upgrade            |                  | R3 284 757.10                           | R3 284 757.10 | R5 197 642.90                    | R5 197 642.90  | X                                                                   |   |   |
| MN 83/2020                        | Veritas                           |                       | Dukuza 132/33kV substation construction   | R139 000 000     | N/A                                     | N/A           | R11 800 000                      | R6 455 022     | X                                                                   |   |   |
| MN 135/2020                       | Yebo Yes                          | 21.01.2022            | MV cable upgrade – Tinley Manor           | R998 088.65      | R1 194 763.50                           | R1 194 763.50 | R998 088.65                      | R998 088.65    | X                                                                   |   |   |
| MN 135/2020                       | Yebo Yes                          | 21.01.2022            | MV cable upgrade – Lavopiere              | R3 468 312.00    | R7 959 177.00                           | R7 959 177.00 | R3 468 312.00                    | R3 468 312.00  | X                                                                   |   |   |
| MN 91/2020                        | Capital Power                     | 01.09.2021            | Disconnections and reconnections          | Panel            | R 586 327.77                            | R 586 327.77  | R1 530 769.20                    | R1 530 769.20  | X                                                                   |   |   |
| MN 91/2020                        | XXX Electrical                    | 31.08.2021            | Disconnections and reconnections          | Panel            | R2 052 929.10                           | R2 052 929.10 | R3 323 068.00                    | R3 323 068.00  | X                                                                   |   |   |
| MN 91/2020                        | Ijubane Investments               | 20.06.2022            | Disconnections and reconnections          | Panel            | N/A                                     | N/A           | R1 516 929.60                    | R1 516 929.60  | X                                                                   |   |   |
| MN 69/2022                        | Lishememi                         | 16.11.2022            | Backup generators supply and installation | R1 500 000       | N/A                                     | N/A           | R1 110 556.96                    | R1 110 556.96  |                                                                     | x |   |
| MN 51/2019                        | XXX Electrical                    | 01/04/2021            | Repairs and maintenance                   | Panel            | N/A                                     | N/A           | N/A                              | N/A            | X                                                                   |   |   |
| MN 51/2019                        | Capital Power                     | 01/04/2021            | Repairs and maintenance                   | Panel            | N/A                                     | N/A           | N/A                              | N/A            | X                                                                   |   |   |
| MN 51/2019                        | Shantis Electrical                | 01/04/2021            | Repairs and maintenance                   | Panel            | N/A                                     | N/A           | N/A                              | N/A            | X                                                                   |   |   |
| MN 51/2019                        | Best Guys                         | 01/04/2021            | Repairs and maintenance                   | Panel            | N/A                                     | N/A           | N/A                              | N/A            |                                                                     | x |   |

# APPENDIX I: SERVICE PROVIDER PERFORMANCE ASSESSMENT SCHEDULE *...continued*

| BID NUMBER                              | NAME OF EXTERNAL SERVICE PROVIDER | DATE CONTRACT AWARDED | SERVICE PROVIDED IN TERMS OF THE SLA | VALUE OF PROJECT                                                               | COMPARISON WITH PREVIOUS YEAR 2021/2022 |               | CURRENT FINANCIAL YEAR 2022/2023 |               | ASSESSMENT OF SERVICE PROVIDERS PERFORMANCE (PLEASE MARK WITH AN X) |   |   |
|-----------------------------------------|-----------------------------------|-----------------------|--------------------------------------|--------------------------------------------------------------------------------|-----------------------------------------|---------------|----------------------------------|---------------|---------------------------------------------------------------------|---|---|
|                                         |                                   |                       |                                      |                                                                                | TARGET                                  | ACTUAL        | TARGET                           | ACTUAL        | G                                                                   | S | P |
| COMMUNITY SERVICES AND PUBLIC AMENITIES |                                   |                       |                                      |                                                                                |                                         |               |                                  |               |                                                                     |   |   |
| MN 184/2019                             | ZamaZama Konke trading            | 21/09/2020            | Grass Cutting                        | Service provided as and when required in line with the Service Level Agreement | R2 529 242.91                           | R2 529 242.91 | R4 107 395.50                    | R4 107 395.50 | X                                                                   |   |   |
| MN180/2019                              | Bigmow garden services            | 14/12/2020            | Grass Cutting                        | Service provided as and when required in line with the Service Level Agreement | R2 465 768.52                           | R2 465 768.52 | R2 333 577.56                    | R2 333 577.56 | X                                                                   |   |   |
| MN 181/2019                             | Mbuyazi partners                  | 19/12/2020            | Grass Cutting                        | Service provided as and when required in line with the Service Level Agreement | R1 881 500.77                           | R1 881 500.77 | R1 976 827.81                    | R1 976 827.81 | X                                                                   |   |   |
| MN 182/2019                             | BNE general trading               | 17/05/2021            | Grass Cutting                        | Service provided as and when required in line with the Service Level Agreement | R1 298 724.91                           | R1 298 724.91 | R1 495 547.08                    | R1 495 547.08 | X                                                                   |   |   |
| MN 150/2018                             | Ingudle construction & main.      | 26/11/ 2020           | Grass Cutting                        | Service provided as and when required in line with the Service Level Agreement | R824 761.75                             | R824 761.75   | R1 463 445.27                    | R1 463 445.27 | X                                                                   |   |   |
| MN 183/2019                             | Atreb trading                     | 4 /05/2021            | Grass Cutting                        | Service provided as and when required in line with the Service Level Agreement | R1 390 148.95                           | R1 390 148.95 | R1 457 333.04                    | R1 457 333.04 | X                                                                   |   |   |
| MN 145/2018                             | Roadlogic civils                  | 19/05/2020            | Grass Cutting                        | Service provided as and when required in line with the Service Level Agreement | R1 641 414.97                           | R1 641 414.97 | R2 014 197.83                    | R2 014 197.83 | X                                                                   |   |   |
| MN 185/2019                             | Ukuza kwendoda constr.            | 19/05/2020            | Grass Cutting                        | Service provided as and when required in line with the Service Level Agreement | R1 655 889.58                           | R1 655 889.58 | R2 042 118.49                    | R2 042 118.49 | X                                                                   |   |   |
| MN 124/ 2020                            | TJDK Trading                      | 20/12/2021            | Grass Cutting                        | Service provided as and when required in line with the Service Level Agreement | R1 356 592.72                           | R1 356 592.72 | R2 211 028.58                    | R2 211 028.58 | X                                                                   |   |   |
| MN 187/2019                             | Dukuza tree felling & gen.        | 26/11/2020            | Grass Cutting                        | Service provided as and when required in line with the Service Level Agreement | R615 666.80                             | R615 666.80   | R1 133 313.28                    | R1 133 313.28 | X                                                                   |   |   |

# APPENDIX I: SERVICE PROVIDER PERFORMANCE ASSESSMENT SCHEDULE *...continued*

| BID NUMBER                              | NAME OF EXTERNAL SERVICE PROVIDER | DATE CONTRACT AWARDED | SERVICE PROVIDED IN TERMS OF THE SLA | VALUE OF PROJECT                                                               | COMPARISON WITH PREVIOUS YEAR 2021/2022 |               | CURRENT FINANCIAL YEAR 2022/2023 |               | ASSESSMENT OF SERVICE PROVIDERS PERFORMANCE (PLEASE MARK WITH AN X) |   |   |
|-----------------------------------------|-----------------------------------|-----------------------|--------------------------------------|--------------------------------------------------------------------------------|-----------------------------------------|---------------|----------------------------------|---------------|---------------------------------------------------------------------|---|---|
|                                         |                                   |                       |                                      |                                                                                | TARGET                                  | ACTUAL        | TARGET                           | ACTUAL        | G                                                                   | S | P |
| COMMUNITY SERVICES AND PUBLIC AMENITIES |                                   |                       |                                      |                                                                                |                                         |               |                                  |               |                                                                     |   |   |
| MN 190/2019                             | Plants unlimited                  | 26/11/2020            | Grass Cutting                        | Service provided as and when required in line with the Service Level Agreement | R1 888 545.41                           | R1 888 545.41 | R737 749.42                      | R737 749.42   | X                                                                   |   |   |
| MN 144/2018                             | Usiko Holding                     | 19/05/2020            | Grass Cutting                        | Service provided as and when required in line with the Service Level Agreement | R1 024 284.62                           | R1 024 284.62 | R1 508 634.51                    | R1 508 634.51 | X                                                                   |   |   |
| MN 147/2018                             | Njomco foods                      | 12/11/2020            | Grass Cutting                        | Service provided as and when required in line with the Service Level Agreement | R7 66 806.84                            | R7 66 806.84  | R1 268 150.42                    | R1 268 150.42 | X                                                                   |   |   |
| MN 148/2018                             | Mavali makhuzeni                  | 19/05/2020            | Grass Cutting                        | Service provided as and when required in line with the Service Level Agreement | R 914 976.00                            | R914 976.00   | R1 188 415.22                    | R1 188 415.22 | X                                                                   |   |   |
| MN 149/2018                             | Sinethemba                        | 25/08/2020            | Grass Cutting                        | Service provided as and when required in line with the Service Level Agreement | R1 001 907.51                           | R1 001 907.51 | R1 394 755.58                    | R1 394 755.68 | X                                                                   |   |   |
| MN 123/2020                             | Bongs garden services             | 13/12/2021            | Grass Cutting                        | Service provided as and when required in line with the Service Level Agreement | R1 331 127.37                           | R1 331 127.37 | R1 482 700.15                    | R1 482 700.15 | X                                                                   |   |   |
| 140/2018                                | Njanduzwe trading                 | 26/12/ 2020           | Grass Cutting                        | Service provided as and when required in line with the Service Level Agreement | R932 203.68                             | R932 203.68   | R3 467 595.72                    | R3 467 595.72 | X                                                                   |   |   |
| MN 119/2020                             | Nhlongoti                         | 15/12/2021            | Grass Cutting                        | Service provided as and when required in line with the Service Level Agreement | R394 005.15                             | R394 005.15   | R834 681.79                      | R834 681.79   | X                                                                   |   |   |
| MN 159/2020                             | Nang-u-Mzamo                      | 13/12/2021            | Grass Cutting                        | Service provided as and when required in line with the Service Level Agreement | R508 486.99                             | R508 486.99   | R950 234.68                      | R950 234.68   | X                                                                   |   |   |

# APPENDIX I: SERVICE PROVIDER PERFORMANCE ASSESSMENT SCHEDULE *...continued*

| BID<br>NUMBER                           | NAME OF<br>EXTERNAL<br>SERVICE<br>PROVIDER | DATE<br>CONTRACT<br>AWARDED | SERVICE<br>PROVIDED<br>IN TERMS OF<br>THE SLA                                                                                                                              | VALUE OF<br>PROJECT                                                                        | COMPARISON WITH<br>PREVIOUS YEAR<br>2021/2022 |               | CURRENT FINANCIAL<br>YEAR<br>2022/2023 |                | ASSESSMENT<br>OF SERVICE<br>PROVIDERS<br>PERFORMANCE<br>(PLEASE MARK<br>WITH AN X) |   |   |
|-----------------------------------------|--------------------------------------------|-----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|-----------------------------------------------|---------------|----------------------------------------|----------------|------------------------------------------------------------------------------------|---|---|
|                                         |                                            |                             |                                                                                                                                                                            |                                                                                            | TARGET                                        | ACTUAL        | TARGET                                 | ACTUAL         | G                                                                                  | S | P |
| COMMUNITY SERVICES AND PUBLIC AMENITIES |                                            |                             |                                                                                                                                                                            |                                                                                            |                                               |               |                                        |                |                                                                                    |   |   |
| MN120/2020                              | Hand on<br>Hand trading                    | 13/12/2021                  | Grass Cutting                                                                                                                                                              | Service provided<br>as and when<br>required in line<br>with the Service<br>Level Agreement | R546 618.50                                   | R546 618.50   | R1 088 598.52                          | R1 088 598.52  | X                                                                                  |   |   |
| MN 121/2020                             | Skadie<br>trading                          | 13/12/2021                  | Grass cutting                                                                                                                                                              | Service provided<br>as and when<br>required in line<br>with the Service<br>Level Agreement | R463 629.16                                   | R463 629.16   | R1 047 569.22                          | R1 047 569.22  | X                                                                                  |   |   |
| MN 189/2019                             | Clavic<br>Investments                      | 04/05/2021                  | Grass Cutting                                                                                                                                                              | Service provided<br>as and when<br>required in line<br>with the Service<br>Level Agreement | R964 948.70                                   | R964 948.70   | R1 223 821.50                          | R1 223 821.50  | X                                                                                  |   |   |
| MN 146/2018                             | Ndonga<br>Contractors                      | 15/05/2021                  | Grass cutting                                                                                                                                                              | Service provided<br>as and when<br>required in line<br>with the Service<br>Level Agreement | R1 383 190.35                                 | R1 383 190.35 | R1 298 438.62                          | R1 298 438.62  | X                                                                                  |   |   |
| MN 91/2022                              | Engineered<br>Thermal<br>Systems           | 21/ 11/ 2022                | Upgrade or<br>Modifications to<br>the KwaDukuza<br>Crematorium to<br>comply with the<br>conditions of<br>the Atmospheric<br>Emission License<br>issued for the<br>facility | R15 996 285.00                                                                             | New Contracts                                 | New Contracts | R15 996 285.00                         | R14 806 343.10 | X                                                                                  |   |   |
| MN 233/2022                             | Rambros<br>Funeral<br>Services             | 18/05/2023                  | Provision of<br>Indigent and<br>Pauper burial<br>services                                                                                                                  | N/A                                                                                        | New Contracts                                 | New Contracts | N/A                                    | N/A            | X                                                                                  |   |   |
| MN 144/2022                             | Zama Zama<br>Engineering<br>cc.            | 02/11/2022                  | Manufacture,<br>supply, and<br>delivery of 8 cubic<br>metres and 14<br>cubic metres Bulk                                                                                   | R500 000.00                                                                                | New Contracts                                 | New Contracts | R500 000.00                            | R484 000.00    |                                                                                    | X |   |
| MN 116/2022                             | Inakonke<br>Trading (Pty)<br>Ltd           | 04/11/2022                  | Establishment<br>of KDM buyback<br>centre at<br>Ntshawini cluster.                                                                                                         | R2 000 000.00                                                                              | New Contracts                                 | New Contracts | R2 000 000.00                          | R1 976 556.05  |                                                                                    | X |   |

# APPENDIX I: SERVICE PROVIDER PERFORMANCE ASSESSMENT SCHEDULE *...continued*

| BID<br>NUMBER                     | NAME OF<br>EXTERNAL<br>SERVICE<br>PROVIDER | DATE<br>CONTRACT<br>AWARDED                              | SERVICE<br>PROVIDED<br>IN TERMS OF<br>THE SLA                                                                      | VALUE OF<br>PROJECT              | COMPARISON WITH<br>PREVIOUS YEAR<br>2021/2022 |                                | CURRENT FINANCIAL<br>YEAR<br>2022/2023                                                                  |                                                                                                         | ASSESSMENT<br>OF SERVICE<br>PROVIDERS<br>PERFORMANCE<br>(PLEASE MARK<br>WITH AN X) |   |   |
|-----------------------------------|--------------------------------------------|----------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|----------------------------------|-----------------------------------------------|--------------------------------|---------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|---|---|
|                                   |                                            |                                                          |                                                                                                                    |                                  | TARGET                                        | ACTUAL                         | TARGET                                                                                                  | ACTUAL                                                                                                  | G                                                                                  | S | P |
| FINANCE BUSINESS UNIT             |                                            |                                                          |                                                                                                                    |                                  |                                               |                                |                                                                                                         |                                                                                                         |                                                                                    |   |   |
| MN 208/2015                       | Marsh (Pty) Ltd                            | 01 October 2016 – Contract extended in term of S 116 (3) | Insurance Services                                                                                                 | R7 249 118                       | N/A                                           | R5 409 218                     | N/A                                                                                                     | R7 249 118                                                                                              |                                                                                    | X |   |
| ECONOMIC DEVELOPMENT AND PLANNING |                                            |                                                          |                                                                                                                    |                                  |                                               |                                |                                                                                                         |                                                                                                         |                                                                                    |   |   |
| MN45/2020                         | Rapid Builders and Contractors cc          | 28 June 2021                                             | Construction of the new KwaDukuza Museum                                                                           | R26 482 514.66                   | R14 564 774.21 (incl Vat)                     | R14 564 774.21 (inclusive Vat) | R11 917 740.00 (inclusive VAT)                                                                          | R9 545 390.93 (inclusive Vat)                                                                           | X                                                                                  |   |   |
| MN19/2021                         | Iyer                                       | 10 November 2021                                         | KwaDukuza Ease of Doing Business Systems and Tools Project – digitalisation of development applications processes. | R15 246 712.65                   | R2 157 400.00 (inc VAT)                       | R2 157 400.00 (Incl VAT)       | R7 605 862.75 (Incl VAT)                                                                                | R7 605 862.75 (Incl VAT)                                                                                | X                                                                                  |   |   |
| CORPORATE SERVICES                |                                            |                                                          |                                                                                                                    |                                  |                                               |                                |                                                                                                         |                                                                                                         |                                                                                    |   |   |
| TAC011                            | Motswako                                   | 30/09/2019                                               | Supply, delivery, installation, commissioning and maintenance of office automation solutions                       | R1 200 000                       | N/A                                           | N/A                            | Continuous Supply, delivery, installation, commissioning and maintenance of office automation solutions | Continuous Supply, delivery, installation, commissioning and maintenance of office automation solutions | X                                                                                  |   |   |
| MN 34/2022                        | - REMAU OFFICE FURNITURE - CARS IN ACTION  | 19/05/2023                                               | - Supply, Delivery And Installation Of Office Furniture For A Period Of Three (3) Years                            | R500 000.00                      | N/A                                           | N/A                            | Supply, Delivery And Installation Of Office Furniture For A Period Of Three (3) Years                   | Supply, Delivery And Installation Of Office Furniture For A Period Of Three (3) Years                   | X                                                                                  |   |   |
| MN 140/2020                       | EoH Mthombo (PTY) Ltd                      | 1/7/2021                                                 | Network and Server Support                                                                                         | R2 372 095<br>R104 993.85/ month | N/A                                           | N/A                            | Network and Server Support Services for 36 months                                                       | Network and Server Support Services                                                                     | X                                                                                  |   |   |
| MN 132/2021                       | EoH Mthombo (PTY) Ltd                      | 1/1/2023                                                 | SD Wan                                                                                                             | R4 979 840.40                    | N/A                                           | N/A                            | SD Wan Implementation and Services for 36 Months                                                        | 90% completed, awaiting handover of 2 sites                                                             | X                                                                                  |   |   |
| MN46/2022                         | Smart HR Solutions                         | 24/02/2023                                               | Risk Assessments                                                                                                   | R324 659.00                      | N/A                                           | N/A                            | On-going vetting of new appointments                                                                    | On-going vetting of new staff appointments                                                              | X                                                                                  |   |   |



# APPENDIX I: SERVICE PROVIDER PERFORMANCE ASSESSMENT SCHEDULE *...continued*

| BID NUMBER                                       | NAME OF EXTERNAL SERVICE PROVIDER    | DATE CONTRACT AWARDED | SERVICE PROVIDED IN TERMS OF THE SLA                         | VALUE OF PROJECT | COMPARISON WITH PREVIOUS YEAR 2021/2022 |        | CURRENT FINANCIAL YEAR 2022/2023 |                               | ASSESSMENT OF SERVICE PROVIDERS PERFORMANCE (PLEASE MARK WITH AN X) |   |   |
|--------------------------------------------------|--------------------------------------|-----------------------|--------------------------------------------------------------|------------------|-----------------------------------------|--------|----------------------------------|-------------------------------|---------------------------------------------------------------------|---|---|
|                                                  |                                      |                       |                                                              |                  | TARGET                                  | ACTUAL | TARGET                           | ACTUAL                        | G                                                                   | S | P |
| CORPORATE SERVICES                               |                                      |                       |                                                              |                  |                                         |        |                                  |                               |                                                                     |   |   |
| MN130/2022                                       | Dr R.M. Pather                       | 24/02/2023            | Staff Medical Examination and Psychosocial assistance        | R996 723.00      | N/A                                     | N/A    | On-going in line with the SLA    | On-going in line with the SLA | X                                                                   |   |   |
|                                                  | Uphembele PTY LTD                    | 24/02/2023            | Staff Medical Examination and Psychosocial assistance        |                  | N/A                                     | N/A    | On-going in line with the SLA    | On-going in line with the SLA | X                                                                   |   |   |
| MN108/2021                                       | SARYX Engineering Group PTY LTD      | 17/04/2023            | Provision of training to Staff members                       | R3 558 632.00    | N/A                                     | N/A    | On-going in line with the SLA    | On-going in line with the SLA | X                                                                   |   |   |
|                                                  | Caylin Firearms and Training PTY LTD | 17/04/2023            | Provision of training to Staff members                       |                  | N/A                                     | N/A    | On-going in line with the SLA    | On-going in line with the SLA | X                                                                   |   |   |
|                                                  | Small Business Consulting Academy    | 17/04/2023            | Provision of training to Staff members                       |                  | N/A                                     | N/A    | On-going in line with the SLA    | On-going in line with the SLA | X                                                                   |   |   |
| CIVIL ENGINEERING & HUMAN SETTLEMENTS DEPARTMENT |                                      |                       |                                                              |                  |                                         |        |                                  |                               |                                                                     |   |   |
| MN89/2021                                        | AFRI SUCCESS PTY LTD                 | 22/08/2022            | WARD21: DRIEFONTEIN - WIP                                    | R1 000 000       | N/A                                     | N/A    | Completion                       | Completion                    | X                                                                   |   |   |
| MN132/2018                                       | EDGE TO EDGE                         | 22/08/2022            | WARD 28: REHABILITATION OF ROADS - WIP                       | R1 999 868       | N/A                                     | N/A    | Completion                       | Completion                    | X                                                                   |   |   |
| MN132/2018                                       | EDGE TO EDGE                         | 30/06/2022            | P553 Link to Ward 13 WIP                                     | R999 970         | N/A                                     | N/A    | Completion                       | Completion                    | X                                                                   |   |   |
| MN132/2018                                       | BENJIVERT                            | 30/06/2022            | Sheffield Beach Road in Ward 22 - WIP                        | R999 859         | N/A                                     | N/A    | Completion                       | Completion                    | X                                                                   |   |   |
| MN132/2018                                       | EDGE TO EDGE                         | 30/06/2022            | Gravel Road Upgrade to Blacktop in Ward 8 - WIP              | R3 659 130       | N/A                                     | N/A    | Completion                       | Completion                    | X                                                                   |   |   |
| MN56/2020                                        | SITHEBAKOGAWOZI TRADING ENTREPRISE   | 16/03/2023            | Groutville Surface Roads and Stormwater MIG in Ward 12 WIP   | R2 137 566       | N/A                                     | N/A    | Completion                       | Completion                    | X                                                                   |   |   |
| MN48/2022                                        | NJOMCO ENTERPRISE                    | 01/11/2022            | Groutville Market Sports field                               | R5 260 870       | N/A                                     | N/A    | Completion                       | Not completed                 | X                                                                   |   |   |
| MN47/2021                                        | ZONDIVILA TRADING                    | 19/09/2021            | Retaining of Wall Road Access and Storm Water in Ward 18 WIP | R881 223         | N/A                                     | N/A    | Completion                       | Completion                    | X                                                                   |   |   |

# APPENDIX I: SERVICE PROVIDER PERFORMANCE ASSESSMENT SCHEDULE *...continued*

| BID NUMBER                                       | NAME OF EXTERNAL SERVICE PROVIDER | DATE CONTRACT AWARDED | SERVICE PROVIDED IN TERMS OF THE SLA                  | VALUE OF PROJECT | COMPARISON WITH PREVIOUS YEAR 2021/2022 |        | CURRENT FINANCIAL YEAR 2022/2023 |               | ASSESSMENT OF SERVICE PROVIDERS PERFORMANCE (PLEASE MARK WITH AN X) |   |   |
|--------------------------------------------------|-----------------------------------|-----------------------|-------------------------------------------------------|------------------|-----------------------------------------|--------|----------------------------------|---------------|---------------------------------------------------------------------|---|---|
|                                                  |                                   |                       |                                                       |                  | TARGET                                  | ACTUAL | TARGET                           | ACTUAL        | G                                                                   | S | P |
| CIVIL ENGINEERING & HUMAN SETTLEMENTS DEPARTMENT |                                   |                       |                                                       |                  |                                         |        |                                  |               |                                                                     |   |   |
| MN132/2018                                       | BENJIVERT                         | 30/06/2022            | WARD 16 Moola Industrial                              | R 1 499 695      | N/A                                     | N/A    | Completion                       | Completion    | X                                                                   |   |   |
| MN132/2018                                       | BENJIVERT                         | 30/06/2022            | Ballito Office Parking                                | R 1 000 000      | N/A                                     | N/A    | Completion                       | Completion    | X                                                                   |   |   |
| MN132/2018                                       | BENJIVERT                         | 30/06/2022            | Ballito roads rehab ward 6                            | R 1 672 430      | N/A                                     | N/A    | Completion                       | Completion    | X                                                                   |   |   |
| SECTION 36                                       | UMZULU TRADING                    | 31/08/2021            | Commuter Shelters 170452118 (WIP)                     | R 336 181        | N/A                                     | N/A    | Completion                       | Completion    |                                                                     | X |   |
| MN132/2018                                       | EDGE TO EDGE                      | 30/06/2022            | Ward 17 Rehab of Road - WIP                           | R 2 499 872      | N/A                                     | N/A    | Completion                       | Completion    | X                                                                   |   |   |
| MN46/2021                                        | FLAXEN LAKE TRADING               | 06/10/2021            | Ward 27 Dendethu Access Road - WIP                    | R 800 661        | N/A                                     | N/A    | Completion                       | Completion    |                                                                     | X |   |
| MN132/2018                                       | BENJIVERT                         | 30/06/2022            | Ward 22 Rehab of Hugh Dent Basil Hullet Club Road WIP | R 1 998 436      | N/A                                     | N/A    | Completion                       | Completion    | X                                                                   |   |   |
| MN13/2022                                        | YENA UYABUSA TRADING PTY LTD      | 19/05/2023            | Ward 3 Nonoti Beach Road Access - WIP                 | R 7 500 000      | N/A                                     | N/A    | Establishment                    | Establishment |                                                                     | X |   |
| MN243/2019                                       | KHULEKWAYO GROUP                  | 21/10/2020            | Gledhow South Link WIP                                | R 317 492        | N/A                                     | N/A    | Completion                       | Completion    |                                                                     |   | X |
| MN132/2018                                       | TONGAAT ASPHALTS                  | 30/06/2022            | Rehabilitation of Sandra Road WIP                     | R 1 499 544      | N/A                                     | N/A    | Completion                       | Completion    | X                                                                   |   |   |
| MN132/2018                                       | VMT PROJECTS                      | 22/08/2022            | Diphini Road Rehabilitation WIP                       | R 3 028 851      | N/A                                     | N/A    | Completion                       | Completion    | X                                                                   |   |   |
| MN132/2018                                       | BENJIVERT                         | 29/08/2022            | Mjoza Road Rehabilitation WIP                         | R 4 000 000      | N/A                                     | N/A    | Completion                       | Completion    | X                                                                   |   |   |
| MN132/2018                                       | TONGAAT ASPHALTS                  | 30/06/2022            | Rehabilitation of Island Road WIP                     | R 2 260 870      | N/A                                     | N/A    | Completion                       | Completion    | X                                                                   |   |   |
| MN132/2018                                       | BENJIVERT                         | 29/08/2022            | Rehabilitation of Nkobongo main road WIP              | R 3 239 929      | N/A                                     | N/A    | Completion                       | Completion    | X                                                                   |   |   |
| MN132/2018                                       | BENJIVERT                         | 29/08/2022            | Rehabilitation of Mpunzane Road WIP                   | R 4 000 000      | N/A                                     | N/A    | Completion                       | Completion    | X                                                                   |   |   |
| MN132/2018                                       | BENJIVERT                         | 29/08/2022            | Rehabilitation of road at Fairway WIP                 | R 1 499 587      | N/A                                     | N/A    | Completion                       | Completion    | X                                                                   |   |   |
| MN132/2018                                       | EDGE TO EDGE                      | 29/08/2022            | Rehabilitation of Colwyn Drive WIP                    | R 3 000 000      | N/A                                     | N/A    | Completion                       | Completion    | X                                                                   |   |   |
| MN132/2018                                       | BENJIVERT                         | 29/08/2022            | Rehabilitation of Garland Road WIP                    | R 1 999 838      | N/A                                     | N/A    | Completion                       | Completion    | X                                                                   |   |   |
| MN132/2018                                       | BENJIVERT                         | 29/08/2022            | Rehabilitation of Msweli Main Road WIP                | R 1 999 937      | N/A                                     | N/A    | Completion                       | Completion    | X                                                                   |   |   |

# APPENDIX I: SERVICE PROVIDER PERFORMANCE ASSESSMENT SCHEDULE *...continued*

| BID NUMBER                                       | NAME OF EXTERNAL SERVICE PROVIDER | DATE CONTRACT AWARDED | SERVICE PROVIDED IN TERMS OF THE SLA                     | VALUE OF PROJECT | COMPARISON WITH PREVIOUS YEAR 2021/2022 |        | CURRENT FINANCIAL YEAR 2022/2023 |            | ASSESSMENT OF SERVICE PROVIDERS PERFORMANCE (PLEASE MARK WITH AN X) |   |   |
|--------------------------------------------------|-----------------------------------|-----------------------|----------------------------------------------------------|------------------|-----------------------------------------|--------|----------------------------------|------------|---------------------------------------------------------------------|---|---|
|                                                  |                                   |                       |                                                          |                  | TARGET                                  | ACTUAL | TARGET                           | ACTUAL     | G                                                                   | S | P |
| CIVIL ENGINEERING & HUMAN SETTLEMENTS DEPARTMENT |                                   |                       |                                                          |                  |                                         |        |                                  |            |                                                                     |   |   |
| MN132/2018                                       | EDGE TO EDGE                      | 29/08/2022            | Rehabilitation of roads at Vulingqondo WIP               | R 1 999 939      | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN132/2018                                       | EDGE TO EDGE                      | 29/08/2022            | Rehabilitation of roads at Hlalankosi WIP                | R 1 999 760      | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN132/2018                                       | EDGE TO EDGE                      | 29/08/2022            | Rehabilitation of road at Townsend Park WIP              | R 8 696          | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN132/2018                                       | EDGE TO EDGE                      | 29/08/2022            | Rehabilitation of road at Townsend Park WIP              | R 1 999 965      | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN132/2018                                       | EDGE TO EDGE                      | 29/08/2022            | Rehabilitation of Mpamgele Road WIP                      | R 2 000 000      | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN132/2018                                       | VMT PROJECTS                      | 22/08/2022            | Rehabilitation of Village main road WIP                  | R 2 332 292      | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN132/2018                                       | CLIVES TRANSPORT                  | 22/08/2022            | Rehabilitation of Ebrahim and Manor drive WIP            | R 1 634 489      | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN132/2018                                       | JAMJO CIVILS                      | 22/08/2022            | Rehabilitation of Murugan Road WIP                       | R 4 000 000      | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN132/2018                                       | JAMJO CIVILS                      | 22/08/2022            | Rehabilitation of Road in Ward 15 & 24 WIP               | R 621 051        | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN186/2021                                       | USIKO HOLDINGS                    | 02/03/2023            | Townsend Road/ Avondale Stormwater Upgrade WIP           | R 4 000 000      | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN132/2018                                       | TONGAAT ASPHALTS                  | 22/08/2022            | Rehabilitation of Business Hives (Off P339) KwaMama WIP  | R 739 130        | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN132/2018                                       | EDGE TO EDGE                      | 29/08/2022            | Rehabilitation of Jupiter tared road and storm water WIP | R 369 565        | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN132/2018                                       | TONGAAT ASPHALTS                  | 22/08/2022            | Rehab of P104 Glendale asphalt surfaced road WIP         | R 434 783        | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN133/2022                                       | SIHAWUSETHU TRADING PTY LTD       | 16/11/2022            | Yellow wood Industrial Bridge WIP                        | R 6 521 739      | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN136/2022                                       | BENJIVERT                         | 02/01/2023            | Replacement of Hulett Bridge WIP                         | R 26 086 957     | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |

# APPENDIX I: SERVICE PROVIDER PERFORMANCE ASSESSMENT SCHEDULE *...continued*

| BID NUMBER                                       | NAME OF EXTERNAL SERVICE PROVIDER | DATE CONTRACT AWARDED | SERVICE PROVIDED IN TERMS OF THE SLA                    | VALUE OF PROJECT | COMPARISON WITH PREVIOUS YEAR 2021/2022 |        | CURRENT FINANCIAL YEAR 2022/2023 |            | ASSESSMENT OF SERVICE PROVIDERS PERFORMANCE (PLEASE MARK WITH AN X) |   |   |
|--------------------------------------------------|-----------------------------------|-----------------------|---------------------------------------------------------|------------------|-----------------------------------------|--------|----------------------------------|------------|---------------------------------------------------------------------|---|---|
|                                                  |                                   |                       |                                                         |                  | TARGET                                  | ACTUAL | TARGET                           | ACTUAL     | G                                                                   | S | P |
| CIVIL ENGINEERING & HUMAN SETTLEMENTS DEPARTMENT |                                   |                       |                                                         |                  |                                         |        |                                  |            |                                                                     |   |   |
| MN56/2020                                        | ZIPVILLA HOLDINGS                 | 08/12/2022            | Etsheni wooden bridge WIP                               | R 391 304        | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN89/2021                                        | OWETHU LOMSEBENZI TRADING         | 13/04/2023            | Inkwazi Low Level crossing WIP                          | R 869 565        | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN137/2022                                       | NAP HOLDINGS                      | 23/02/2023            | Riverside Drive bridge to link Stanger manor bridge WIP | R 8 695 652      | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN131/2022                                       | INAKONKE TRADING PTY LTD          | 01/11/2022            | Upgrade Nkobongo Bridge WIP                             | R 3 043 478      | N/A                                     | N/A    | Completion                       | Completion |                                                                     | X |   |
| MN135/2022                                       | NJOMCO ENTERPRISE                 | 24/11/2022            | Upgrade Venus Drive culvert bridge WIP                  | R 3 130 435      | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN89/2021                                        | AFRI SUCCESS                      | 13/03/2023            | Upgrade Nyathikazi Bridge WIP                           | R 1 304 348      | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN139/2022                                       | UKHOZI DISTRIBUTORS               | 24/11/2022            | Upgrading Smithers bridge WIP                           | R 6 086 957      | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN56/2020                                        | USIKO HOLDING                     | 22/08/2022            | Diphini Stormwater Upgrade WIP                          | R 608 696        | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN56/2020                                        | ZIPVILLA HOLDINGS                 | 22/08/2022            | Shezi & Biyela Stormwater Upgrade WIP                   | R 556 522        | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN56/2020                                        | SIHAWUSETHU TRADING               | 22/08/2022            | R37 Mphithiza (Mlambo) Drain Upgrade WIP                | R 173 913        | N/A                                     | N/A    | Completion                       | Completion |                                                                     | X |   |
| MN56/2020                                        | HLOMUKA SUPPLIERS AND TRADING     | 22/08/2022            | Lethiwe Stormwater Upgrade WIP                          | R 739 130        | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN132/2018                                       | JAMJO CIVILS                      | 22/08/2022            | Flamboyant Rd Gledhow Upgrade WIP                       | R 15 652         | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN56/2020                                        | NJOMCO ENTERPRISE                 | 22/08/2022            | Lloyd road stormwater upgrade WIP                       | R 521 739        | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN134/2022                                       | NAP HOLDINGS                      | 16/11/2022            | Construction of new vehicle bridge Mfecane street WIP   | R 8 695 652      | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN89/2021                                        | OWETHU LOMSEBENZI TRADING         | 31/03/2023            | New pedestrian wooden bridge Mdlebeni WIP               | R 302 826        | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |

# APPENDIX I: SERVICE PROVIDER PERFORMANCE ASSESSMENT SCHEDULE *...continued*

| BID NUMBER                                       | NAME OF EXTERNAL SERVICE PROVIDER    | DATE CONTRACT AWARDED | SERVICE PROVIDED IN TERMS OF THE SLA                           | VALUE OF PROJECT | COMPARISON WITH PREVIOUS YEAR 2021/2022 |        | CURRENT FINANCIAL YEAR 2022/2023 |            | ASSESSMENT OF SERVICE PROVIDERS PERFORMANCE (PLEASE MARK WITH AN X) |   |   |
|--------------------------------------------------|--------------------------------------|-----------------------|----------------------------------------------------------------|------------------|-----------------------------------------|--------|----------------------------------|------------|---------------------------------------------------------------------|---|---|
|                                                  |                                      |                       |                                                                |                  | TARGET                                  | ACTUAL | TARGET                           | ACTUAL     | G                                                                   | S | P |
| CIVIL ENGINEERING & HUMAN SETTLEMENTS DEPARTMENT |                                      |                       |                                                                |                  |                                         |        |                                  |            |                                                                     |   |   |
| MN140/2022                                       | KHULANIMATHENJWA TRADING             | 16/11/2022            | Construction of a new bridge kwamfanomdala WIP                 | R 8 695 652      | N/A                                     | N/A    | Completion                       | Completion |                                                                     |   |   |
| MN56/2020                                        | OKWAKHE NKK PTY LTD                  | 22/08/2022            | Construction of new pedestrian bridge C1-Shisampama WIP        | R 479 783        | N/A                                     | N/A    | Completion                       | Completion |                                                                     | X |   |
| MN138/2022                                       | FLAXEN LAKE TRADING                  | 16/11/2022            | Install new bridge Sugra and Mbozamo WIP                       | R 6 956 522      | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN132/2018                                       | EDGE 2 EDGE                          | 22/08/2022            | Jabula Road Retaining walls WIP                                | R 347 826        | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN56/2020                                        | SITHEMBAKOGAWOZI TRADING ENTERPRISE  | 22/08/2022            | Stone City 2 Construction of retaining wall & SW line WIP      | R 1 304 348      | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN56/2020                                        | THOKOZAMABOVU TRADING                | 22/08/2022            | Manqofini new culvert WIP                                      | R 434 783        | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN132/2018                                       | ROADLOGIC                            | 13/03/2023            | Rehabilitation of Azalea Road WIP                              | R 1 000 000      | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN132/2018                                       | ROADLOGIC                            | 13/03/2023            | Rehabilitation of Primrose road WIP                            | R 2 000 000      | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN89/2021                                        | OWETHU LOSEMBEZI                     | 13/03/2023            | Ward 1 Regravelling of Road WIP                                | R 434 784        | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN89/2021                                        | GABHISE                              | 13/03/2023            | Ward 2 Regravelling of Road WIP                                | R 500 000        | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN89/2021                                        | SAKHONAVILAKAZI CONSTRUCTION         | 13/03/2023            | Ward 5 Regravelling of Road WIP                                | R 1 000 000      | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN89/2021                                        | BOBUSA PRIMARY CO-OPERATIVES LIMITED | 13/03/2023            | Ward 7 Regravelling of Road WIP                                | R 800 000        | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN89/2021                                        | ZAMA ZAMA ENGINEERING MANUFACTURERS  | 13/03/2023            | Ward 9 Regravelling of Road WIP                                | R 1 000 000      | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN89/2021                                        | KHULEKWAYO GROUP                     | 13/03/2023            | Ward 10 Regravelling of Road WIP                               | R 1 000 000      | N/A                                     | N/A    | Completion                       | Completion |                                                                     | X |   |
| MN89/2021                                        | AFRI SUCCESS                         | 13/03/2023            | Ward 21 Regravelling of Road WIP                               | R 1 000 000      | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN56/2020                                        | SANEH                                | 13/03/2023            | Townsend Road/ Avondale Stormwater Upgrade WIP                 | R 2 000 000      | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN56/2020                                        | SANEH                                | 01/07/2023            | G46247 St. & Street Improvement in Etete in Ward7 (Stone City) | R 122 550        | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |



# APPENDIX I: SERVICE PROVIDER PERFORMANCE ASSESSMENT SCHEDULE *...continued*

| BID NUMBER                                       | NAME OF EXTERNAL SERVICE PROVIDER | DATE CONTRACT AWARDED | SERVICE PROVIDED IN TERMS OF THE SLA                             | VALUE OF PROJECT | COMPARISON WITH PREVIOUS YEAR 2021/2022 |        | CURRENT FINANCIAL YEAR 2022/2023 |            | ASSESSMENT OF SERVICE PROVIDERS PERFORMANCE (PLEASE MARK WITH AN X) |   |   |
|--------------------------------------------------|-----------------------------------|-----------------------|------------------------------------------------------------------|------------------|-----------------------------------------|--------|----------------------------------|------------|---------------------------------------------------------------------|---|---|
|                                                  |                                   |                       |                                                                  |                  | TARGET                                  | ACTUAL | TARGET                           | ACTUAL     | G                                                                   | S | P |
| CIVIL ENGINEERING & HUMAN SETTLEMENTS DEPARTMENT |                                   |                       |                                                                  |                  |                                         |        |                                  |            |                                                                     |   |   |
| MN56/2020                                        | HLOMUKA                           | 01/07/2023            | G46247 St. & Street Improvement in Etete in Ward7 (Kwabonambi)   | R 63 721         | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN56/2020                                        | HLOMUKA                           | 01/07/2023            | G46247 St. & Street Improvement in Etete in Ward7 (Kwabonambi)   | R 55 554         | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | ROAD LOGIC                        | 01/07/2023            | G46247 Road Rehab & St. improvement in Nkobongo in Ward 8 S      | R 2 842 842      | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | ROAD LOGIC                        | 01/07/2023            | G46247 Road Rehab & St. improvement in Nkobongo in Ward 8 S      | R 847 030        | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN56/2020                                        | HLOMUKA                           | 01/07/2023            | G46247 St. improvement in 2-4 Nkobongo in Ward 8 (WIP)           | R 61 334         | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | UKHOZI DISTRIBUTORS               | 01/07/2023            | G46247 Const. in Congo Msweli in Ward 24 (062) (WIP)             | R 206 579        | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | GWSB                              | 19/04/2023            | G46247 Road Rehab. of Mamush road in Glenhills in Ward 13 (WIP)  | R 2 029 686      | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | GWSB                              | 19/04/2023            | G46247 Road Rehab. of Last driveway road in Glenhills in Ward 13 | R 1 888 505      | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | CLIVE                             | 19/04/2023            | G46247 Road Rehab. of Shembe road Glenhills in Ward 13 (WIP)     | R 2 318 922      | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | CLIVE                             | 19/04/2023            | G46247 Road Rehab. of Mercury drive in Glenhills in Ward 13      | R 8 323 669      | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | AMAGAMBUSHE                       | 19/04/2023            | G46247 Road Rehab. of Venus in Ward 13 (WIP)                     | R 4 844 077      | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN56/2020                                        | HAVILAH COMMERCIAL PROJECTS       | 01/07/2023            | G46247 St. Upgrade in Lloyd School Back gate in Ward 14(008)     | R 53 376         | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |

# APPENDIX I: SERVICE PROVIDER PERFORMANCE ASSESSMENT SCHEDULE *...continued*

| BID NUMBER                                       | NAME OF EXTERNAL SERVICE PROVIDER | DATE CONTRACT AWARDED | SERVICE PROVIDED IN TERMS OF THE SLA                    | VALUE OF PROJECT | COMPARISON WITH PREVIOUS YEAR 2021/2022 |        | CURRENT FINANCIAL YEAR 2022/2023 |            | ASSESSMENT OF SERVICE PROVIDERS PERFORMANCE (PLEASE MARK WITH AN X) |   |   |
|--------------------------------------------------|-----------------------------------|-----------------------|---------------------------------------------------------|------------------|-----------------------------------------|--------|----------------------------------|------------|---------------------------------------------------------------------|---|---|
|                                                  |                                   |                       |                                                         |                  | TARGET                                  | ACTUAL | TARGET                           | ACTUAL     | G                                                                   | S | P |
| CIVIL ENGINEERING & HUMAN SETTLEMENTS DEPARTMENT |                                   |                       |                                                         |                  |                                         |        |                                  |            |                                                                     |   |   |
| MN07/2022                                        | EGXENI                            | 19/04/2023            | G46247 Rehab. Of Dumakhude Road in Ward 14(026) (WIP)   | R 1 567 510      | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | TONGAAT                           | 19/04/2023            | G46247 Rehab. & Const. of St. Infrastructure in Lot 867 | R1 070 080       | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | HERSHAN M                         | 19/04/2023            | G46247 Road Rehab. of Lindelani in Ward 5 D1 (WIP)      | R 742 474        | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | HERSHAN M                         | 19/04/2023            | G46247 Road Rehab. of Lindelani in Ward 5 D2 (WIP)      | R 346 490        | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | HERSHAN M                         | 19/04/2023            | G46247 Road Rehab. of Lindelani in Ward 5 D3 (WIP)      | R 862 328        | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | HERSHAN M                         | 19/04/2023            | G46247 Road Rehab. of Lindelani in Ward 5 D10 (WIP)     | R 175 145        | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | HERSHAN M                         | 19/04/2023            | G46247 Road Rehab. of Lindelani in Ward 5 D13 (WIP)     | R 230 819        | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | HERSHAN M                         | 19/04/2023            | G46247 Road Rehab. of Lindelani in Ward 5 D18 (WIP)     | R 167 069        | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | HERSHAN M                         | 19/04/2023            | G46247 Road Rehab. of Lindelani in Ward 5 D19 (WIP)     | R 288 385        | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | HERSHAN M                         | 19/04/2023            | G46247 Road Rehab. of Lindelani in Ward 5 D20 (WIP)     | R 820 523        | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | HERSHAN M                         | 19/04/2023            | G46247 Road Rehab. of Lindelani in Ward 5 D21 (WIP)     | R 221 212        | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | HERSHAN M                         | 19/04/2023            | G46247 Road Rehab. of Lindelani in Ward 5 ROAD 33 (WIP) | R 99 915         | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |

# APPENDIX I: SERVICE PROVIDER PERFORMANCE ASSESSMENT SCHEDULE *...continued*

| BID NUMBER                                       | NAME OF EXTERNAL SERVICE PROVIDER | DATE CONTRACT AWARDED | SERVICE PROVIDED IN TERMS OF THE SLA                           | VALUE OF PROJECT | COMPARISON WITH PREVIOUS YEAR 2021/2022 |        | CURRENT FINANCIAL YEAR 2022/2023 |            | ASSESSMENT OF SERVICE PROVIDERS PERFORMANCE (PLEASE MARK WITH AN X) |   |   |
|--------------------------------------------------|-----------------------------------|-----------------------|----------------------------------------------------------------|------------------|-----------------------------------------|--------|----------------------------------|------------|---------------------------------------------------------------------|---|---|
|                                                  |                                   |                       |                                                                |                  | TARGET                                  | ACTUAL | TARGET                           | ACTUAL     | G                                                                   | S | P |
| CIVIL ENGINEERING & HUMAN SETTLEMENTS DEPARTMENT |                                   |                       |                                                                |                  |                                         |        |                                  |            |                                                                     |   |   |
| MN07/2022                                        | HERSHAN M                         | 19/04/2023            | G46247 Road Rehab. of Lindelani in Ward 5 ROAD 34 (WIP)        | R 89 166         | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | GNS CIVILS CC                     | 19/04/2023            | G46247 New Road Const. in Lindelani Ward 5 ROAD 45 (WIP)       | R 16 072         | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | GNS CIVILS CC                     | 19/04/2023            | G46247 New Road Const. in Lindelani Ward 5 ROAD 46 (WIP)       | R 16 442         | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | GNS CIVILS CC                     | 19/04/2023            | G46247 New Road Const. in Lindelani Ward 5 ROAD 47&48 (WIP)    | R 67 858         | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | GNS CIVILS CC                     | 19/04/2023            | G46247 New Road Const. in Lindelani Ward 5 ROAD 51 (WIP)       | R 30 091         | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | GNS CIVILS CC                     | 19/04/2023            | G46247 New Road Const. in Lindelani Ward 5 ROAD52 (WIP)        | R 35 248         | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | GNS CIVILS CC                     | 19/04/2023            | G46247 New Road Const. in Lindelani Ward 5 ROAD53(WIP)         | R 25 601         | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | GNS CIVILS CC                     | 19/04/2023            | G46247 New Road Const. in Lindelani Ward 5 ROAD54 (WIP)        | R 7 587          | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | GNS CIVILS CC                     | 19/04/2023            | G46247 New Road Const. in Lindelani Ward 5 ROAD56 (WIP)        | R 20 585         | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | GNS CIVILS CC                     | 19/04/2023            | G46247 New Road Const. in Lindelani Ward 5 ROAD84 (WIP)        | R 87 312         | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | GNS CIVILS CC                     | 19/04/2023            | G46247 New Road Const. in Lindelani Ward 5 Riverside Dr. (WIP) | R 103 475        | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN56/2020                                        | ROAD LOGIC                        | 01/07/2023            | G46247 St. & Street Improvement in Etete in Ward7 (Dark City   | R90 425          | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |

# APPENDIX I: SERVICE PROVIDER PERFORMANCE ASSESSMENT SCHEDULE *...continued*

| BID NUMBER                                       | NAME OF EXTERNAL SERVICE PROVIDER | DATE CONTRACT AWARDED | SERVICE PROVIDED IN TERMS OF THE SLA                           | VALUE OF PROJECT | COMPARISON WITH PREVIOUS YEAR 2021/2022 |        | CURRENT FINANCIAL YEAR 2022/2023 |            | ASSESSMENT OF SERVICE PROVIDERS PERFORMANCE (PLEASE MARK WITH AN X) |   |   |
|--------------------------------------------------|-----------------------------------|-----------------------|----------------------------------------------------------------|------------------|-----------------------------------------|--------|----------------------------------|------------|---------------------------------------------------------------------|---|---|
|                                                  |                                   |                       |                                                                |                  | TARGET                                  | ACTUAL | TARGET                           | ACTUAL     | G                                                                   | S | P |
| CIVIL ENGINEERING & HUMAN SETTLEMENTS DEPARTMENT |                                   |                       |                                                                |                  |                                         |        |                                  |            |                                                                     |   |   |
| MN56/2020                                        | NORTH COAST                       | 01/07/2023            | G46247 St. & Street Improvement in Etete in Ward7 (Isle& Sec   | R 109 109        | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN56/2020                                        | NORTH COAST                       | 01/07/2023            | G46247 St. & Street Improvement in Etete in Ward7 (Isle& Sec   | R 26 687         | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN56/2020                                        | NORTH COAST                       | 01/07/2023            | G46247 St. & Street Improvement in Etete in Ward7 (Isle& Sec   | R 104 597        | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN56/2020                                        | SANEH                             | 01/07/2023            | G46247 St. & Street Improvement in Etete in Ward7 (Stone City) | R 128 699        | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | UKHOZI DISTRIBUTORS               | 01/07/2023            | G46247 Const. in Ebhuba in Ward 26 (049) (WIP)                 | R 144 982        | N/A                                     | N/A    | Completion                       | Completion |                                                                     | X |   |
| MN07/2022                                        | SM HOLDINGS                       | 01/07/2023            | G46247 Upgrade of St. Ward 14 (028) (WIP)                      | R 170 365        | N/A                                     | N/A    | Completion                       | Completion |                                                                     | X |   |
| MN07/2022                                        | SM HOLDINGS                       | 01/07/2023            | G46247 St. Upgrade next to house 4387 in Ward 14 (032) (WIP)   | R 130 073        | N/A                                     | N/A    | Completion                       | Completion |                                                                     | X |   |
| MN56/2020                                        | HAVILAH COMMERCIAL PROJECTS       | 01/07/2023            | G46247 St. Upgrade next to house 4579 in Ward 14 (065) (WIP)   | R 16 748         | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | SIBAYA                            | 01/07/2023            | G46247 St. Upgrade in Lloyd road in Ward 14 (066) (WIP)        | R 250 323        | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | SIBAYA                            | 01/07/2023            | G46247 St. Upgrade in Sawoti area in Ward 14 (068) (WIP)       | R 122 191        | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN56/2020                                        | HAVILAH COMMERCIAL PROJECTS       | 01/07/2023            | G46247 Const. & upgrade in Sagittarius street in Ward 26 (05   | R 14 232         | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | SM HOLDINGS                       | 01/07/2023            | G46247 Rehab. of Road in Mlambo main road (Mphithiza) in Ward  | R 2 736 533      | N/A                                     | N/A    | Completion                       | Completion |                                                                     | X |   |

# APPENDIX I: SERVICE PROVIDER PERFORMANCE ASSESSMENT SCHEDULE *...continued*

| BID NUMBER                                       | NAME OF EXTERNAL SERVICE PROVIDER | DATE CONTRACT AWARDED | SERVICE PROVIDED IN TERMS OF THE SLA                         | VALUE OF PROJECT | COMPARISON WITH PREVIOUS YEAR 2021/2022 |        | CURRENT FINANCIAL YEAR 2022/2023 |            | ASSESSMENT OF SERVICE PROVIDERS PERFORMANCE (PLEASE MARK WITH AN X) |   |   |
|--------------------------------------------------|-----------------------------------|-----------------------|--------------------------------------------------------------|------------------|-----------------------------------------|--------|----------------------------------|------------|---------------------------------------------------------------------|---|---|
|                                                  |                                   |                       |                                                              |                  | TARGET                                  | ACTUAL | TARGET                           | ACTUAL     | G                                                                   | S | P |
| CIVIL ENGINEERING & HUMAN SETTLEMENTS DEPARTMENT |                                   |                       |                                                              |                  |                                         |        |                                  |            |                                                                     |   |   |
| MN56/2020                                        | NANG U MZAMO                      | 01/07/2023            | G46247 Road & Stormwater Upgrade in Diphini Road in Ward 10  | R 107 805        | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN56/2020                                        | OWETHI LOMSEMBENZI                | 01/07/2023            | G46247 Retaining Wall at Manqofini Road in Ward 11           | R 241 122        | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | ZAMA ZAMA ENGINEERING             | 01/07/2023            | G46247 St. Upgrade in Gledhow in Ward 15 (038) (WIP)         | R 178 749        | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | SM HOLDINGS                       | 01/07/2023            | G46247 St. Upgrade in Sun city shop (Melville Rd) in Ward 15 | R 125 248        | N/A                                     | N/A    | Completion                       | Completion |                                                                     | X |   |
| MN56/2020                                        | HAVILAH COMMERCIAL PROJECTS       | 01/07/2023            | G46247 Const. in Manyaseni road in Ward 15 (076) (WIP)       | R 23 666         | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN89/2021                                        | KB LEVEL CONSTRUCTION             | 19/04/2023            | G46247 Ward 1 Nkwezani Gravel Road (WIP)                     | R 1 452 715      | N/A                                     | N/A    | Completion                       | Completion |                                                                     | X |   |
|                                                  |                                   |                       | G46247 KwaShoti Asphalt Road Ward 1 (WIP)                    | R 4 516 088      | N/A                                     | N/A    | Completion                       | Completion |                                                                     |   |   |
| MN07/2022                                        | ZAMA ZAMA ENGINEERING             | 01/07/2023            | G46247 Upgrade & Const. in Mbekaphezulu in Ward 15 (081)     | R 174 104        | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | GRACE AND GOODNESS                | 19/04/2023            | G46247 Rehab. of Warren Height in Ward 30 (WIP)              | R 699 980        | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | GRACE AND DOODNESS                | 19/04/2023            | G46247 Rehab. of Ellis Place in Ward 30 (WIP)                | R 1 727 334      | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | UKHOZI DISTRIBUTORS               | 01/07/2023            | G46247 Extension of Nokhenke to link Lindelani in Lindelani  | R 97 130         | N/A                                     | N/A    | Completion                       | Completion |                                                                     | X |   |
| MN07/2022                                        | UKHOZI DISTRIBUTORS               | 01/07/2023            | G46247 D Section / Mbozamo in Shakaville culvert crossing    | R 84 377         | N/A                                     | N/A    | Completion                       | Completion |                                                                     | X |   |
| MN07/2022                                        | UMZULU                            | 19/04/2023            | G46247 Road rehab of Rockwell Road in Ward 19 (WIP)          | R 2 062 967      | N/A                                     | N/A    | Completion                       | Completion |                                                                     | X |   |



# APPENDIX I: SERVICE PROVIDER PERFORMANCE ASSESSMENT SCHEDULE *...continued*

| BID NUMBER                                       | NAME OF EXTERNAL SERVICE PROVIDER | DATE CONTRACT AWARDED | SERVICE PROVIDED IN TERMS OF THE SLA                            | VALUE OF PROJECT | COMPARISON WITH PREVIOUS YEAR 2021/2022 |        | CURRENT FINANCIAL YEAR 2022/2023 |            | ASSESSMENT OF SERVICE PROVIDERS PERFORMANCE (PLEASE MARK WITH AN X) |   |   |
|--------------------------------------------------|-----------------------------------|-----------------------|-----------------------------------------------------------------|------------------|-----------------------------------------|--------|----------------------------------|------------|---------------------------------------------------------------------|---|---|
|                                                  |                                   |                       |                                                                 |                  | TARGET                                  | ACTUAL | TARGET                           | ACTUAL     | G                                                                   | S | P |
| CIVIL ENGINEERING & HUMAN SETTLEMENTS DEPARTMENT |                                   |                       |                                                                 |                  |                                         |        |                                  |            |                                                                     |   |   |
| MN07/2022                                        | UMZULU                            | 19/04/2023            | G46247 Road Rehab. Byrne road Stanger Central in Ward 19        | R 2 437 029      | N/A                                     | N/A    | Completion                       | Completion |                                                                     | X |   |
| MN07/2022                                        | UMZULU                            | 19/04/2023            | G46247 Rehab. of Van Der Wagen road in Ward 19 (WIP)            | R 1 183 742      | N/A                                     | N/A    | Completion                       | Completion |                                                                     | X |   |
| MN07/2022                                        | UMZULU                            | 19/04/2023            | G46247 Road Rehab. of Theunissen road in Ward 19 (WIP)          | R 2 373 031      | N/A                                     | N/A    | Completion                       | Completion |                                                                     | X |   |
| MN07/2022                                        | UMZULU                            | 19/04/2023            | G46247 Road rehab of Gizenga road in Ward 19 (WIP)              | R 2 255 897      | N/A                                     | N/A    | Completion                       | Completion |                                                                     | X |   |
| MN07/2022                                        | AMAGAMBUSHE                       | 01/07/2023            | G46247 Repair road & St. upgrade in Khalafukwe in Ward 20 (WIP) | R 383 578        | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | SKHOTHEMLO                        | 01/07/2023            | G46247 Repair & improve the St. Knock out in Etete in Ward 20   | R 157 036        | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN89/2021                                        | NHLANGOTHI TRUCKING               | 19/04/2023            | G46247 Regravel in Kwamfanomdala/ Shavins/ Phola in Ward 20     | R 900 334        | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN89/2021                                        | KHULEKWAYO GROUP                  | 19/04/2023            | G46247 Regravel in Kwamfanomdala/ Shavins/ Phola in Ward 20     | R 945 080        | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | SKHOTHEMLO                        | 01/07/2023            | G46247 St. upgrade in Knock out in Etete in Ward 20 (Section)   | R 146 076        | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN56/2020                                        | MLOMBOMVU                         | 01/07/2023            | G46247 Stormwater drainage gabion structures in Etete Phase     | R 48 310         | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN89/2021                                        | NANGU ANELE                       | 19/04/2023            | G46247 Regravelling in Khalafukwe in Ward 20 (WIP)              | R 692 129        | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | SHAKTI PLANT                      | 01/07/2023            | G46247 Upgrade of St. in Ward 4 S4 (WIP)                        | R 91 304         | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |

# APPENDIX I: SERVICE PROVIDER PERFORMANCE ASSESSMENT SCHEDULE *...continued*

| BID NUMBER                                       | NAME OF EXTERNAL SERVICE PROVIDER | DATE CONTRACT AWARDED | SERVICE PROVIDED IN TERMS OF THE SLA                         | VALUE OF PROJECT | COMPARISON WITH PREVIOUS YEAR 2021/2022 |        | CURRENT FINANCIAL YEAR 2022/2023 |            | ASSESSMENT OF SERVICE PROVIDERS PERFORMANCE (PLEASE MARK WITH AN X) |   |   |
|--------------------------------------------------|-----------------------------------|-----------------------|--------------------------------------------------------------|------------------|-----------------------------------------|--------|----------------------------------|------------|---------------------------------------------------------------------|---|---|
|                                                  |                                   |                       |                                                              |                  | TARGET                                  | ACTUAL | TARGET                           | ACTUAL     | G                                                                   | S | P |
| CIVIL ENGINEERING & HUMAN SETTLEMENTS DEPARTMENT |                                   |                       |                                                              |                  |                                         |        |                                  |            |                                                                     |   |   |
| MN07/2022                                        | SHAKTI PLANT                      | 01/07/2023            | G46247 Rd. & St. Upgrade in School Road Ward 4 (WIP)         | R 91 446         | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | SHAKTI PLANT                      | 01/07/2023            | G46247 Const. of Gabion Ret. Wall & St. Upgrade in Ward 4    | R 17 925         | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | SHAKTI PLANT                      | 01/07/2023            | G46247 Upgrade of St. in Shakashead in Ward 4 (WIP)          | R 22 796         | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | TONGAAT                           | 19/04/2023            | G46247 Road Rehab. of Ward 4 S3 (WIP)                        | R 869 565        | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | SKHOTHEMLO                        | 01/07/2023            | G46247 St. infrastructure & install gabion retaining wall    | R 52 510         | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN56/2020                                        | MLOMBOMVU                         | 01/07/2023            | G46247 St. infrastructure & gabion retaining wall in eyinkon | R 110 751        | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN56/2020                                        | MLOMBOMVU                         | 01/07/2023            | G46247 St. infrastructure & gabion retaining wall in Snenhla | R 48 912         | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN56/2020                                        | TEZ                               | 01/07/2023            | G46247 Road & Stormwater Upgrade in Mthombeni Area in Ward 2 | R 47 716         | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN56/2020                                        | SITHEMBAKOGAWOZI                  | 01/07/2023            | G46247 Road & Stormwater Upgrade in Ward 21 S1 (WIP)         | R 500 151        | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN56/2020                                        | SITHEMBAKOGAWOZI                  | 01/07/2023            | G46247 Upgrade of St. infrastructure in Maguyane Area        | R 42 908         | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN56/2020                                        | SITHEMBAKOGAWOZI                  | 01/07/2023            | G46247 Road & Stormwater Upgrade in Etsheni Main Road        | R 148 351        | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN56/2020                                        | SHAKTI PLANT                      | 01/07/2023            | G46247 Road & Stormwater Upgrade in Ward 21 S2(WIP)          | R 167 443        | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |

# APPENDIX I: SERVICE PROVIDER PERFORMANCE ASSESSMENT SCHEDULE *...continued*

| BID NUMBER                                       | NAME OF EXTERNAL SERVICE PROVIDER | DATE CONTRACT AWARDED | SERVICE PROVIDED IN TERMS OF THE SLA                         | VALUE OF PROJECT | COMPARISON WITH PREVIOUS YEAR 2021/2022 |        | CURRENT FINANCIAL YEAR 2022/2023 |            | ASSESSMENT OF SERVICE PROVIDERS PERFORMANCE (PLEASE MARK WITH AN X) |   |   |
|--------------------------------------------------|-----------------------------------|-----------------------|--------------------------------------------------------------|------------------|-----------------------------------------|--------|----------------------------------|------------|---------------------------------------------------------------------|---|---|
|                                                  |                                   |                       |                                                              |                  | TARGET                                  | ACTUAL | TARGET                           | ACTUAL     | G                                                                   | S | P |
| CIVIL ENGINEERING & HUMAN SETTLEMENTS DEPARTMENT |                                   |                       |                                                              |                  |                                         |        |                                  |            |                                                                     |   |   |
| MN56/2020                                        | TEZ                               | 01/07/2023            | G46247 Road & Stormwater Upgrade with sidewalk in Ward 21 S3 | R 77 981         | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN56/2020                                        | NJOMCO                            | 01/07/2023            | G46247 Road & Stormwater of Access Road (Khuzwayo) in Ward 2 | R 333 942        | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN56/2020                                        | ZIPVILLA                          | 01/07/2023            | G46247 Road & Stormwater Upgrade near Tennis Court in Ward 2 | R 316 713        | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN56/2020                                        | ZIPVILLA                          | 01/07/2023            | G46247 Road and stormwater Upgrade Estheni Ward 21           | R 13 830         | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN56/2020                                        | ZIPVILLA                          | 01/07/2023            | G46247 Road & footpath Rehab. St. infrastructure             | R 35 573         | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | EDGE TO EDGE                      | 01/07/2023            | G46247 Road repair in Summit in Ward 22 (WIP)                | R 38 855         | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | EDGE TO EDGE                      | 01/07/2023            | G46247 St. upgrade in Ward 22 (WIP)                          | R 1 179          | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | SHAKTI PLANT                      | 01/07/2023            | G46247 Upgrade of St. in Ward 4 S 1 (WIP)                    | R 25 015         | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | SHAKTI PLANT                      | 01/07/2023            | G46247 Upgrade of St. in Ward 4 S2 (WIP)                     | R 91 304         | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | SHAKTI PLANT                      | 01/07/2023            | G46247 Upgrade of St. in Ward 4 S3 (WIP)                     | R 80 545         | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN89/2021                                        | OWETHU LOMSEBENZI                 | 19/04/2023            | G46247 Ward 1 Inkwazi Gravel Road (WIP)                      | R 1 507 657      | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN89/2021                                        | BLUE EYES PROTECTION SERVICES     | 19/04/2023            | G46247 Ward 1 Ndalazini Gravel Road S1 (WIP)                 | R 1 297 404      | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN89/2021                                        | AFRI SUCCESS                      | 19/04/2023            | G46247 Ward 1 Ndalazini Gravel Road S2 (WIP)                 | R 1 446 433      | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |

# APPENDIX I: SERVICE PROVIDER PERFORMANCE ASSESSMENT SCHEDULE *...continued*

| BID NUMBER                                       | NAME OF EXTERNAL SERVICE PROVIDER | DATE CONTRACT AWARDED | SERVICE PROVIDED IN TERMS OF THE SLA                    | VALUE OF PROJECT | COMPARISON WITH PREVIOUS YEAR 2021/2022 |        | CURRENT FINANCIAL YEAR 2022/2023 |            | ASSESSMENT OF SERVICE PROVIDERS PERFORMANCE (PLEASE MARK WITH AN X) |   |   |
|--------------------------------------------------|-----------------------------------|-----------------------|---------------------------------------------------------|------------------|-----------------------------------------|--------|----------------------------------|------------|---------------------------------------------------------------------|---|---|
|                                                  |                                   |                       |                                                         |                  | TARGET                                  | ACTUAL | TARGET                           | ACTUAL     | G                                                                   | S | P |
| CIVIL ENGINEERING & HUMAN SETTLEMENTS DEPARTMENT |                                   |                       |                                                         |                  |                                         |        |                                  |            |                                                                     |   |   |
| MN89/2021                                        | TODAYS HOPE                       | 19/04/2023            | G46247 Ward 1 Ndalazini Gravel Road S3 (WIP)            | R 1 216 105      | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN89/2021                                        | HEAVY FURTHER                     | 19/04/2023            | G46247 Ward 1 Ndalazini Gravel Road S4 (WIP)            | R 2 178 800      | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | HERSHAN M                         | 19/04/2023            | G46247 Road Rehab. of Lindelani in Ward 5 D21A (WIP)    | R 76 389         | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | HERSHAN M                         | 19/04/2023            | G46247 Road Rehab. of Lindelani in Ward 5 D23 (WIP)     | R 81 857         | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | HERSHAN M                         | 19/04/2023            | G46247 Road Rehab. of Lindelani in Ward 5 D24 (WIP)     | R 62 557         | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | HERSHAN M                         | 19/04/2023            | G46247 Road Rehab. of Lindelani in Ward 5 D25 (WIP)     | R 112 270        | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | HERSHAN M                         | 19/04/2023            | G46247 Road Rehab. of Lindelani in Ward 5 D26 (WIP)     | R 110 872        | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | HERSHAN M                         | 19/04/2023            | G46247 Road Rehab. of Lindelani in Ward 5 ROAD 7A (WIP) | R 70 743         | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | HERSHAN M                         | 19/04/2023            | G46247 Road Rehab. of Lindelani in Ward 5 ROAD 9 (WIP)  | R 202 645        | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | HERSHAN M                         | 19/04/2023            | G46247 Road Rehab. of Lindelani in Ward 5 ROAD 13 (WIP) | R 99 571         | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | HERSHAN M                         | 19/04/2023            | G46247 Road Rehab. of Lindelani in Ward 5 ROAD 20 (WIP) | R 42 392         | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | HERSHAN M                         | 19/04/2023            | G46247 Road Rehab. of Lindelani in Ward 5 ROAD 22 (WIP) | R 230 181        | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |

# APPENDIX I: SERVICE PROVIDER PERFORMANCE ASSESSMENT SCHEDULE *...continued*

| BID NUMBER                                       | NAME OF EXTERNAL SERVICE PROVIDER | DATE CONTRACT AWARDED | SERVICE PROVIDED IN TERMS OF THE SLA                           | VALUE OF PROJECT | COMPARISON WITH PREVIOUS YEAR 2021/2022 |        | CURRENT FINANCIAL YEAR 2022/2023 |            | ASSESSMENT OF SERVICE PROVIDERS PERFORMANCE (PLEASE MARK WITH AN X) |   |   |
|--------------------------------------------------|-----------------------------------|-----------------------|----------------------------------------------------------------|------------------|-----------------------------------------|--------|----------------------------------|------------|---------------------------------------------------------------------|---|---|
|                                                  |                                   |                       |                                                                |                  | TARGET                                  | ACTUAL | TARGET                           | ACTUAL     | G                                                                   | S | P |
| CIVIL ENGINEERING & HUMAN SETTLEMENTS DEPARTMENT |                                   |                       |                                                                |                  |                                         |        |                                  |            |                                                                     |   |   |
| MN07/2022                                        | HERSHAN M                         | 19/04/2023            | G46247 Road Rehab. of Lindelani in Ward 5 ROAD 24 (WIP)        | R 637 261        | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | HERSHAN M                         | 19/04/2023            | G46247 Road Rehab. of Lindelani in Ward 5 ROAD30 (WIP)         | R 132 601        | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | HERSHAN M                         | 19/04/2023            | G46247 Road Rehab. of Lindelani in Ward 5 ROAD 31 (WIP)        | R 175 625        | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | HERSHAN M                         | 19/04/2023            | G46247 Road Rehab. of Lindelani in Ward 5 ROAD 32 (WIP)        | R 247 628        | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | TONGAAT                           | 19/04/2023            | G46247 Road Rehab. of Lorna Avenue in Ward 6 (WIP)             | R 211 146        | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN56/2020                                        | USIKO HOLDINGS                    | 19/04/2023            | G46247 Const. of Retaining Wall in Ward 6 (WIP)                | R 24 199         | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN56/2020                                        | USIKO HOLDINGS                    | 19/04/2023            | G46247 St. System Upgrade in Dolphin Cres. in Ward 6 (WIP)     | R 2 269          | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN56/2020                                        | USIKO HOLDINGS                    | 19/04/2023            | G46247 Upgrade of St. infrastructure in Ocean Drive (Aruba)    | R 102 613        | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN56/2020                                        | USIKO HOLDINGS                    | 19/04/2023            | G46247 Upgrade of St. pipeline & Rd Rehab. of Shakas Road Ma   | R 229 690        | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN89/2021                                        | BOBUSA COPERATIVE                 | 19/04/2023            | G46247 St. Infrastructure & Regravelling in Kwabonambini Etete | R 1 741 128      | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | ROAD LOGIC                        | 01/07/2023            | G46247 St. Improvement Etete in Ward 7 (Isle& Section 1) (WIP) | R 106 991        | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |
| MN07/2022                                        | NORTH COAST                       | 01/07/2023            | G46247 St. & Street Improvement Etete in Ward 7 (Main Road)    | R 543 132        | N/A                                     | N/A    | Completion                       | Completion | X                                                                   |   |   |



# APPENDIX I: SERVICE PROVIDER PERFORMANCE ASSESSMENT SCHEDULE *...continued*

| BID<br>NUMBER                                    | NAME OF<br>EXTERNAL<br>SERVICE<br>PROVIDER | DATE<br>CONTRACT<br>AWARDED | SERVICE<br>PROVIDED IN<br>TERMS OF THE<br>SLA                          | VALUE OF<br>PROJECT | COMPARISON WITH<br>PREVIOUS YEAR<br>2021/2022 |        | CURRENT FINANCIAL<br>YEAR<br>2022/2023 |            | ASSESSMENT<br>OF SERVICE<br>PROVIDERS<br>PERFORMANCE<br>(PLEASE MARK<br>WITH AN X) |   |   |
|--------------------------------------------------|--------------------------------------------|-----------------------------|------------------------------------------------------------------------|---------------------|-----------------------------------------------|--------|----------------------------------------|------------|------------------------------------------------------------------------------------|---|---|
|                                                  |                                            |                             |                                                                        |                     | TARGET                                        | ACTUAL | TARGET                                 | ACTUAL     | G                                                                                  | S | P |
| CIVIL ENGINEERING & HUMAN SETTLEMENTS DEPARTMENT |                                            |                             |                                                                        |                     |                                               |        |                                        |            |                                                                                    |   |   |
| MN07/2022                                        | CLIVES TRANSPORT<br>T/A JCR                | 01/07/2023                  | G46247 St. & Street<br>Improvement in<br>Etete in Ward 7<br>(Central)  | R 18 987            | N/A                                           | N/A    | Completion                             | Completion | X                                                                                  |   |   |
| MN07/2022                                        | ROAD LOGIC                                 | 01/07/2023                  | G46247 St. & Street<br>Improvement in<br>Etete in Ward7<br>(Central S) | R 230 907           | N/A                                           | N/A    | Completion                             | Completion | X                                                                                  |   |   |
| MN89/2021                                        | HLOMUKA SUPPLIERS                          | 19/04/2023                  | G46247 1000m<br>of Gravel Roads in<br>Ward 3 (WIP)                     | R 1 935 465         | N/A                                           | N/A    | Completion                             | Completion | X                                                                                  |   |   |
| MN07/2022                                        | BENJIVERT                                  | 19/04/2023                  | G46247 Rehab.<br>of Ashley Road in<br>Ward 30 (WIP)                    | R 4 537 500         | N/A                                           | N/A    | Completion                             | Completion | X                                                                                  |   |   |
| MN07/2022                                        | BENJIVERT                                  | 19/04/2023                  | G46247 Rehab. of<br>Reutenbach Place<br>in Ward 30 (WIP)               | R 794 259           | N/A                                           | N/A    | Completion                             | Completion | X                                                                                  |   |   |
| MN07/2022                                        | BENJIVERT                                  | 19/04/2023                  | G46247 Rehab. of<br>Patricia Road in<br>Ward 30 (WIP)                  | R 4 971 083         | N/A                                           | N/A    | Completion                             | Completion | X                                                                                  |   |   |
| MN07/2022                                        | GRACE                                      | 19/04/2023                  | G46247 Rehab. of<br>Allen Place in Ward<br>30 (WIP)                    | R 1 491 238         | N/A                                           | N/A    | Completion                             | Completion | X                                                                                  |   |   |
| MN07/2022                                        | YENA UYABUSA<br>TRADING                    | 19/04/2023                  | G46247 Rehab. of<br>Elizabeth Drive in<br>Ward 30 (WIP)                | R 3 602 112         | N/A                                           | N/A    | Completion                             | Completion | X                                                                                  |   |   |

## APPENDIX J:

### DISCLOSURE OF FINANCIAL INTEREST

#### KwaDukuza Municipality (KDM) Municipal Manager and Executive Directors (Section 56 & 57 Managers)

| NAME AND SURNAME | POSITION WITHIN KDM                         | SHARES & OTHER FINANCIAL INTERESTS (NOT BANK ACCOUNTS WITH FINANCIAL INSTITUTIONS) | DIRECTORSHIPS & PARTNERSHIPS                                                                         | REMUNERATED WORK OUTSIDE THE MUNICIPALITY (AS SANCTIONED BY COUNCIL)                                 | CONSULTANCIES AND RETAINERSHIPS | SPONSORSHIPS | GIFTS & HOSPITALITY FROM A SOURCE OTHER THAN A FAMILY MEMBER | LAND AND PROPERTY                                                                    |
|------------------|---------------------------------------------|------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|---------------------------------|--------------|--------------------------------------------------------------|--------------------------------------------------------------------------------------|
| Mr. Mdakane NJ   | Municipal Manager                           | NONE                                                                               | Mdukwase Family Trust                                                                                | NONE                                                                                                 | NONE                            | NONE         | NONE                                                         | Flat Pretoria (R550 000)<br>House Ladysmith (R600 000)<br>House Ladysmith (R900 000) |
| Mr. Hlongwane SV | ED: Economic Development & Planning         | Sasol Inzalo 100 shares (R2 500)<br>MTN Zakhelel Futhi 150 (R3 000)                | NONE                                                                                                 | NONE                                                                                                 | NONE                            | NONE         | NONE                                                         | House Fernwood Estate Shelly Beach (R2 100 000)<br>Flat Sheffield Gardens (R850 000) |
| Mr. Jali SM      | ED: Electrical Engineering Services         | NONE                                                                               | NONE                                                                                                 | NONE                                                                                                 | NONE                            | NONE         | NONE                                                         | House at Salt Rock (R2 400 000)<br>House at Nkandla (R400 000)                       |
| Mr. Khanyile SM  | ED: Community Services and Public Amenities | SMK Empire Group PTY (LTD)                                                         | SMK Empire Group PTY (LTD)                                                                           | NONE                                                                                                 | NONE                            | NONE         | NONE                                                         | House Witpeer Avenue (R2 500 000)<br>House Gierington Way (R900 000)                 |
| Mr. Manzini AM   | Chief Operations Officer                    | NONE                                                                               | Manzini Drayage & Trucking Pty Ltd.<br>Manzini Tyres & Wheels. Manzini Properties.<br>Migro holdings | Manzini Drayage & Trucking Pty Ltd.<br>Manzini Tyres & Wheels. Manzini Properties.<br>Migro holdings | NONE                            | NONE         | NONE                                                         | House La Lucia (R2 100 000)                                                          |

## APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST *...continued*

### KwaDukuza Municipality (KDM) Municipal Manager and Executive Directors (Section 56 & 57 Managers) *...continued*

| NAME AND SURNAME | POSITION WITHIN KDM                        | SHARES & OTHER FINANCIAL INTERESTS (NOT BANK ACCOUNTS WITH FINANCIAL INSTITUTIONS)                                                                                                                                                                                                                                                                                                  | DIRECTORSHIPS & PARTNERSHIPS                                                                   | REMUNERATED WORK OUTSIDE THE MUNICIPALITY (AS SANCTIONED BY COUNCIL)                                                                                                                                                                    | CONSULTANCIES AND RETAINERSHIPS | SPONSORSHIPS                                                                | GIFTS & HOSPITALITY FROM A SOURCE OTHER THAN A FAMILY MEMBER | LAND AND PROPERTY                                                                                       |
|------------------|--------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|-----------------------------------------------------------------------------|--------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|
| Mr. Rajcoomar SM | Chief Financial Officer                    | Alert Steel Holdings - 710 shares (unlisted).<br>RBA Holdings Ltd – 386 shares (unlisted).<br>Nutritional Holdings Ltd – 60 309 shares (603).<br>Balwin Property REIT – 6100 shares (25 864).<br>Chrometco Resources – 10000 shares (1 200)<br>Steinhoff Retail - 7000 shares (13 860).<br>Wearne Mining – 600 shares (18).<br>Zaptronix Ltd electronics – 20000 shares (unlisted). | NONE                                                                                           | NONE                                                                                                                                                                                                                                    | NONE                            | NONE                                                                        | NONE                                                         | Farm Portion 10 (R180 000).<br>House Stanger Manor (R1 300 000).<br>House Sheffield Beach (R2 950 000). |
| Mr. Sithole EM   | ED: Civil Engineering and Human Settlement | NONE                                                                                                                                                                                                                                                                                                                                                                                | Ivume Tent & Equipment Hire (PTY) Ltd.<br>Maphitha Transport & Tours.<br>Siyaphambili Stokvel. | Ivume Tent & Equipment Hire (R12 440.00). p.m<br>Maphitha Transport & Hire (R148 956.00). p.m<br>Siyaphambili Stokvel (R41 670.00).p.m<br>JSE (R18 650.00). p.m<br>Livestock farming (Maphitha Brothers) (R21 230.00). p.m<br>Estimated | NONE                            | Christ Embassy (Loveworld Christian Networks) (R250 000.00 pa) 063 4555 172 | NONE                                                         | NONE                                                                                                    |
| Mr. Viramuthu SC | ED: Community Safety                       | Richmont opt – 1000 shares (0.50).<br>PhutumaNathi – 100 shares (134).<br>Old Mutual – 150 shares (11.63).<br>First Rand – 50 shares (43.20).                                                                                                                                                                                                                                       | NONE                                                                                           | NONE                                                                                                                                                                                                                                    | NONE                            | NONE                                                                        | NONE                                                         | House Rocky Park (R900 000).<br>House Tinley Manor (R875 000).<br>Flat Palm Lakes (R780 000).           |

# APPENDIX K: REVENUE COLLECTION PERFORMANCE

## APPENDIX K(1): REVENUE COLLECTION BY VOTE

| VOTE DESCRIPTION<br>R THOUSANDS                                | REF      | 2021/22<br>AUDITED<br>OUTCOME | BUDGET YEAR        |                    |                   |                  |                  |                  |                      |                          |
|----------------------------------------------------------------|----------|-------------------------------|--------------------|--------------------|-------------------|------------------|------------------|------------------|----------------------|--------------------------|
|                                                                |          |                               | ORIGINAL<br>BUDGET | ADJUSTED<br>BUDGET | MONTHLY<br>ACTUAL | YEARTD<br>ACTUAL | YEARTD<br>BUDGET | YTD<br>VARIANCE  | YTD<br>VARIANCE<br>% | FULL<br>YEAR<br>FORECAST |
| <b>Revenue by Vote</b>                                         |          |                               |                    |                    |                   |                  |                  |                  |                      |                          |
| Vote 1 - Chief Operations Officer Business Unit                | 1        | 10 447                        | 11 208             | 11 208             | -                 | 11 208           | -                |                  |                      | 11 208                   |
| Vote 2 - Corporate Services Business Unit                      |          | 63 541                        | 73 815             | 74 649             | 329               | 71 099           | 74 649           | (3 550)          | -4.8%                | 74 649                   |
| Vote 3 - Finance Business Unit                                 |          | 639 541                       | 669 796            | 751 218            | 81 248            | 734 801          | 751 218          | (16 417)         | -2.2%                | 751 218                  |
| Vote 4 - Economic Development Planning Business Unit           |          | 44 662                        | 52 407             | 58 133             | 3 993             | 44 566           | 58 133           | (13 597)         | -23.4%               | 58 133                   |
| Vote 5 - Community Services and Public Amenities Business Unit |          | 153 589                       | 167 237            | 172 960            | 8 786             | 177 892          | 172 960          | 4 932            | 2.9%                 | 172 960                  |
| Vote 6 - Community Safety Business Unit                        |          | 24 241                        | 29 276             | 29 376             | 1 059             | 17 318           | 29 376           | (12 058)         | -41.0%               | 29 376                   |
| Vote 7 - Civil Engineering and Human Settlement Business Unit  |          | 146 070                       | 90 056             | 777 930            | 132 715           | 384 139          | 777 930          | (393 792)        | -50.6%               | 777 930                  |
| Vote 8 - Electrical Engineering Business Unit                  |          | 1 071 572                     | 1 212 157          | 1 155 775          | 126 041           | 1 064 969        | 1 155 775        | (90 806)         | -7.9%                | 1 155 775                |
| Vote 9 - Youth Development Business Unit                       |          | 5 958                         | 6 856              | 6 856              | -                 | 6 856            | 6 856            | -                |                      | 6 856                    |
| Vote 10 - Null                                                 |          | -                             | -                  | -                  | -                 | -                | -                | -                |                      | -                        |
| Vote 11 - Null                                                 |          | -                             | -                  | -                  | -                 | -                | -                | -                |                      | -                        |
| Vote 12 - Null                                                 |          | -                             | -                  | -                  | -                 | -                | -                | -                |                      | -                        |
| Vote 13 - Null                                                 |          | -                             | -                  | -                  | -                 | -                | -                | -                |                      | -                        |
| Vote 14 - Null                                                 |          | -                             | -                  | -                  | -                 | -                | -                | -                |                      | -                        |
| Vote 15 - Null                                                 |          | -                             | -                  | -                  | -                 | -                | -                | -                |                      | -                        |
| <b>Total Revenue by Vote</b>                                   | <b>2</b> | <b>2 160 035</b>              | <b>2 312 807</b>   | <b>3 038 104</b>   | <b>354 171</b>    | <b>2 512 816</b> | <b>3 038 104</b> | <b>(525 288)</b> | <b>-17.3%</b>        | <b>3 038 104</b>         |

## APPENDIX K: REVENUE COLLECTION PERFORMANCE *...continued*

### APPENDIX K(2): REVENUE COLLECTION BY SOURCE

| VOTE DESCRIPTION<br>R THOUSANDS                                      | REF | 2021/22            | BUDGET YEAR        |                    |                   |                  |                  |                  |                        |                          |
|----------------------------------------------------------------------|-----|--------------------|--------------------|--------------------|-------------------|------------------|------------------|------------------|------------------------|--------------------------|
|                                                                      |     | AUDITED<br>OUTCOME | ORIGINAL<br>BUDGET | ADJUSTED<br>BUDGET | MONTHLY<br>ACTUAL | YEARTD<br>ACTUAL | YEARTD<br>BUDGET | YTD<br>VARIANCE  | YTD<br>VARIANCE<br>(%) | FULL<br>YEAR<br>FORECAST |
| <b>Revenue By Source</b>                                             |     |                    |                    |                    |                   |                  |                  |                  |                        |                          |
| Property rates                                                       |     | 554 757            | 604 725            | 643 800            | 56 153            | 619 961          | 643 800          | (23 839)         | -4%                    | 643 800                  |
| Service charges - electricity revenue                                |     | 1 011 945          | 1 058 213          | 1 069 331          | 116 164           | 1 000 082        | 1 069 331        | (69 250)         | -6%                    | 1 069 331                |
| Service charges - water revenue                                      |     | -                  | -                  | -                  | -                 | -                | -                | -                |                        | -                        |
| Service charges - sanitation revenue                                 |     | -                  | -                  | -                  | -                 | -                | -                | -                |                        | -                        |
| Service charges - refuse revenue                                     |     | 77 674             | 81 097             | 86 112             | 7 519             | 91 191           | 86 112           | 5 080            | 6%                     | 86 112                   |
| Rental of facilities and equipment                                   |     | 2 051              | 3 003              | 3 023              | (39)              | 2 460            | 3 023            | (563)            | -19%                   | 3 023                    |
| Interest earned - external investments                               |     | 32 050             | 24 935             | 66 193             | 15 198            | 74 955           | 66 193           | 8 761            | 13%                    | 66 193                   |
| Interest earned - outstanding debtors                                |     | 6 043              | 9 250              | 9 250              | 162               | 6 162            | 9 250            | (3 088)          | -33%                   | 9 250                    |
| Dividends received                                                   |     | -                  | -                  | -                  | -                 | -                | -                | -                |                        | -                        |
| Fines, penalties and forfeits                                        |     | 19 892             | 30 695             | 31 715             | 3 211             | 22 775           | 31 715           | (8 940)          | -28%                   | 31 715                   |
| Licences and permits                                                 |     | 912                | 734                | 834                | 40                | 560              | 834              | (273)            | -33%                   | 834                      |
| Agency services                                                      |     | 9 661              | 13 200             | 13 200             | 677               | 10 204           | 13 200           | (2 996)          | -23%                   | 13 200                   |
| Transfers and subsidies                                              |     | 219 049            | 254 652            | 257 055            | 6 140             | 248 086          | 257 055          | (8 969)          | -3%                    | 257 055                  |
| Other revenue                                                        |     | 102 578            | 54 165             | 61 387             | 4 647             | 57 935           | 61 387           | (3 452)          | -6%                    | 61 387                   |
| Gains                                                                |     | 21 210             | 3 065              | 3 065              | 9 404             | 9 404            | 3 065            | 6 339            | 207%                   | 3 065                    |
| <b>Total Revenue (excluding capital transfers and contributions)</b> |     | <b>2 057 823</b>   | <b>2 137 733</b>   | <b>2 244 965</b>   | <b>219 277</b>    | <b>2 143 775</b> | <b>2 244 965</b> | <b>(101 190)</b> | <b>-5%</b>             | <b>2 244 965</b>         |

## APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

This is contained as Annexure B to the AFS.



## APPENDIX M: CAPITAL EXPENDITURE - NEW & UPGRADE/RENEWAL PROGRAMMES: INCLUDING MIG

### APPENDIX M (I): CAPITAL EXPENDITURE: NEW ASSETS PROGRAMME

| EXPENDITURE - NEW PROJECTS     | TOTAL BUDGET          | TOTAL ACTUALS         |
|--------------------------------|-----------------------|-----------------------|
| Assets Under Construction      | 191 608 317.00        | 183 845 098.00        |
| Heritage Assets                | 300 000.00            | -                     |
| Intangible Assets              | 24 102 744.00         | -                     |
| Community Assets               | 280 131.00            | 167 034.77            |
| Computer Equipment             | 5 008 541.00          | 2 475 738.59          |
| Furniture and Office Equipment | 2 592 841.00          | 3 434 422.08          |
| Machinery and Equipment        | 10 094 573.00         | 7 527 242.64          |
| Other Assets                   | 15 374 560.00         | 13 279 560.00         |
| Solid Waste Infrastructure     | 2 000 000.00          | 42 000.00             |
| Transport Assets               | 45 395 625.00         | 22 740 968.15         |
|                                | <b>296 757 332.00</b> | <b>233 512 064.29</b> |

## APPENDIX M(II): CAPITAL EXPENDITURE- UPGRADE/RENEWAL PROGRAMME

| PROJECTS ID | PROJECT NAME                | WARD            | ESTIMATED COST 3 YEARS | 2020/21 BUDGET | 2021/2022 BUDGET | 2022/23     | STATUS                                                                                                                                                                                                                                                                                               |
|-------------|-----------------------------|-----------------|------------------------|----------------|------------------|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| HS/O 01     | Aldinville                  | 10              | R2 900 000             | R2 900 000     | 0                | 0           | 24 Houses are left at different levels of construction                                                                                                                                                                                                                                               |
| HS/O 02     | Charlottdale                | 10/11           | R1 700 000             | R0             | R1 200 000       | R500 000    | Project at Planning Stage                                                                                                                                                                                                                                                                            |
| HS/O 03     | Chris Hani                  | 15              | R23 573 711            | R7 056 000     | R10 512 511      | R6 000 000  | Project at the installation of services                                                                                                                                                                                                                                                              |
| HS/O 04     | Chief Albert Luthuli        | 9/11/12/14 & 26 | R750 000 000           | R0             | R0               | R750 000    | The engineers budget assessment was approved, the engineer has completed the assessment of 934 houses that were left at different stages of construction<br><br>Province to present the report to the municipality and the way forward.                                                              |
| HS/O 05     | Driefontein Phase 1         | 21              | R300 000               | R0             | R300 000         | R0          | Project at Planning<br><br>SPLUMA approval obtained, waiting for iLembe to construct WWT                                                                                                                                                                                                             |
| HS/O 06     | Greater Driefontein Phase 2 | 21              | R0                     | R0             | R0               | R0          | Project at initial Stage. Land acquisition processes underway                                                                                                                                                                                                                                        |
| HS/O 07     | Dube Village                | 10/12           | R0                     | R0             | R0               | R0          | Only a few Sub- Divisions to be affected and transfers complete Transfer Restoration Programme.                                                                                                                                                                                                      |
| HS/O 09     | Ethafeni                    | 12              | R200 000               | R200 000       | R0               | R0          | KZN DOHS has approved the budget for Transfers of properties through the TRU Programme. Application submitted for the appointment of the engineer to assess the houses left at different stages of construction. Application approved funding allocated procurement of the service provider underway |
| HS/O 10     | GP2 Etsheni/Njekane         | 11              | R709 131.50            | R200 000       | R509 131.50      | R0          | This development is blocked due to budget constraints. application submitted for the project funding alignment                                                                                                                                                                                       |
| HS/O 11     | Etete Phase 4               | 7/20            | R65 000 000            | R20 633 300    | R14 198 564      | R29 590 640 | The project is at site servicing and construction of houses stage, 374 houses completed and 978 sites serviced.                                                                                                                                                                                      |
| HS/O 12     | Gaza Strip                  | 5               | R0                     | R0             | R0               | R0          | The 32 sites were transferred to Property Management department for disposal.                                                                                                                                                                                                                        |

## APPENDIX M(II): CAPITAL EXPENDITURE- UPGRADE/RENEWAL PROGRAMME *...continued*

| PROJECTS ID | PROJECT NAME             | WARD | ESTIMATED COST 3 YEARS | 2020/21 BUDGET | 2021/2022 BUDGET | 2022/23                                     | STATUS                                                                                                                                                  |
|-------------|--------------------------|------|------------------------|----------------|------------------|---------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| HS/O 13     | Gledhow Compound         | 15   | R0                     | R0             | R0               | R0                                          | This project is in pre planning stage. It has encountered delays in dealing with the liquidators before a decision to expropriate taken.                |
| is HS/O 14  | Hangoes                  | 9    | R0                     | R0             | R0               | R0                                          | Landowners of the Properties that were initially identified for the proposed development are not willing to release their land for the development.     |
| HS/O 15     | Hyde Park Country Estate | 11   | R0                     | R0             | R0               | R0                                          | The new IA has finalized the review of work done by the previous IA and found that all studies done. Application for pre-SPLUMA Submitted and approved. |
| HS/O 16     | Kwatwele                 | 3    | R0                     | R0             | R0               | R0                                          | This project is still at the initial stage of planning. Applied for land acquisition funding from KZN DOHS and Housing Development Agent.               |
| HS/O 17     | Lindelani 303 Sites      | 5    | R53 037.56             | R0             | R32 037.56       | R26 000                                     | Only a few transfers are waiting to be done before closing out process can begin.                                                                       |
| HS/O 18     | Lindelani 272 Sites      | 5    | R0                     | R0             | R0               | R0                                          | The rectification Programme has been phased out by KZN DOHS.to start the process of close out of the project                                            |
| HS/O 19     | Extension 36             | 5    | R0                     | R0             | R0               | R0                                          | Project is aa t transfer's stage. This will be followed by Close-Out process.                                                                           |
| HS/O 20     | Extension 46             | 5    | R0                     | R0             | R0               | R0                                          | Rectification Programme has been phased out by KZNDHHS.                                                                                                 |
| HS/O 21     | Lloyds                   | 14   | R23 807 562            | R7 056 000     | R 7 446 362      | R 6 000 000<br>R3 200 000 (retaining walls) | Project at construction stage. Budget for internal services was approved and KwaDukuza approved funding for the retaining walls                         |

## APPENDIX M(II): CAPITAL EXPENDITURE- UPGRADE/RENEWAL PROGRAMME *...continued*

| PROJECTS ID | PROJECT NAME   | WARD  | ESTIMATED COST 3 YEARS | 2020/21 BUDGET | 2021/2022 BUDGET | 2022/23    | STATUS                                                                                                                                                                                                          |
|-------------|----------------|-------|------------------------|----------------|------------------|------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| HS/O 22     | Madundube      | 27    | R11 023 200            | R1 500 000     | R 0              | R9 523 200 | Project at stage 1 closeout, Project approved for stage 2 installation of services. 250 sites have been services                                                                                                |
| HS/O 23     | Mellowood Park | 22    | R0                     | R0             | R0               | R0         | Stage 1 application evaluation completed by KZNDHHS; more information is requested on the application pack. IA withdrew from the project. The project has been transferred to KZNHS                             |
| HS/O 24     | Mbozamo        | 18    | R0                     | R0             | R0               | R0         | Project rectification was approved for only 255 houses, the houses were in 2017/2018 financial year. Province approved assessment of 173 houses that were not rectified employment of service provider underway |
| HS/O 25     | Mgigimbe       | 9     | R10 700 000            | R0             | R2 298 253       | R8 332 800 | Project at stage 1 close out, KZNDHHS approved stage 2 installation of services construction underway. 173 sites serviced                                                                                       |
| HS/O 26     | Mnyundwini P5  | 9     | R96 928.90             | R0             | R96 928.90       | R0         | The project is blocked due to budget constraints. Application for funding alignment submitted                                                                                                                   |
| HS/O 27     | Monkey Town    | 17/18 | R1 588 322             | R1 588 322     | R0               | R0         | Stage 1 application approved by KZNHS project at detailed planning stage . project has been stalled due to the grassland oddest requested by the Ezemvelo wildlife                                              |
| HS/O 28     | Nkobongo P1    | 8     | R0                     | R0             | R0               | R0         | Rectification Programme has been phased out by KZ                                                                                                                                                               |

## APPENDIX M(II): CAPITAL EXPENDITURE- UPGRADE/RENEWAL PROGRAMME *...continued*

| PROJECTS ID | PROJECT NAME      | WARD | ESTIMATED COST 3 YEARS | 2020/21 BUDGET | 2021/2022 BUDGET | 2022/23     | STATUS                                                                                                                                                                                                                                                                                                                            |
|-------------|-------------------|------|------------------------|----------------|------------------|-------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| HS/O 29     | Nkobongo P2       | 8/22 | R0                     | R0             | R0               | R0          | Rectification Programme has been phased out by KZNDHOS                                                                                                                                                                                                                                                                            |
| HS/O 30     | Nonoti Mouth      | 3    | R2 513 939             | R1 000 000     | R513 939         | R 1 000 000 | The funding from the Inqaba Trust has been approved the Environmentalist will be preparing the documents required for the EIA application. The project has received the environmental authorization                                                                                                                               |
| HS/O 31     | Nyathikazi        | 3    | R10 600 000            | R2 279 900     | R0               | R8 332 800  | KZNDHOS approved stage 1 closeout, and Approved stage 2 application installation of services. 200 Sites have been serviced.                                                                                                                                                                                                       |
| HS/O 32     | Ntshaweni         | 26   | R15 700 000            | R7 056 000     | R2 661 808       | R6 000 000  | Project is at site servicing and construction of houses stage. 45 units completed and 308 sites serviced                                                                                                                                                                                                                          |
| HS/O 33     | Ohlange San Souci | 25   | R0                     | R0             | R0               | R0          | This project is still at the initial stage of planning. Application for land acquisition funding was submitted to KZN DOHS and Housing Development Agent.                                                                                                                                                                         |
| HS/O 34     | Rocky Park        | 19   | R28 059 691            | R11 000 000    | R13 059 961      | R5 000 000  | The project was blocked on 2018/19 financial year, the stakeholders have worked very hard to unblock this financial year 19/20 the project has been unblocked and the construction started for the emergency work in 2019/20, funding was approved for construction in 2020/21. The implementing agent withdrew from the project. |



## APPENDIX M(II): CAPITAL EXPENDITURE- UPGRADE/RENEWAL PROGRAMME *...continued*

| PROJECTS ID | PROJECT NAME         | WARD  | ESTIMATED COST 3 YEARS | 2020/21 BUDGET | 2021/2022 BUDGET | 2022/23    | STATUS                                                                                                                                                                                              |
|-------------|----------------------|-------|------------------------|----------------|------------------|------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| HS/O 35     | Sakhamkhanya Phase 1 | 1     | R19 481 377            | R12 142 615    | R1 463 762       | R6 380 000 | The project is at construction stage 423 units have been completed                                                                                                                                  |
| HS/O 36     | Senzangakhona        | 18    | R0                     | R0             | R0               | R0         | The project constructed 46 units out of 62, 16 houses remaining the challenge on this project is subsidy administration and there is no space to build new houses                                   |
| HS/O 37     | Shakes head Phase 1  | 4     | R0                     | R0             | R0               | R0         | The rectification Programme has been phased out by KZNDHHS                                                                                                                                          |
| HS/O 38     | Shakes head Phase 2  | 4     | R250 000               | R0             | R0               | R250 000   | The project doesn't have any more sites to develop 691 houses complete. The project is approved for title deeds restoration programme                                                               |
| HS/O 39     | Shakaville Ext       | 18    | R1 000 000             | R0             | R0               | R1 000 000 | <b>Stage 1:</b><br>The application was approved by KZNDHHS, and the contract concluded in May 2022 for detailed Planning                                                                            |
| HS/O 40     | Shayamoya            | 23    | R200 000               | R0             | R0               | R200 000   | The project has 200 transfers remaining, funding is in place for the transfer of the remaining properties KZNDHHS appointed the social facilitator to do sales agreements for the 200 beneficiaries |
| HS/O 41     | Sihle Phakathi       | 24    | R3 900 000             | R0             | R 0              | R3 900 000 | The project is at the implementation stage (Installation of services)                                                                                                                               |
| HS/O 42     | Sokesimbone          | 1,25  | R0                     | R0             | R0               | R0         | The project is at close out stage all houses were constructed.                                                                                                                                      |
| HS/O 43     | Steve Biko P1        | 13,26 | R0                     | R0             | R0               | R0         | The rectification Programme has been phased out by KZNDHHS                                                                                                                                          |

## APPENDIX M(II): CAPITAL EXPENDITURE- UPGRADE/RENEWAL PROGRAMME *...continued*

| PROJECTS ID | PROJECT NAME                    | WARD       | ESTIMATED COST 3 YEARS | 2020/21 BUDGET | 2021/2022 BUDGET | 2022/23    | STATUS                                                                                                                                                                                                         |
|-------------|---------------------------------|------------|------------------------|----------------|------------------|------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| HS/O 44     | Steve Biko P2                   | 13,16,26   | R19 120 200            | R0             | R9 150 000       | R9 272 574 | The project is at site servicing and<br><br>Construction of houses. 190 houses completed and 52 % sites services                                                                                               |
| HS/O 45     | Vlakspruit                      | 7,21,23,28 | R0                     | R0             | R0               | R0         | Project at Pre-feasibility stage, the project routes (Road) cross over private land the negotiations are ongoing with the landowners and response on availability of Bulks revealed that Bulks will be in 2028 |
| HS/O 46     | Blythedale Hills Coastal Resort | 3          | R0                     | R0             | R0               | R0         | The project is owned by the private developer                                                                                                                                                                  |
| HS/O 47     | Rocky Ridge                     | 23         | R500 000               | R0             | R0               | R500 000   | The project has graduated to stage 1 planning approved in May 2022                                                                                                                                             |
| HS/O 48     | Sheffield                       | 22         | R1 900 000             | R0             | R0               | R1 900 000 | The project has graduated to stage 1 planning in May 2022. The project received an approval for installing interim services                                                                                    |
| HS/O49      | Shakashead Gab Housing          | 04         | R0                     | R0             | R0               | R0         | The project has been advertised for the Property Develop.                                                                                                                                                      |
| HS/O 50     | Renovations to Compounds        | 15         | R4 000 000             | R1 500 000     | R 1000 000       | R1 500 000 | The project is for the removal of 27 roofs and other required scope in the Gledhow Compound                                                                                                                    |

## APPENDIX N: CAPITAL PROGRAMME BY BUSINESS UNIT

| SUMMARY CAPITAL EXPENDITURE 2022/23   |                    |                    |                       |                       |                    |       |                    |
|---------------------------------------|--------------------|--------------------|-----------------------|-----------------------|--------------------|-------|--------------------|
| BUSINESS UNIT                         | APPROVED BUDGET    | ADJUSTED BUDGET    | 2ND ADJUSTMENT BUDGET | 3RD ADJUSTMENT BUDGET | YTD EXP.           | YTD % | AVAILABLE BALANCE  |
| OFFICE OF THE MUNICIPAL MANAGER       | 3 692 409          | 3 692 409          | 1 038 000             | 1 038 000             | 126 057            | 12.1% | 911 943            |
| CORPORATE SERVICES                    | 22 700 000         | 22 700 000         | 23 321 870            | 23 321 870            | 17 899 464         | 76.7% | 5 422 406          |
| FINANCE                               | 6 300 000          | 500 000            | 500 000               | 500 000               | 202 550            | 40.5% | 297 450            |
| EDP                                   | 13 209 603         | 13 209 603         | 15 039 607            | 15 039 607            | 14 938 470         | 99.3% | 101 137            |
| COMMUNITY SERVICES & PUBLIC AMENITIES | 58 016 488         | 53 016 488         | 50 248 944            | 50 248 944            | 49 666 016         | 98.8% | 582 928            |
| COMMUNITY SAFETY                      | 24 350 000         | 24 350 000         | 23 048 337            | 23 048 337            | 8 313 468          | 36.1% | 14 734 869         |
| CIVIL ENGINEERING & HUMAN SETTLEMENTS | 155 730 993        | 261 350 995        | 220 040 110           | 704 641 710           | 515 076 051        | 73.1% | 189 565 659        |
| ELECTRICAL ENGINEERING                | 226 015 384        | 226 015 384        | 205 025 385           | 205 025 385           | 122 477 358        | 59.7% | 82 548 027         |
| YOUTH DEVELOPMENT                     | 250 000            | 250 000            | 250 000               | 250 000               | 215 655            | 85.9% | 35 345             |
| <b>TOTAL</b>                          | <b>510 264 877</b> | <b>605 084 879</b> | <b>538 512 253</b>    | <b>1 023 113 853</b>  | <b>728 914 089</b> |       | <b>294 199 764</b> |

71.2%

28.8%

## APPENDIX O: CAPITAL PROGRAMME BY PROJECT BY WARD

| PROJECT                                                             | WARD<br>(ADMIN, WHOLE OF<br>MUNICIPALITY, OR WARD<br>NUMBER) | YEAR 1<br>2022/2023<br>(R) | YEAR 2<br>2023/2024<br>(R) | YEAR 3<br>2024/2025<br>(R) |
|---------------------------------------------------------------------|--------------------------------------------------------------|----------------------------|----------------------------|----------------------------|
| Ward 17 Dendethu Sport Field- WIP                                   | 17                                                           | 0                          | 0                          | 6,000,000                  |
| Upgrading of Roads and Stormwater in Dube Village - WIP             | 12                                                           | 0                          | 4,500,000                  | 0                          |
| Gravel Road Upgrade to Blacktop in Ward 8 - WIP                     | 8                                                            | 3,659 284.00               | 3,000,000                  | 0                          |
| Land Acquisition                                                    | Whole of the Municipality                                    | 0                          | 1,000,000                  | 0                          |
| Relocation of infrastructure services                               | Administrative                                               | 300,000                    | 200,000                    | 200,000                    |
| Office Internal Improvements                                        | Administrative                                               | 200,000                    | 300,000                    | 0                          |
| Gledhow Compounds Access Road                                       | 15                                                           | 0                          | 2,500,000                  | 2,500,000                  |
| Mdlebeni Access Road and Stormwater in Ward 25 - WIP                | 25                                                           | 80 000,00                  | 0                          | 0                          |
| Steve Biko Housing Retaining Walls and Access Roads (Ward 13,16,26) | 13                                                           | 1,000,000                  | 1,000,000                  | 1,000,000                  |
| Land Protection (fencing)                                           | Whole of the Municipality                                    | 500,000                    | 1,000,000                  | 1,000,000                  |
| Driefontein Housing Project                                         | 21                                                           | 2,000,000                  | 0                          | 0                          |
| Tools & Equipment                                                   | Whole of the Municipality                                    | 76,000                     | 100,000                    | 125,000                    |
| Engineering Equipment                                               | Whole of the Municipality                                    | 1 671 051,00               | 900,000                    | 1,100,000                  |
| Cold Mix Plant and Equipment                                        | Whole of the Municipality                                    | 0                          | 2,000,000                  | 0                          |
| Jet Machine and Water Tanker                                        | Whole of the Municipality                                    | 1,500,000                  | 0                          | 1,000,000                  |
| New Off Space Park Home 026new                                      | Administrative                                               | 0                          | 0                          | 3,000,000                  |
| Rehab of Ward 19 Roads - NDPG                                       | 19                                                           | 60,869,565                 | 26,086,957                 | 26,086,957                 |
| Sheffield Beach Road in Ward 22 - WIP                               | 22                                                           | 1,000,000                  | 1,500,000                  | 0                          |
| Ward 12 Rehab Tinley Manor Rd. (Lagoon Dr. Ocean View Seaview)      | 12                                                           | 0                          | 1,500,000                  | 2,000,000                  |
| Ward 16 Rehab. of Valley & Dwaga Drive - WIP                        | 16                                                           | 0                          | 2,000,000                  | 0                          |
| Ward 17 Rehab of Road - (Joelah, Laher, Sugra and Ragoo) WIP        | 17                                                           | 2,000,000                  | 2,000,000                  | 2,000,000                  |
| Ward 22 Rehab of Hugh Dent Basil Hullet Club Road WIP               | 22                                                           | 2,000,000                  | 1,000,000                  | 0                          |
| Ward 14 Roads & Stormwater Melville - WIP                           | 14                                                           | 0                          | 2,000,004                  | 0                          |
| Rehabilitation of Salt Rock - WIP                                   | 6                                                            | 0                          | 2,000,004                  | 3,000,000                  |
| Ward 21: Driefontein - WIP                                          | 21                                                           | 1,000,000                  | 2,000,000                  | 0                          |
| Ward 17: Stanger Manor and Highridge - WIP                          | 17                                                           | 0                          | 1,500,000                  | 0                          |
| Ward 28: Rehabiltation of Roads - WIP                               | 28                                                           | 2,000,000                  | 2,000,000                  | 3,000,000                  |
| Rehabilitation of Urban Roads (MIG) - WIP                           | Whole of the Municipality                                    | 0                          | 15,213,171                 | 10,497,578                 |
| Rehabilitation of Valley and Gibson Road in Ward 16- WIP            | 16                                                           | 0                          | 4,250,000                  | 0                          |
| Rehabilitation of Bilkis drive in Ward 16- WIP                      | 16                                                           | 0                          | 2,000,000                  | 2,000,000                  |

## APPENDIX O: CAPITAL PROGRAMME BY PROJECT BY WARD *...continued*

| PROJECT                                                             | WARD<br>(ADMIN, WHOLE OF<br>MUNICIPALITY, OR WARD<br>NUMBER) | YEAR 1<br>2022/2023<br>(R) | YEAR 2<br>2023/2024<br>(R) | YEAR 3<br>2024/2025<br>(R) |
|---------------------------------------------------------------------|--------------------------------------------------------------|----------------------------|----------------------------|----------------------------|
| Rehab of Elizabeth St Victory road and college road in Ward 16- WIP | 16                                                           | 0                          | 2,500,000                  | 2,500,000                  |
| Rehab of Stanger Manor bus bay in Ward 17- WIP                      | 16                                                           | 0                          | 1,500,000                  | 0                          |
| Commuter Shelters 170452118 (WIP)                                   | 6                                                            | 300,000                    | 700,000                    | 0                          |
| Groutville Market Sportsfield                                       | 12                                                           | 8,260,870                  | 0                          | 0                          |
| Nsiken Community Hall                                               | 27                                                           | 5,732,878                  | 0                          | 0                          |
| Lindelani Creche 170461933 MIG                                      | 18                                                           | 2,676,522                  | 0                          | 0                          |
| Melville Hall MIG - WIP                                             | 24                                                           | 0                          | 14,577,958                 | 0                          |
| Renov to Compounds 026414505 WIP                                    | 15                                                           | 1,000,000                  | 1,000,000                  | 1,000,000                  |
| NV Roads Stormwater Traffic Calming Measures 170461528 WIP          | Whole of the Municipality                                    | 500,000                    | 1,500,000                  | 1,500,000                  |
| Retaining of Wall Road Access and Storm Water                       | 18                                                           | 1,381,223,00               | 0                          | 0                          |
| Ward 9 & 14 Link Bridge - WIP                                       | 9                                                            | 0                          | 2,000,004                  | 5,000,000                  |
| Ward 14 Retaining of Lloyds Housing Pr (Walls                       |                                                              |                            |                            |                            |
| (Gabion Guard) WIP                                                  | 14                                                           | 3,200 000.00               | 3,000,000                  | 3,000,000                  |
| WOODEN BRIDGE: WARD 19 -WIP                                         | 19                                                           | 0                          | 3,000,000                  | 0                          |
| Lindelani Creche 170461933 Council Funds                            | 18                                                           | 700,000                    | 0                          | 0                          |
| Ward 18 pedestrian bridge linking Lindelani                         |                                                              |                            |                            |                            |
| and Shakaville- WIP                                                 | 18                                                           | 1,000,000                  | 3,000,000                  | 0                          |
| Furniture & Equipment 160                                           | Whole of the Municipality                                    | 130,435                    | 0                          | 0                          |
| Office Furn & Equipment                                             | Whole of the Municipality                                    | 50,000                     | 100,000                    | 100,000                    |
| Roads Stormwater Etete Internal Roads 170461919 WIP                 | 7                                                            | 0                          | 0                          | 10,000,000                 |
| Construction of Nyoniyananzi Access Road - WIP                      | 16                                                           | 0                          | 1,500,000                  | 0                          |
| R 102- Townview link road in Ward 19 - WIP                          | 19                                                           | 500,000                    | 500,000                    | 500,000                    |
| Groutville Surface Roads and Stormwater MIG in Ward 12 WIP          | 12                                                           | 1,120,810,00               | 0                          | 0                          |
| Groutville Internal Roads MIG WIP                                   | 29                                                           | 10,018,035                 | 0                          | 10,000,000                 |
| Sidewalk project WIP                                                | Whole of the Municipality                                    | 0                          | 2,000,000                  | 2,000,000                  |
| Mdlebeni Access Roads and Stormwater in                             |                                                              |                            |                            |                            |
| Ward 25 - WIP                                                       | 25                                                           | 80,000                     | 0                          | 0                          |
| Mgigimbe Bus Route - WIP                                            | 9                                                            | 0                          | 1,000,000                  | 0                          |
| Sugra Street Extension in ward 5/17 - WIP                           | 17                                                           | 500,000                    | 500,000                    | 500,000                    |

## APPENDIX O: CAPITAL PROGRAMME BY PROJECT BY WARD *...continued*

| PROJECT                                                     | WARD<br>(ADMIN, WHOLE OF<br>MUNICIPALITY, OR WARD<br>NUMBER) | YEAR 1<br>2022/2023<br>(R) | YEAR 2<br>2023/2024<br>(R) | YEAR 3<br>2024/2025<br>(R) |
|-------------------------------------------------------------|--------------------------------------------------------------|----------------------------|----------------------------|----------------------------|
| Thola Road /Sandanezwe Road to Mthembu - WIP                | 2                                                            | 0                          | 0                          | 3,997,224                  |
| Rocky Park link to Testing Station in Ward19/16 WIP         | 19/16                                                        | 7,000,000                  | 0                          | 0                          |
| Sokesimbone Access Road & Stormwater (Ward 1)               | 1                                                            | 8,000,000                  | 0                          | 0                          |
| Ward 3 Nonoti Beach Road Access - WIP                       | 3                                                            | 11,956,043                 | 8,443,682                  | 0                          |
| Ward 18 Ndondlo Access Road WIP                             | 18                                                           | 0                          | 1,500,000                  | 0                          |
| Charlotdale Community Hall - WIP                            | 14                                                           | 7,528,232                  | 7,528,232                  | 0                          |
| Ward 17 Dendethu Community Hall- WIP                        | 17                                                           | 0                          | 0                          | 5,847,661                  |
| Ward 17 Dendethu Access Road - WIP                          | 17                                                           | 1,048,277                  | 0                          | 5,685,413                  |
| Ward 25 Link Road Sansuci and Sokesimbone -- WIP            | 25                                                           | 0                          | 0                          | 1,000,000                  |
| Lindelani Main Road (taxi route) Ward 5- WIP                | 5                                                            | 0                          | 5,000,000                  | 0                          |
| Nkobongo Storm Water Improvement - WIP                      | 8                                                            | 0                          | 3,000,000                  | 3,000,000                  |
| Shakashead and Driefontein Stormwater in Ward 4 & 21        | 4                                                            | 0                          | 1,500,000                  | 2,000,000                  |
| Ward 24 Melville Stormwater Improvement Gabion lining - WIP | 24                                                           | 0                          | 1,500,000                  | 0                          |
| Ward 26 Stormwater Culvert - WIP                            | 26                                                           | 0                          | 1,000,000                  | 0                          |
| Crew Cabs (3)                                               | Whole of the Municipality                                    | 3,000,000                  | 0                          | 0                          |
| Vehicle (Double Cab)                                        | Whole of the Municipality                                    | 800,000                    | 0                          | 0                          |
| WARD 16 Moola Industrial                                    | 16                                                           | 1,500,000                  | 0                          | 0                          |
| Ballito Office Parking                                      | 6                                                            | 1,000,000                  | 1,000,000                  | 0                          |
| Ballito roads rehab ward 6, ward 30                         | 6                                                            | 1,500,000                  | 8,000,000                  | 3,000,000                  |
| P553 link to ward 13                                        | 13                                                           | 1,000,000                  | 0                          | 0                          |
| Back up water Supply (Jojo Tanks)                           | Whole of the Municipality                                    | 300,000                    | 0                          | 0                          |
| Etete Housing Retaining Walls and Access Roads (Ward 7      | 7                                                            | 500,000                    | 2,000,000                  | 2,000,000                  |
| Chris Hani Sport field - WIP                                | 15                                                           | 1,000,000                  | 0                          | 0                          |
| Computers                                                   | Whole of the Municipality                                    | 50,000                     | 100,000                    | 0                          |
| NV Law Enforcement Bullet Proof Vests 412428026             | Whole of the Municipality                                    | 50,000                     | 175,000                    | 0                          |
| Law Enforcement Equipment                                   | Whole of the Municipality                                    | 100,000                    | 250,000                    | 0                          |
| Upgrade Radio Network from Digital to PTT                   | Whole of the Municipality                                    | 200,000                    | 100,000                    | 0                          |
| Emergency Equipment 042420509                               | Whole of the Municipality                                    | 100,000                    | 200,000                    | 0                          |



## APPENDIX O: CAPITAL PROGRAMME BY PROJECT BY WARD *...continued*

| PROJECT                                     | WARD<br>(ADMIN, WHOLE OF<br>MUNICIPALITY, OR WARD<br>NUMBER) | YEAR 1<br>2022/2023<br>(R) | YEAR 2<br>2023/2024<br>(R) | YEAR 3<br>2024/2025<br>(R) |
|---------------------------------------------|--------------------------------------------------------------|----------------------------|----------------------------|----------------------------|
| Alco meters                                 | Whole of the Municipality                                    | 20,000                     | 70,000                     | 0                          |
| Law Enforcement Sirens Blue Lights 41428164 | Whole of the Municipality                                    | 40,000                     | 250,000                    | 0                          |
| 046428141 Motor Licencing Equipment         | Whole of the Municipality                                    | 70,000                     | 200,000                    | 0                          |
| CCTV Equipment                              | Whole of the Municipality                                    | 500,000                    | 0                          | 0                          |
| Back Up Generator                           | Whole of the Municipality                                    | 200,000                    | 200,000                    | 0                          |
| Gym Equipment                               | Whole of the Municipality                                    | 200,000                    | 200,000                    | 0                          |
| Security cameras                            | Whole of the Municipality                                    | 0                          | 100,000                    | 0                          |
| Fire Station Bay Doors                      | Whole of the Municipality                                    | 0                          | 100,000                    | 0                          |
| New Testing ground site                     | Whole of the Municipality                                    | 0                          | 10,000,000                 | 10,000,000                 |
| Upgrade to Salt Rock Offices WIP            | Whole of the Municipality                                    | 1,500,000                  | 0                          | 0                          |
| Fire Fleet                                  | Whole of the Municipality                                    | 17,440,000                 | 0                          | 0                          |
| Furniture & Equipment 041                   | Whole of the Municipality                                    | 60,000                     | 100,000                    | 0                          |
| Air conditioning units                      | Whole of the Municipality                                    | 40,000                     | 100,000                    | 0                          |
| 045 Jet Ski                                 | Whole of the Municipality                                    | 200,000                    | 0                          | 0                          |
| Marine Safety Equipment 045418519           | Whole of the Municipality                                    | 100,000                    | 500,000                    | 0                          |
| 045 Quad Bikes                              | Whole of the Municipality                                    | 330,000                    | 0                          | 0                          |
| sleeping quarters/Standby quarters WIP      | Whole of the Municipality                                    | 3,000,000                  | 0                          | 0                          |
| AR1 ACCESSIBILITY STUDIO (ONLINE RADIO)     | Administrative or Head Office (Including Satellite Offices)  | 250,000                    | 0                          | 0                          |
| Professional Mark IV camera suits           | Administrative or Head Office (Including Satellite Offices)  | 350,000                    | 0                          | 0                          |
| Portable Audio visual (AV) Equipment        | Administrative or Head Office (Including Satellite Offices)  | 100,000                    | 0                          | 0                          |
| Sound System                                | Administrative or Head Office (Including Satellite Offices)  | 213,000                    | 0                          | 0                          |
| LOUD HAILERS                                | Administrative or Head Office (Including Satellite Offices)  | 10,000                     | 0                          | 0                          |
| PORTABLE SPEAKER                            | Administrative or Head Office (Including Satellite Offices)  | 10,000                     | 0                          | 0                          |
| Container Conversion                        | Administrative or Head Office (Including Satellite Offices)  | 100,000                    | 0                          | 0                          |
| Back-up Generators                          | Administrative or Head Office (Including Satellite Offices)  | 1,500,000                  | 0                          | 0                          |

## APPENDIX O: CAPITAL PROGRAMME BY PROJECT BY WARD *...continued*

| PROJECT                                                           | WARD<br>(ADMIN, WHOLE OF<br>MUNICIPALITY, OR WARD<br>NUMBER) | YEAR 1<br>2022/2023<br>(R) | YEAR 2<br>2023/2024<br>(R) | YEAR 3<br>2024/2025<br>(R) |
|-------------------------------------------------------------------|--------------------------------------------------------------|----------------------------|----------------------------|----------------------------|
| Political Leadership Vehicles                                     | Administrative or Head Office (Including Satellite Offices)  | 2,200,000                  | 0                          | 0                          |
| NV Info Tech PC Printers Upgrades 210414504                       | Whole of the Municipality                                    | 1,500,000                  | 1,000,000                  | 1,000,000                  |
| Elec Staff Attendance Register 021419516                          | Whole of the Municipality                                    | 500,000                    | 0                          | 0                          |
| New Office Building                                               | Whole of the Municipality                                    | 15,000,000                 | 0                          | 0                          |
| NV Corporate Comm Office Furn Equipment 25400013                  | Whole of the Municipality                                    | 1,000,000                  | 500,000                    | 500,000                    |
| Chamber Audio visual (AV) Equipment                               | Administrative or Head Office (Including Satellite Offices)  | 0                          | 0                          | 0                          |
| 025 Park Home                                                     | Whole of the Municipality                                    | 500,000                    | 0                          | 0                          |
| Sports Complex WIP                                                | 20                                                           | 500,000                    | 0                          | 0                          |
| Upgrade to Beach Facilities 075422743 WIP                         | Whole of the Municipality                                    | 8,251,587                  | 0                          | 0                          |
| 075 Upgrade to Tidal pool and Septic Tank at Tinley Manor Bea WIP | 12                                                           | 550,000                    | 0                          | 0                          |
| Nonoti Beach Node Development 075452156 WIP                       | 3                                                            | 11,010,139                 | 0                          | 0                          |
| Shakashead Swim Pool (Guard house) WIP                            | 4                                                            | 100,000                    | 0                          | 0                          |
| Shayamoya sport field-WIP                                         | 23                                                           | 676,248                    | 0                          | 0                          |
| Library Tools and Equipment                                       | Whole of the Municipality                                    | 200,000                    | 0                          | 0                          |
| Marine Safety Equipment 045418519                                 | Whole of the Municipality                                    | 150,000                    | 0                          | 0                          |
| Skips 255428151                                                   | Whole of the Municipality                                    | 500,000                    | 0                          | 0                          |
| 070 Park Plant and Equipment                                      | Whole of the Municipality                                    | 320,000                    | 0                          | 0                          |
| Renovation of Beach Amenities Offices                             | Administrative or Head Office (Including Satellite Offices)  | 150,000                    | 0                          | 0                          |
| Beach Access Wheelchairs                                          | Whole of the Municipality                                    | 182,000                    | 0                          | 0                          |
| Cremator Filtration System WIP                                    | 5                                                            | 12,791,277                 | 0                          | 0                          |
| Refurbishment of a guard house in Ethembeni cemetery              | 5                                                            | 200,000                    | 0                          | 0                          |
| Parkhome and Guardhouse                                           | 19                                                           | 25,000                     | 0                          | 0                          |
| Beach Ablution Willard 075452157 WIP                              | 6                                                            | 110,000                    | 0                          | 0                          |
| Upgrade Beach Ablution Zinkwazi- WIP                              | 2                                                            | 396,193                    | 0                          | 0                          |

## APPENDIX O: CAPITAL PROGRAMME BY PROJECT BY WARD *...continued*

| PROJECT                                          | WARD<br>(ADMIN, WHOLE OF<br>MUNICIPALITY, OR WARD<br>NUMBER) | YEAR 1<br>2022/2023<br>(R) | YEAR 2<br>2023/2024<br>(R) | YEAR 3<br>2024/2025<br>(R) |
|--------------------------------------------------|--------------------------------------------------------------|----------------------------|----------------------------|----------------------------|
| Community Halls Fencing 165422527 WIP            | Whole of the Municipality                                    | 300,000                    | 0                          | 0                          |
| 165 Halls Security Gates                         | Whole of the Municipality                                    | 300,000                    | 0                          | 0                          |
| 165 City Hall Development WIP                    | Whole of the Municipality                                    | 5,000,000                  | 0                          | 0                          |
| Road Cleaning and Sweeping Truck                 | Whole of the Municipality                                    | 1,800,000                  | 0                          | 0                          |
| 1 Ton Bakkie                                     | Whole of the Municipality                                    | 450 000                    | 0                          | 0                          |
| Cage Truck with canvas and seats                 | Whole of the Municipality                                    | 950,000                    | 0                          | 0                          |
| Compactor Truck                                  | Whole of the Municipality                                    | 1,700,000                  | 0                          | 0                          |
| Jet Rescue Ski North                             | Whole of the Municipality                                    | 150,000                    | 0                          | 0                          |
| Refurbish existing basketball court Stanger      |                                                              |                            | 0                          | 0                          |
| High School                                      | 19                                                           | 400,000                    | 0                          | 0                          |
| Staff changing room KwaDukuza peoples park       | 19                                                           | 200,000                    | 0                          | 0                          |
| 2 x Bakkies                                      | Whole of the Municipality                                    | 900,000                    | 0                          | 0                          |
| 2 x Caged Tipper trucks - cabin crew             | Whole of the Municipality                                    | 2,699,416                  | 0                          | 0                          |
| Upgrade Driefontein Sportsfield                  | 21                                                           | 0                          | 0                          | 500,000                    |
| 070 Trailer                                      | Whole of the Municipality                                    | 40,000                     | 0                          | 0                          |
| NV Library Furniture 030422711                   | Whole of the Municipality                                    | 100,000                    | 0                          | 0                          |
| Community Halls Furniture 165422706              | Whole of the Municipality                                    | 100,000                    | 0                          | 0                          |
| Waste Transfer Station Phase 4                   | 3                                                            | 0                          | 0                          | 10,000,000                 |
| Construction of Combo Court Ward 9 (WIP)         | 9                                                            | 1,014,628                  | 0                          | 0                          |
| Recycling and Waste Buyback Centre               | 19                                                           | 200,000                    | 0                          | 0                          |
| MV Network Upgrades Cluster A WIP                | Whole of the Municipality                                    | 358,056                    | 379,539                    | 417,493                    |
| MV Network Upgrades Cluster B WIP                | Whole of the Municipality                                    | 2,123,012                  | 1,166,000                  | 1,282,600                  |
| MV Network Upgrades Cluster C WIP                | Whole of the Municipality                                    | 358,056                    | 379,539                    | 417,493                    |
| MV Network Upgrades Cluster D WIP                | Whole of the Municipality                                    | 1,435,512                  | 300,000                    | 330,000                    |
| MV Network Upgrades Cluster E WIP                | Whole of the Municipality                                    | 1,200,000                  | 1,272,000                  | 1,399,200                  |
| MV Network Upgrades Cluster F WIP                | Whole of the Municipality                                    | 1,200,000                  | 1,272,000                  | 1,399,200                  |
| MV Network Upgrades Cluster G WIP                | Whole of the Municipality                                    | 358,056                    | 379,539                    | 417,493                    |
| Tinley Manor 11kV OHL Phase 6 WIP                | 12                                                           | 1,397,969                  | 0                          | 0                          |
| Electricity Admin Housing Elect Project WIP      | Whole of the Municipality                                    | 3,000,000                  | 0                          | 0                          |
| Lot 14 Substation WIP                            | 13                                                           | 6,086,957                  | 0                          | 0                          |
| Electricity Admin Housing Elect Project WIP      | Whole of the Municipality                                    | 7,320,000                  | 6,086,957                  | 7,268,696                  |
| Energy Efficient Retrofit- WIP                   | Whole of the Municipality                                    | 0                          | 4,347,826                  | 3,478,261                  |
| NV Replace Grid Prot Relays 11K P3 430452146 WIP | 22                                                           | 4,000,000                  | 1,000,000                  | 0                          |

## APPENDIX O: CAPITAL PROGRAMME BY PROJECT BY WARD *...continued*

| PROJECT                                                                 | WARD<br>(ADMIN, WHOLE OF<br>MUNICIPALITY, OR WARD<br>NUMBER) | YEAR 1<br>2022/2023<br>(R) | YEAR 2<br>2023/2024<br>(R) | YEAR 3<br>2024/2025<br>(R) |
|-------------------------------------------------------------------------|--------------------------------------------------------------|----------------------------|----------------------------|----------------------------|
| LV Network Upgrades Cluster A WIP                                       | Whole of the Municipality                                    | 294,996                    | 312,696                    | 343,965                    |
| LV Network Upgrades Cluster B WIP                                       | Whole of the Municipality                                    | 1,000,000                  | 736,696                    | 810,365                    |
| LV Network Upgrades Cluster C WIP                                       | Whole of the Municipality                                    | 294,996                    | 312,696                    | 343,965                    |
| LV Network Upgrades Cluster D WIP                                       | Whole of the Municipality                                    | 1,000,000                  | 312,696                    | 343,965                    |
| LV Network Upgrades Cluster E WIP                                       | Whole of the Municipality                                    | 294,996                    | 312,696                    | 343,965                    |
| LV Network Upgrades Cluster F WIP                                       | Whole of the Municipality                                    | 294,996                    | 312,696                    | 343,965                    |
| LV Network Upgrades Cluster G WIP                                       | Whole of the Municipality                                    | 294,996                    | 312,696                    | 343,965                    |
| Network Master Planning<br>(Reticulation)                               | Whole of the Municipality                                    | 300,000                    | 100,000                    | 110,000                    |
| Implementation of KDM Scada System                                      | Whole of the Municipality                                    | 5,000,000                  | 5,000,000                  | 12,702,744                 |
| NV Electricity Admin Tools Equip<br>400400027                           | Whole of the Municipality                                    | 1,000,000                  | 800,000                    | 0                          |
| NV Mechanical Workshop Tools<br>Equipment 360400027                     | Whole of the Municipality                                    | 300,000                    | 200,000                    | 0                          |
| NV Electricity Admin Safety Equip Fas<br>PPE Port 400461472             | Whole of the Municipality                                    | 99,996                     | 100,000                    | 0                          |
| Replace 33kV Cable between<br>Lavopiere and Industrial Sub Phase<br>WIP | 19                                                           | 11,337,401                 | 0                          | 0                          |
| Electricity Admin New Dukuza 80MVA<br>Bulk 400452153 WIP                | 28                                                           | 20,000,000                 | 60,000,000                 | 28,053,088                 |
| Electricity Admin New Dukuza 80MVA<br>Bulk 400452153 WIP                | 28                                                           | 10,000,000                 | 30,000,000                 | 72,000,000                 |
| NV SAPPI Gizenga Substation<br>440423981 WIP                            | 9                                                            | 18,000,000                 | 10,000,000                 | 0                          |
| NV Street Lights Refurbishment<br>Cluster A WIP                         | Whole of the Municipality                                    | 900,000                    | 1,000,000                  | 1,000,000                  |
| NV Street Lights Refurbishment<br>Cluster B WIP                         | Whole of the Municipality                                    | 900,000                    | 1,000,000                  | 1,000,000                  |
| NV Street Lights Refurbishment<br>Cluster C WIP                         | Whole of the Municipality                                    | 900,000                    | 1,000,000                  | 1,000,000                  |
| NV Street Lights Refurbishment<br>Cluster D WIP                         | Whole of the Municipality                                    | 900,000                    | 1,000,000                  | 1,000,000                  |
| NV Street Lights Refurbishment<br>Cluster E WIP                         | Whole of the Municipality                                    | 900,000                    | 1,000,000                  | 1,000,000                  |
| NV Street Lights Refurbishment<br>Cluster F WIP                         | Whole of the Municipality                                    | 900,000                    | 1,000,000                  | 1,000,000                  |
| NV Street Lights Refurbishment<br>Cluster G WIP                         | Whole of the Municipality                                    | 900,000                    | 1,000,000                  | 1,000,000                  |
| Municipal Fleet                                                         | Whole of the Municipality                                    | 5,600,000                  | 0                          | 0                          |
| MV Substations Upgrades and<br>Refurbishment: Lavoupiere Subst WIP      | Whole of the Municipality                                    | 1,499,996                  | 900,000                    | 0                          |
| MV Substations Upgrades and<br>Refurbishment: Stanger Substation WIP    | Whole of the Municipality                                    | 2,000,000                  | 800,000                    | 0                          |
| MV Substations Upgrades and<br>Refurbishment: Driefontein Subst WIP     | Whole of the Municipality                                    | 1,200,000                  | 0                          | 0                          |

## APPENDIX O: CAPITAL PROGRAMME BY PROJECT BY WARD *...continued*

| PROJECT                                                           | WARD<br>(ADMIN, WHOLE OF<br>MUNICIPALITY, OR WARD<br>NUMBER) | YEAR 1<br>2022/2023<br>(R) | YEAR 2<br>2023/2024<br>(R) | YEAR 3<br>2024/2025<br>(R) |
|-------------------------------------------------------------------|--------------------------------------------------------------|----------------------------|----------------------------|----------------------------|
| MV Substations Upgrades and Refurbishment: Shakaskraal Subst WIP  | Whole of the Municipality                                    | 200,004                    | 0                          | 0                          |
| MV Substations Upgrades and Refurbishment: Ballito Substation WIP | Whole of the Municipality                                    | 200,004                    | 0                          | 0                          |
| MV Substations Upgrades and Refurbishment: Business Park Sub WIP  | Whole of the Municipality                                    | 50,004                     | 0                          | 0                          |
| MV Substations Upgrades and Refurbishment: Shakasrock Substat WIP | Whole of the Municipality                                    | 2,700,000                  | 0                          | 0                          |
| MV Substations Rebuild: SAPPI Substations - KDM WIP               | Whole of the Municipality                                    | 14,000,000                 | 15,356,036                 | 0                          |
| MV Substations Rebuild: SAPPI Substations - DTI WIP               | Whole of the Municipality                                    | 0                          | 29,356,036                 | 0                          |
| MV Substations Upgrades and Refurbishment: Gledhow Substation WIP | Whole of the Municipality                                    | 2,000,000                  | 1,500,000                  | 0                          |
| MV Substations Upgrades and Refurbishment: Glenhills Substat WIP  | Whole of the Municipality                                    | 549,996                    | 300,000                    | 0                          |
| 360 Furniture and Equipment                                       | Whole of the Municipality                                    | 50,004                     | 50,000                     | 0                          |
| 400 Furniture and Equipment                                       | Whole of the Municipality                                    | 200,000                    | 200,000                    | 0                          |
| NV Street Lights Cluster A 100 SL 400452122 WIP                   | Whole of the Municipality                                    | 1,100,004                  | 1,133,004                  | 1,000,000                  |
| NV Street Lights Cluster B 37SL 400452123 WIP                     | Whole of the Municipality                                    | 1,100,004                  | 1,133,004                  | 1,000,000                  |
| NV Street Lights Cluster C 100SL 400452124 WIP                    | Whole of the Municipality                                    | 1,100,004                  | 1,133,004                  | 1,000,000                  |
| NV Street Lights Cluster D 100SL 400452125 WIP                    | Whole of the Municipality                                    | 1,100,004                  | 1,133,004                  | 1,000,000                  |
| NV Street Lights Cluster E 100 SL 400452126 WIP                   | Whole of the Municipality                                    | 1,100,004                  | 1,133,004                  | 1,000,000                  |
| NV Street Lights Cluster F 50 SL 400452127 WIP                    | Whole of the Municipality                                    | 1,100,004                  | 1,133,004                  | 1,000,000                  |
| NV Street Lights Cluster G 50 SL 400452128 WIP                    | Whole of the Municipality                                    | 1,100,004                  | 1,133,004                  | 1,000,000                  |
| EDP Enforcement Container                                         | Whole of the Municipality                                    | 150,000                    | 0                          | 0                          |
| Filing Park home                                                  | Whole of the Municipality                                    | 600,000                    | 0                          | 0                          |
| Computer and Office Equipment                                     | Whole of the Municipality                                    | 1,250,000                  | 0                          | 0                          |
| Nokukhanya Luthuli Building Security Upgrade                      | 4                                                            | 75,000                     | 0                          | 0                          |
| Museum Furniture & Specialised Fittings                           | 19                                                           | 300,000                    | 0                          | 0                          |
| Construction of Museum (WIP)                                      | 19                                                           | 1,814,118                  | 0                          | 0                          |

## APPENDIX O: CAPITAL PROGRAMME BY PROJECT BY WARD *...continued*

| PROJECT                                                | WARD<br>(ADMIN, WHOLE OF<br>MUNICIPALITY, OR WARD<br>NUMBER) | YEAR 1<br>2022/2023<br>(R) | YEAR 2<br>2023/2024<br>(R) | YEAR 3<br>2024/2025<br>(R) |
|--------------------------------------------------------|--------------------------------------------------------------|----------------------------|----------------------------|----------------------------|
| Sedan                                                  | Whole of the Municipality                                    | 250,000                    | 0                          | 0                          |
| KDM Library Green Rectification Building WIP           | 19                                                           | 750,000                    | 0                          | 0                          |
| Bulk Filers / Filing Cabinets                          | Whole of the Municipality                                    | 100,000                    | 0                          | 0                          |
| Informal Traders Facilities                            | Whole of the Municipality                                    | 500,000                    | 0                          | 0                          |
| Tourism Signage                                        | Whole of the Municipality                                    | 150,000                    | 0                          | 0                          |
| Upgrade of Checkers Public car Park                    | 19                                                           | 1,500,000                  | 0                          | 0                          |
| Upgrade of OK Mall/ Mr Price Public Parking            | 19                                                           | 1,159,409                  | 0                          | 0                          |
| Computer Equipment 215                                 | Whole of the Municipality                                    | 250,000                    | 0                          | 0                          |
| Upgrade to Finance Building (WIP)                      | Administrative or Head Office (Including Satellite Offices)  | 4,000,000                  | 0                          | 0                          |
| Upgrade to SCM Building (WIP)                          | Administrative or Head Office (Including Satellite Offices)  | 2,000,000                  | 0                          | 0                          |
| Furniture and Equipment 215                            | Whole of the Municipality                                    | 50,000                     | 100,000                    | 100,000                    |
| O27 Renovation to LED Centre WIP                       | 19                                                           | 250,000                    | 0                          | 0                          |
| Prefabricated Temporary Structure Creche- Ward 16- WIP | 19                                                           | 4,600,000                  | 0                          | 0                          |
| TOTAL                                                  | N/A                                                          | 510,264,877                | 349,522,312                | 316,543,548                |

## APPENDIX P: SERVICE CONNECTION BACKLOGS AT SCHOOLS & CLINICS

No backlogs at schools and clinics during this financial year



## APPENDIX Q: SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

| WATER                                        |              |                  |           |           |           |           |                                 |
|----------------------------------------------|--------------|------------------|-----------|-----------|-----------|-----------|---------------------------------|
| LOCAL MUNICIPALITY                           | POPULATION   | HOUSEHOLDS       | 2019/2020 | 2020/2021 | 2021/2022 | 2022/2023 | PERCENTAGE OF HH SERVED TO DATE |
| Mandeni                                      | 147 808      | 45 678           | 18 400    | 18 400    | 17 488    | 17 488    |                                 |
| KwaDukuza                                    | 276 719      | 91 284           | 9 119     | 9 119     | 9 119     | 9 119     |                                 |
| Ndwedwe                                      | 143 117      | 33 883           | 4 298     | 4 298     | 4 298     | 4 298     |                                 |
| Maphumulo                                    | 89 969       | 20 524           | 327       | 327       | (173)     | (173)     |                                 |
|                                              | 657 613      | 191 369          |           |           |           |           |                                 |
| HH without access to water                   |              |                  | 32 144    | 32 144    | 30 732    | 30 732    | 16,06%                          |
| Achievements per year                        |              |                  | -         | -         | 1 412     |           |                                 |
| HH served                                    |              |                  | 159 225   | 159 225   | 160 637   | 160 637   | 83,94%                          |
| <b>Calculation for water backlog</b>         |              |                  |           |           |           |           |                                 |
| Backlog for 2020/2021                        | 16,80%       | (32 144/191 369) |           |           |           |           |                                 |
| Backlog for 2021/2022                        | 16,06%       | (30 732/191 369) |           |           |           |           |                                 |
| % decrease in backlog as at end of June 2022 | <b>0,74%</b> | (1 412/191 369)  |           |           |           |           |                                 |

Source: iLembe District Municipality Performance Management Unit 2023

| SANITATION                                   |              |                  |           |           |           |           |                                 |
|----------------------------------------------|--------------|------------------|-----------|-----------|-----------|-----------|---------------------------------|
| LOCAL MUNICIPALITY                           | POPULATION   | HOUSEHOLDS       | 2019/2020 | 2020/2021 | 2021/2022 | 2022/2023 | PERCENTAGE OF HH SERVED TO DATE |
| Mandeni                                      | 147 808      | 45 678           | 78        | (412)     | (642)     | (1 290)   |                                 |
| KwaDukuza                                    | 276 719      | 91 284           | 12 311    | 12 311    | 12 311    | 12 311    |                                 |
| Ndwedwe                                      | 143 117      | 33 883           | 2 103     | 1 613     | 893       | 271       |                                 |
| Maphumulo                                    | 89 969       | 20 524           | 10 990    | 10 500    | 10 064    | 9 416     |                                 |
|                                              | 657 613      | 191 369          |           |           |           |           |                                 |
| HH without access to sanitation              |              |                  | 25 482    | 24 012    | 22 626    | 20 708    | 10.82%                          |
| Achievements per year                        |              |                  | 2 364     | 1 470     | 1 386     | 1 918     |                                 |
| HH served                                    |              |                  | 165 887   | 167 357   | 168 743   | 170 661   | 89.18%                          |
| <b>Calculation for sanitation backlog</b>    |              |                  |           |           |           |           |                                 |
| Backlog for 2021/2022                        | 11.82%       | (22 626/191 369) |           |           |           |           |                                 |
| Backlog for 2022/2023                        | 10.82%       | (20 708/191 369) |           |           |           |           |                                 |
| % decrease in backlog as at end of June 2023 | <b>1.00%</b> | (1 918/191 369)  |           |           |           |           |                                 |

Source: iLembe District Municipality Performance Management Unit 2023

## **APPENDIX R: DECLARATION OF LOANS & GRANTS MADE BY THE MUNICIPALITY**

This is contained as Annexure A to the AFS.

## **APPENDIX S: DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71**

All returns in terms of Section 71 of the MFMA were made within the stipulated timeframes.

## **APPENDIX T: NATIONAL & PROVINCIAL OUTCOME FOR LOCAL GOVERNMENT**

The powers and functions of the municipality have been detailed in the annual report under the Municipal Manager's Executive Summary in the Annual Report.

## APPENDIX U - PERFORMANCE TARGETS SET FOR THE FOLLOWING YEAR 2023/2024

| STRATEGIC OBJECTIVE FROM THE IDP                        | ORG SDBIP OPMS-NO. | KEY PERFORMANCE INDICATORS                                                                                                                                                                                                                                                                                                                                          | ANNUAL TARGET                                                                                                           | Q1<br>JULY - SEPTEMBER<br>PROJECTED TARGET                                                                | Q2<br>OCTOBER - DECEMBER<br>PROJECTED TARGET                                                              | Q3<br>JANUARY - MARCH<br>PROJECTED TARGET                                                                 | Q4<br>APRIL - JUNE<br>PROJECTED TARGET                                                                    |
|---------------------------------------------------------|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|
| To build capable and transformed institutional capacity | OPMS 01            | The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan (NKPPI) Highest Three levels:-<br>1) Top Management MM, ED, and Directors (Task Grade 19 -26)<br>2) Senior Management (Task Grade 16 - 18)<br>3) Professionals (Task Grade 14 -15) | <b>4 people employed from employment equity target groups in the three highest levels of management by 30 June 2024</b> | 1 person employed from employment equity target groups employed in the three highest levels of management | 1 person employed from employment equity target groups employed in the three highest levels of management | 1 person employed from employment equity target groups employed in the three highest levels of management | 1 person employed from employment equity target groups employed in the three highest levels of management |
| To build capable and transformed institutional capacity | OPMS 02            | Number of reports on trainings provided for Councilors and staff conducted, submitted to Finance & Local Public Administration Portfolio Committee (FLPA) by 30 June 2024                                                                                                                                                                                           | <b>4 reports on trainings provided for Councilors and staff conducted, submitted to FLPA by 30 June 2024.</b>           | Q4 of 22/23 report, on trainings provided for Councilors and staff conducted, submitted to FLPA.          | Q1 of 23/24 report, on trainings provided for Councilors and staff conducted, submitted to FLPA.          | Q2 of 23/24 report, on trainings provided for Councilors and staff conducted, submitted to FLPA.          | Q3 of 23/24 report, on trainings provided for Councilors and staff conducted, submitted to FLPA.          |
| To build capable and transformed institutional capacity | OPMS 03            | Ensure 50% employment of women candidates from all levels                                                                                                                                                                                                                                                                                                           | <b>Ensure 50% employment of women candidates from all levels by 30 June 2024</b>                                        | Ensure 50% employment of women candidates from all levels                                                 | Ensure 50% employment of women candidates from all levels                                                 | Ensure 50% employment of women candidates from all levels                                                 | Ensure 50% employment of women candidates from all levels                                                 |
|                                                         | OPMS 04            | Ensure 50% employment of youth candidates from all levels                                                                                                                                                                                                                                                                                                           | <b>Ensure 50% employment of youth candidates from all levels by 30 June 2024</b>                                        | Ensure 50% employment of youth candidates from all levels                                                 | Ensure 50% employment of youth candidates from all levels                                                 | Ensure 50% employment of youth candidates from all levels                                                 | Ensure 50% employment of youth candidates from all levels                                                 |
| To build capable and transformed institutional capacity | OPMS 05            | Number of people with disabilities employed in line with the Employment Equity Plan by target date.                                                                                                                                                                                                                                                                 | <b>2 people with disabilities employed in line with the Employment Equity Plan by 30 June 2024.</b>                     | Identification of posts to be filled by people with disabilities.                                         | Post identification report submitted to FLPA.                                                             | 1 person with a disability appointed in line with employment equity plan                                  | 1 person with a disability appointed in line with employment equity plan                                  |

## APPENDIX U - PERFORMANCE TARGETS SET FOR THE FOLLOWING YEAR 2023/2024 ...continued

| STRATEGIC OBJECTIVE FROM THE IDP                        | ORG SDBIP OPMS-NO. | KEY PERFORMANCE INDICATORS                                                                                                          | ANNUAL TARGET                                                                                                                       | Q1<br>JULY - SEPTEMBER<br>PROJECTED TARGET                                                                    | Q2<br>OCTOBER - DECEMBER<br>PROJECTED TARGET                                                      | Q3<br>JANUARY - MARCH<br>PROJECTED TARGET                                                         | Q4<br>APRIL - JUNE<br>PROJECTED TARGET                                                                                              |
|---------------------------------------------------------|--------------------|-------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|
| To invest in skills development                         | OPMS 06            | The percentage of a municipality's budget actually spent on implementing its workplace skills plan (WSP)(NKP)                       | 90% of a municipality's training budget spent on implementation of WSP by 30 June 2024.                                             | 20% of a municipality's training budget actually spent on implementing its workplace skills plan.             | 30% of a municipality's training budget actually spent on implementing its workplace skills plan. | 70% of a municipality's training budget actually spent on implementing its workplace skills plan. | 90% of a municipality's training budget actually spent on implementing its workplace skills plan.                                   |
| To build capable and transformed institutional capacity | OPMS 07            | Percentage IT activities raised by the AG audit contained in the AG action plan resolved by target date.                            | 90% of IT activities raised by the AG audit contained in the AG action plan resolved by 30 June 2024.                               | No target                                                                                                     | No Target                                                                                         | 40% IT activities raised by the AG audit contained in the AG action plan resolved.                | 90% IT activities raised by the AG audit contained in the AG action plan resolved.                                                  |
| To build capable and transformed institutional capacity | OPMS 08            | Number of properties transferred from erstwhile TLC's to KDM by target date                                                         | 34 properties transferred from erstwhile TLC's to KDM by 30 June 2024.                                                              | Instruction to conveyancers to initiate the property transfer process.                                        | Advertising for the issuing of copies of title deeds.                                             | Lodging of transfer documents                                                                     | Finalising of registrations and transfer processes of 34 properties                                                                 |
| To enhance organisational performance                   | OPMS 09            | Adoption of reviewed PMS Framework by target date                                                                                   | Adoption of reviewed PMS Framework by Council by 31 May 2024.                                                                       | No Target                                                                                                     | No Target                                                                                         | No Target                                                                                         | Adoption of reviewed PMS Framework by Council                                                                                       |
| To enhance organisational performance                   | OPMS 10            | 2024/2025 Service Delivery and Budget Implementation Plan (SDBIP) approved by Mayor within 28 Days from the approval of the budget. | 2024/2025 Service Delivery and Budget Implementation Plan (SDBIP) approved by Mayor within 28 Days from the approval of the budget. | No Target                                                                                                     | No target                                                                                         | No Target                                                                                         | 2024/2025 Service Delivery and Budget Implementation Plan (SDBIP) approved by Mayor within 28 Days from the approval of the budget. |
| To enhance organisational performance                   | OPMS 11            | Submission of Performance Agreements to MEC for Local Government within specified timeframe.                                        | Submission of the Performance Agreements to the MEC for Local Government within 14 days after the Mayors approval of the SDBIP.     | Performance Agreements to the MEC for Local Government within 14 days after the Mayors approval of the SDBIP. | No Target                                                                                         | No Target                                                                                         | No Target                                                                                                                           |

## APPENDIX U - PERFORMANCE TARGETS SET FOR THE FOLLOWING YEAR 2023/2024 ...continued

| STRATEGIC OBJECTIVE FROM THE IDP      | ORG SDBIP OPMS- NO. | KEY PERFORMANCE INDICATORS                                                                                     | ANNUAL TARGET                                                                                                                                                 | Q1                                                                                                                  |                                                                                 | Q2                                                                              |                                                                                 | Q3                                                                                                     |                                                                                                        | Q4                                                                                           |                                                                                              |
|---------------------------------------|---------------------|----------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|---------------------------------------------------------------------------------|---------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
|                                       |                     |                                                                                                                |                                                                                                                                                               | JULY - SEPTEMBER                                                                                                    | PROJECTED TARGET                                                                | OCTOBER - DECEMBER                                                              | PROJECTED TARGET                                                                | JANUARY - MARCH                                                                                        | PROJECTED TARGET                                                                                       | APRIL - JUNE                                                                                 | PROJECTED TARGET                                                                             |
| To enhance organisational performance | OPMS 12             | Submission of the Annual Performance Report (APR) to the Auditor General (AG) by target date.                  | Submission of the 2022/2023 Annual Performance Report (APR) to the Auditor General (AG) by 31 August 2023                                                     | Submission of 2022/2023 APR to AG by 31 August 2023.                                                                | No Target                                                                       | No Target                                                                       | No Target                                                                       | No Target                                                                                              | No Target                                                                                              | No Target                                                                                    | No Target                                                                                    |
| To enhance organisational performance | OPMS 13             | KDM Annual Report submitted to Council by target date                                                          | KDM 2022/2023 Annual Report submitted to Council by 31 January 2024.                                                                                          | No target.                                                                                                          | No target                                                                       | No target                                                                       | No target                                                                       | Tabling of Annual report submitted to council by 31 January 2024                                       | No Target                                                                                              | No Target                                                                                    | No Target                                                                                    |
| To enhance organisational performance | OPMS 14             | Date submission of the Oversight report to Council for adoption                                                | Submission of the 2022/2023 Oversight report to Council for adoption by 31 March 2024                                                                         | No Target                                                                                                           | No Target                                                                       | No Target                                                                       | No Target                                                                       | Submission of the Oversight report to Council for adoption.                                            | No Target                                                                                              | No Target                                                                                    | No Target                                                                                    |
| To enhance organisational performance | OPMS 15             | Number of quarterly performance reports submitted to the EXCO/ Council by target date.                         | 4 quarterly performance reports submitted to the EXCO/ Council by 30 June 2024.                                                                               | Submission of quarter 4 2022/2023 performance report to Council.                                                    | Submission of quarter 1 2023/2024 performance report to EXCO.                   | Submission of quarter 2 2023/2024 performance report to EXCO.                   | Submission of quarter 3 2023/2024 Performance Report to EXCO.                   | Submission of Quarter 2 2023/2024 Performance Report to Council.                                       | Submission of Quarter 3 2023/2024 Performance Report to EXCO.                                          | Submission of Quarter 3 2023/2024 Performance Report to EXCO.                                | Submission of Quarter 3 2023/2024 Performance Report to EXCO.                                |
| To enhance organisational performance | OPMS 16             | Number of Performance reviews and performance assessments for Section 56/57 Managers conducted by target date. | i) 2 Informal Reviews.<br>ii) 1 Formal Review for Mid year 2023/2024 conducted by 31 March 2024.<br>iii) 1 Annual Assessment for 2022/2023, by 30 June 2024." | Q4 2022/2023 Informal Review between MM and ED's conducted by 30 September 2023.                                    | Q1 2023/2024 Informal Review between MM and ED's conducted by 31 December 2023. | Q1 2023/2024 Informal Review between MM and ED's conducted by 31 December 2023. | Q1 2023/2024 Informal Review between MM and ED's conducted by 31 December 2023. | 2023/2024 Q2/ Mid year Formal Review for all Section 56/57 Senior Managers conducted by 31 March 2024. | 2023/2024 Q2/ Mid year Formal Review for all Section 56/57 Senior Managers conducted by 31 March 2024. | 2022/2023 Annual Assessment for all Section 56/57 Senior Managers conducted by 30 June 2024. | 2022/2023 Annual Assessment for all Section 56/57 Senior Managers conducted by 30 June 2024. |
| To enhance organisational performance | OPMS 17             | Publication of Performance Agreements on the municipal website within specified timeframe                      | Publication of the Performance Agreements on the municipal website 14 days after the approval of the SDBIP.                                                   | Publication of the Performance Agreements on the municipal website 14 working days after the approval of the SDBIP. | No Target                                                                       | No Target                                                                       | No Target                                                                       | No Target                                                                                              | No Target                                                                                              | No Target                                                                                    | No Target                                                                                    |



## APPENDIX U - PERFORMANCE TARGETS SET FOR THE FOLLOWING YEAR 2023/2024 ...continued

| STRATEGIC OBJECTIVE FROM THE IDP                                                                                       | ORG SDBIP OPMS-NO. | KEY PERFORMANCE INDICATORS                                                                                     | ANNUAL TARGET                                                                                                  | Q1                                                                       | Q2                                                                                            | Q3                                                                                                                 | Q4                                                                                                             |
|------------------------------------------------------------------------------------------------------------------------|--------------------|----------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|
|                                                                                                                        |                    |                                                                                                                |                                                                                                                | JULY - SEPTEMBER<br>PROJECTED TARGET                                     | OCTOBER - DECEMBER<br>PROJECTED TARGET                                                        | JANUARY - MARCH<br>PROJECTED TARGET                                                                                | APRIL - JUNE<br>PROJECTED TARGET                                                                               |
| To enhance organisational performance                                                                                  | OPMS 18            | Publication of the Oversight report in terms of Section 21A of the MSA within the specified timeframe.         | Publication of the Oversight report on the municipal website within 7 days of Council adoption.                | No Target                                                                | No Target                                                                                     | Advertise adoption in the local newspapers.                                                                        | Make public the Oversight Report on the municipal website within 7 days.                                       |
| To ensure co-ordination and alignment of developmental programmes of the municipality with other spheres of government | OPMS 19            | Approval and adoption of the 2024/2025 IDP in line with S129 MFMA & Chapters 5&6 MSA by Council by target date | Approval and adoption of the 2024/2025 IDP in line with S129 MFMA & Chapters 5&6 MSA by Council by 31 May 2024 | Final IDP process plan approved and adopted by Council by 31 August 2023 | (i) Conduct IDP road shows<br>(ii) Develop a priority list of needs from wards by 31 Dec 2023 | (i) Prepare and Submit Draft IDP to council for adoption by 31 March 2024<br>(ii) Submission of Draft IDP to COGTA | Approval and adoption of the 2024/2025 IDP in line with S129 MFMA & Chapters 5&6 MSA by Council by 31 May 2024 |
| To provide effective and efficient Internal Audit services for Council                                                 | OPMS 20            | 2024/2025 Risk Based Internal Audit Plan to be approved and adopted by Audit Committee by target date.         | 2024/2025 Risk based Annual Internal Audit Plan to be approved and adopted by Audit Committee 30 June 2024     | No target                                                                | No target                                                                                     | No target                                                                                                          | 2024/2025 Risk based Annual Internal Audit Plan to be approved and adopted by Audit Committee                  |
| To provide effective and efficient Internal Audit services for Council                                                 | OPMS 21            | 2024/2025 Risk based Annual Internal Audit Plan submitted to council by target date.                           | 2024/2025 Risk based Annual Internal Audit Plan submitted to council by 30 June 2024                           | No target                                                                | No target                                                                                     | No target                                                                                                          | 2024/2025 Risk based Annual Internal Audit Plan submitted to council.                                          |



## APPENDIX U - PERFORMANCE TARGETS SET FOR THE FOLLOWING YEAR 2023/2024 ...continued

| STRATEGIC OBJECTIVE FROM THE IDP                   | ORG SDBIP OPMS- NO. | KEY PERFORMANCE INDICATORS                                                                                                                           | ANNUAL TARGET                                                                                                                                                  | Q1<br>JULY - SEPTEMBER<br>PROJECTED TARGET                                                                                                             | Q2<br>OCTOBER - DECEMBER<br>PROJECTED TARGET                                                                                                           | Q3<br>JANUARY - MARCH<br>PROJECTED TARGET                                                                                                              | Q4<br>APRIL - JUNE<br>PROJECTED TARGET                                                                                                                 |
|----------------------------------------------------|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| To ensure compliance with the laws and regulations | OPMS 22             | Number of quarterly reports on organisational compliance with relevant laws and regulations compiled by Internal Audit submitted to Audit Committee  | 4 Quarterly reports on organisational compliance with relevant laws and regulations compiled by Internal Audit submitted to Audit Committee by 30 June 2024.   | Quarter 4 of 2022/2023 reports on organisational compliance with relevant laws and regulations compiled by Internal Audit submitted to Audit Committee | Quarter 1 of 2023/2024 reports on organisational compliance with relevant laws and regulations compiled by Internal Audit submitted to Audit Committee | Quarter 2 of 2023/2024 reports on organisational compliance with relevant laws and regulations compiled by Internal Audit submitted to Audit Committee | Quarter 3 of 2023/2024 reports on organisational compliance with relevant laws and regulations compiled by Internal Audit submitted to Audit Committee |
|                                                    | OPMS 23             | Number of quarterly reports on organisational compliance with relevant laws and regulations compiled by Internal Audit to MPAC                       | 4 Quarterly reports on organisational compliance with relevant laws and regulations compiled by Internal Audit and submitted to MPAC by 30 June 2024.          | Q4 of 2022/2023 reports on organisational compliance with relevant laws and regulations compiled by Internal Audit and submitted to MPAC               | Q1 of 2023/2024 reports on organisational compliance with relevant laws and regulations compiled by Internal Audit and submitted to MPAC               | Q2 of 2023/2024 reports on organisational compliance with relevant laws and regulations compiled by Internal Audit and submitted to MPAC               | Q3 of 2023/2024 reports on organisational compliance with relevant laws and regulations compiled by Internal Audit and submitted to MPAC               |
|                                                    | OPMS 24             | Number of quarterly reports on organisational compliance with relevant laws and regulations compiled by Internal Audit and submitted to EXCO/Council | 4 Quarterly reports on organisational compliance with relevant laws and regulations compiled by Internal Audit and submitted to EXCO/ Council by 30 June 2024. | Q4 of 2022/2023 reports on organisational compliance with relevant laws and regulations compiled by Internal Audit and submitted to EXCO/ Council      | Q1 of 2023/2024 reports on organisational compliance with relevant laws and regulations compiled by Internal Audit and submitted to EXCO/ Council      | Q2 of 2023/2024 reports on organisational compliance with relevant laws and regulations compiled by Internal Audit and submitted to EXCO/ Council      | Q3 of 2023/2024 reports on organisational compliance with relevant laws and regulations compiled by Internal Audit and submitted to EXCO/ Council      |
| To ensure compliance with the laws and regulations | OPMS 25             | Number of Audit and Performance Audit Committee Reports submitted to Council as required by MPPMR 14(4) (a) (iii).                                   | 4 Audit & Performance Audit Committee reports submitted to Council by the Audit Committee by 30 June 2024                                                      | 2022/2023 Q4 Audit & Performance Audit Committee report submitted to Council by audit committee                                                        | 2023/2024 Q1 Audit & Performance Audit Committee report submitted to Council by audit committee                                                        | 2023/2024 Q2 Audit & Performance Audit Committee report submitted to Council by Audit Committee                                                        | 2023/2024 Q3 Audit & Performance Audit Committee report submitted to Council by audit committee                                                        |

## APPENDIX U - PERFORMANCE TARGETS SET FOR THE FOLLOWING YEAR 2023/2024 ...continued

| STRATEGIC OBJECTIVE FROM THE IDP                                                                                   | ORG SDBIP OPMS-NO. | KEY PERFORMANCE INDICATORS                                                                                                                               | ANNUAL TARGET                                                                                                                                     | Q1<br>JULY - SEPTEMBER<br>PROJECTED TARGET                                                                                     | Q2<br>OCTOBER - DECEMBER<br>PROJECTED TARGET                                                                                   | Q3<br>JANUARY - MARCH<br>PROJECTED TARGET                                                                                      | Q4<br>APRIL - JUNE<br>PROJECTED TARGET                                                                                         |
|--------------------------------------------------------------------------------------------------------------------|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|
| To ensure compliance with the laws and regulations                                                                 | OPMS 26            | Number of progress reports on the percentage of AG findings resolved in the AG action plan, compiled by IA and submitted to Audit comm target date.      | 4 progress reports on the percentage of AG findings resolved in the AG action plan, compiled by IA and submitted to Audit comm by 30 June 2024.   | 1 progress report on the percentage of AG findings resolved in the AG action plan, compiled by IA submitted to Audit committee | 1 progress report on the percentage of AG findings resolved in the AG action plan, compiled by IA submitted to Audit committee | 1 progress report on the percentage of AG findings resolved in the AG action plan, compiled by IA submitted to Audit committee | 1 progress report on the percentage of AG findings resolved in the AG action plan, compiled by IA submitted to Audit committee |
|                                                                                                                    | OPMS 27            | Number of progress reports on the percentage of AG findings resolved in the AG action plan, compiled by IA submitted to MPAC by target date              | 4 progress reports on the percentage of AG findings resolved in the AG action plan, compiled by IA and submitted to MPAC by 30 June 2024          | 1 progress report on the % of AG findings resolved in the AG action plan, compiled by IA submitted to MPAC                     | 1 progress report on the % of AG findings resolved in the AG action plan, compiled by IA submitted to MPAC                     | 1 progress report on the % of AG findings resolved in the AG action plan, compiled by IA submitted to MPAC                     | 1 progress report on the % of AG findings resolved in the AG action plan, compiled by IA submitted to MPAC                     |
|                                                                                                                    | OPMS 28            | Number of progress reports on the percentage of AG findings resolved in the AG action plan, compiled by IA and submitted to EXCO/ Council by target date | 4 progress reports on the percentage of AG findings resolved in the AG action plan, compiled by IA and submitted to EXCO/ Council by 30 June 2024 | 1 progress report on the % of AG findings resolved in the AG action plan, compiled by IA submitted to EXCO/ Council            | 1 progress report on the % of AG findings resolved in the AG action plan, compiled by IA submitted to EXCO/ Council            | 1 progress report on the % of AG findings resolved in the AG action plan, compiled by IA submitted to EXCO/ Council            | 1 progress report on the % of AG findings resolved in the AG action plan, compiled by IA submitted to EXCO/ Council            |
| To identify, assess and manage key risks of which organisation is exposed to                                       | OPMS 29            | Adoption of 2024/2025 Risk Register by council by target date.                                                                                           | Adoption of 2024/2025 Risk Register by council by 30 June 2024                                                                                    | No target                                                                                                                      | No target                                                                                                                      | No target                                                                                                                      | Adoption of 2024/2025 Risk Register by council                                                                                 |
| To address oversight requirements of risk management and institution's performance with regards to risk management | OPMS 30            | Number of reports on top 10 risk action plans submitted to Risk Management Committee and EXCO                                                            | 4 reports on top 10 risk action plans submitted to Risk Management Committee and EXCO by 30 June 2024                                             | 1 report for Q4 of 2022/2023, on Top 10 risk action plans submitted to Risk Management Committee and EXCO                      | 1 report for Q1 of 2023/2024, on Top 10 risk action plans submitted to Risk Management Committee and EXCO                      | 1 report for Q2 of 2023/2024, on Top 10 risk action plans submitted to Risk Management Committee and EXCO                      | 1 report for Q3 of 2023/2024, on Top 10 risk action plans submitted to Risk Management Committee and EXCO                      |

# APPENDIX U - PERFORMANCE TARGETS SET FOR THE FOLLOWING YEAR 2023/2024 ...continued

| STRATEGIC OBJECTIVE FROM THE IDP                                                                                                        | ORG SDBIP-OPMS-NO. | KEY PERFORMANCE INDICATORS                                                                                                                                                                        | ANNUAL TARGET                                                                                                       | Q1<br>JULY - SEPTEMBER<br>PROJECTED TARGET                                                         | Q2<br>OCTOBER - DECEMBER<br>PROJECTED TARGET                                                     | Q3<br>JANUARY - MARCH<br>PROJECTED TARGET                                                          | Q4<br>APRIL - JUNE<br>PROJECTED TARGET                                                           |
|-----------------------------------------------------------------------------------------------------------------------------------------|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|
| To ensure that the revenue of the municipality is collected and accounted for.                                                          | OPMS 31            | Rand Revenue collected from all traffic licenses issued                                                                                                                                           | R5 100 000 collected from all traffic licenses issued by 30 June 2024                                               | R1 275 000 collected from all traffic licenses issued.                                             | R1 275 000 collected from all traffic licenses issued.                                           | R1 275 000 collected from all traffic licenses issued.                                             | R1 275 000 collected from all traffic licenses issued.                                           |
| To ensure that the revenue of the municipality is collected and accounted for.                                                          | OPMS 32            | Rand value revenue collected from outstanding fines and other traffic offences                                                                                                                    | R2 000 000 revenue collected from outstanding fines, as at 30 June 2023; and other traffic offences by 30 June 2024 | R500 000 revenue collected from outstanding fines and other traffic offences                       | R500 000 revenue collected from outstanding fines and other traffic offences                     | R500 000 revenue collected from outstanding fines and other traffic offences                       | R500 000 revenue collected from outstanding fines and other traffic offences                     |
| To improve expenditure on Municipal Infrastructure Grant (MIG) allocation                                                               | OPMS 33            | % expenditure on implementation of MIG infrastructure projects within budget                                                                                                                      | 100% expenditure on implementation of MIG infrastructure projects by 30 June 2024                                   | 25% expenditure on implementation of MIG infrastructure projects within budget.                    | 50% expenditure on implementation of MIG infrastructure projects within budget.                  | 75% expenditure on implementation of MIG infrastructure projects within budget.                    | 100% expenditure on implementation of MIG infrastructure projects within budget.                 |
| To improve expenditure on Capital Budget                                                                                                | OPMS 34            | % spend on the National Flood Disaster Grant by target date.                                                                                                                                      | 100% spend on the National Flood Disaster Grant by 30 June 2024                                                     | 25% expenditure on the National Flood Disaster Grant projects.                                     | 50% expenditure on the National Flood Disaster Grant projects.                                   | 100% expenditure on the National Flood Disaster Grant projects.                                    | No target.                                                                                       |
| To improve expenditure on Capital Budget                                                                                                | OPMS 35            | The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan (NKPI) | 90% of a municipality's capital budget actually spent on capital projects by 30 June 2024                           | 22.5% expenditure on capital budget for projects identified in the IDP.                            | 45% expenditure on capital budget for projects identified in the IDP.                            | 67.5% expenditure on capital budget for projects identified in the IDP.                            | 90% expenditure on capital budget for projects identified in the IDP.                            |
| To ensure that the revenue of the municipality is collected and accounted for.                                                          | OPMS 36            | % irregular expenditure.                                                                                                                                                                          | 0% irregular expenditure by 30 June 2024.                                                                           | 0% irregular expenditure by 30 September 2023                                                      | 0% irregular expenditure by 31 December 2023.                                                    | 0% irregular expenditure by 31 March 2024.                                                         | 0% irregular expenditure by 30 June 2024.                                                        |
| To ensure that the revenue of the municipality is collected and accounted for by improving Credit Control and Debt Collection processes | OPMS 37            | % Reduction of debt in the greater than 60 days category when compared to debt as at 30 June 2023                                                                                                 | 2% reduction of debt in the greater than 60 days category when compared to debt as at 30 June 2023.                 | 0.5% reduction of debt in the greater than 60 days category when compared to debt as at 30/06/2023 | 1% reduction of debt in the greater than 60 days category when compared to debt as at 30/06/2023 | 1.5% reduction of debt in the greater than 60 days category when compared to debt as at 30/06/2023 | 2% reduction of debt in the greater than 60 days category when compared to debt as at 30/06/2023 |



## APPENDIX U - PERFORMANCE TARGETS SET FOR THE FOLLOWING YEAR 2023/2024 ...continued

| STRATEGIC OBJECTIVE FROM THE IDP                                                                            | ORG SDBIP-OPMS-NO. | KEY PERFORMANCE INDICATORS                                                                                                                                                                      | ANNUAL TARGET                                                                                                                                                                                          | Q1                                                                                                                       |                                                                                                                          | Q2                                                                                                                       |                                                                                                                          | Q3                                                                                                                       |                                                                                                                          | Q4           |                  |
|-------------------------------------------------------------------------------------------------------------|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|--------------|------------------|
|                                                                                                             |                    |                                                                                                                                                                                                 |                                                                                                                                                                                                        | JULY - SEPTEMBER                                                                                                         | PROJECTED TARGET                                                                                                         | OCTOBER - DECEMBER                                                                                                       | PROJECTED TARGET                                                                                                         | JANUARY - MARCH                                                                                                          | PROJECTED TARGET                                                                                                         | APRIL - JUNE | PROJECTED TARGET |
| To ensure municipal budget complies with MFMA and Treasury regulations                                      | OPMS 38            | Submission of 2024/2025 credible, accurate and transparent budget to Council in line with MFMA, 56 of 2003 by target date.                                                                      | Submission of 2024/2025 credible, accurate and transparent budget to Council in line with MFMA, 56 of 2003 on 31 May 2024.                                                                             | No target.                                                                                                               | No target.                                                                                                               | No target.                                                                                                               | No target.                                                                                                               | Table 24/25 draft budget to council on 31 March 2024.                                                                    | Table 24/25 final budget to council on 31 May 2024.                                                                      |              |                  |
| To ensure municipal budget complies with MFMA and Treasury regulations                                      | OPMS 39            | Number of Budget implementation reports submitted to Council on budget spent by target dates.                                                                                                   | i) 3 Budget implementation Section 52(d) reports by 30 June 2024<br>ii) 1 MFMA S72 Report submitted to Council on budget spent, by 31 March 2024.                                                      | Submit 22/23 - Q4 S52(d) Report to Council on 31 July 2023                                                               | Submit 23/24 - Q1 S52(d) Report to Council on 30 October 2023                                                            | Submit 23/24 - Q1 S52(d) Report to Council on 30 October 2023                                                            | Submit 23/24 - Q1 S52(d) Report to Council on 30 October 2023                                                            | Submission of MFMA S72 report to Council on 31 January 2024.                                                             | Submit 23/24 - Q3 S52(d) Report to Council on 30 April 2024.                                                             |              |                  |
| To ensure that at least 45% of procurement is awarded to designated sectors i.e. Youth, Women and disabled. | OPMS 40            | Number of progress reports submitted to Finance & Local Public Administration (FLPA) on the percentage of awards made to designated sectors (i.e. Youth, Women and disabled, military veterans) | 4 progress reports submitted to Finance & Local Public Administration (FLPA) on 40 percentage of awards made to designated sectors (i.e. Youth, Women and disabled, Military Veterans) by 30 June 2024 | 1 report to (FLPA) on 40% of procurement awarded to designated groups i.e. Youth, Women, disabled and Military Veterans. | 1 report to (FLPA) on 40% of procurement awarded to designated groups i.e. Youth, Women, disabled and Military Veterans. | 1 report to (FLPA) on 40% of procurement awarded to designated groups i.e. Youth, Women, disabled and Military Veterans. | 1 report to (FLPA) on 40% of procurement awarded to designated groups i.e. Youth, Women, disabled and Military Veterans. | 1 report to (FLPA) on 40% of procurement awarded to designated groups i.e. Youth, Women, disabled and Military Veterans. | 1 report to (FLPA) on 40% of procurement awarded to designated groups i.e. Youth, Women, disabled and Military Veterans. |              |                  |
| To ensure financial viability of the municipality                                                           | OPMS 41            | Financial Management and viability expressed in the ff ratios: (NKPI) Ratio of Current Assets: Current Liabilities                                                                              | Not less than 1.5:1                                                                                                                                                                                    | Not less than 1.5:1                                                                                                      | Not less than 1.5:1                                                                                                      | Not less than 1.5:1                                                                                                      | Not less than 1.5:1                                                                                                      | Not less than 1.5:1                                                                                                      | Not less than 1.5:1                                                                                                      |              |                  |
| To ensure financial viability of the municipality                                                           | OPMS 42            | Ratio of Outstanding service debtors to annual revenue actually received for services (i.e. electricity and refuse)                                                                             | Outstanding service debtors to revenue not greater than 0.5:1                                                                                                                                          | Not greater than 0.5:1                                                                                                   | Not greater than 0.5:1                                                                                                   | Not greater than 0.5:1                                                                                                   | Not greater than 0.5:1                                                                                                   | Not greater than 0.5:1                                                                                                   | Not greater than 0.5:1                                                                                                   |              |                  |

## APPENDIX U - PERFORMANCE TARGETS SET FOR THE FOLLOWING YEAR 2023/2024 ...continued

| STRATEGIC OBJECTIVE FROM THE IDP                                   | ORG SDBIP-OPMS-NO. | KEY PERFORMANCE INDICATORS                                                                                      | ANNUAL TARGET                                                                                                                                              | Q1                                                                                                                                         | Q2                                                                                                                                         | Q3                                                                                                                                         | Q4                                                                                                                                         |
|--------------------------------------------------------------------|--------------------|-----------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                    |                    |                                                                                                                 |                                                                                                                                                            | JULY - SEPTEMBER<br>PROJECTED TARGET                                                                                                       | OCTOBER - DECEMBER<br>PROJECTED TARGET                                                                                                     | JANUARY - MARCH<br>PROJECTED TARGET                                                                                                        | APRIL - JUNE<br>PROJECTED TARGET                                                                                                           |
| To ensure financial viability of the municipality                  | OPMS 43            | Debt coverage ratio. Total operating revenue received - operating grants/ debt service payments                 | Not less than 15:01                                                                                                                                        | Not less than 15:01                                                                                                                        | Not less than 15:01                                                                                                                        | Not less than 15:01                                                                                                                        | Not less than 15:01                                                                                                                        |
| To ensure financial viability of the municipality                  | OPMS 44            | Ratio : Total operating revenue divided by debt service payments (i.e. interest plus redemption).               | Not less than 15:01                                                                                                                                        | Not less than 15:01                                                                                                                        | Not less than 15:01                                                                                                                        | Not less than 15:01                                                                                                                        | Not less than 15:01                                                                                                                        |
| To ensure financial viability of the municipality                  | OPMS 45            | Unencumbered cash coverage Ratio                                                                                | Unencumbered cash coverage Ratio of 1 month.                                                                                                               | Unencumbered cash coverage Ratio of 1 month.                                                                                               | Unencumbered cash coverage Ratio of 1 month.                                                                                               | Unencumbered cash coverage Ratio of 1 month.                                                                                               | Unencumbered cash coverage Ratio of 1 month.                                                                                               |
| To ensure financial viability of the municipality                  | OPMS 46            | Ratio: Service Charges and Property Rates Revenue Budget Implementation                                         | Ratio: Service Charges and Property Rates Revenue Budget Implementation                                                                                    | Between 95% - 100%                                                                                                                         | Between 95% - 100%                                                                                                                         | Between 95% - 100%                                                                                                                         | Between 95% - 100%                                                                                                                         |
| To ensure financial viability of the municipality                  | OPMS 47            | Ratio: Net Operating Surplus Margin                                                                             | The net operating surplus of not less than 0%                                                                                                              | The net operating surplus of not less than 0%                                                                                              | The net operating surplus of not less than 0%                                                                                              | The net operating surplus of not less than 0%                                                                                              | The net operating surplus of not less than 0%                                                                                              |
| To ensure financial viability of the municipality                  | OPMS 48            | Date of Submission of the Annual Financial Statements (AFS) to the Auditor General (AG) by target date.         | Submission of the Annual Financial Statements (AFS) to the Auditor General (AG) on 31 August 2023.                                                         | Submission of the AFS to AG on 31 August 2023.                                                                                             | No target                                                                                                                                  | No target                                                                                                                                  | No target                                                                                                                                  |
| To ensure that all citizens have an electricity service connection | OPMS 49            | The percentage of indigent households earning less than R4 500 per month with access to Free Basic Electricity. | 100% of indigent households, as per Council's Indigent Register, earning less than R4 500 per month with access to Free Basic Electricity by 30 June 2024. | 100% of indigent households, as per Council's Indigent Register, earning less than R4 500 per month with access to Free Basic Electricity. | 100% of indigent households, as per Council's Indigent Register, earning less than R4 500 per month with access to Free Basic Electricity. | 100% of indigent households, as per Council's Indigent Register, earning less than R4 500 per month with access to Free Basic Electricity. | 100% of indigent households, as per Council's Indigent Register, earning less than R4 500 per month with access to Free Basic Electricity. |

## APPENDIX U - PERFORMANCE TARGETS SET FOR THE FOLLOWING YEAR 2023/2024 ...continued

| STRATEGIC OBJECTIVE FROM THE IDP                                | ORG SDBIP-OPMS-NO. | KEY PERFORMANCE INDICATORS                                                                                      | ANNUAL TARGET                                                                                                                                                        | Q1<br>JULY - SEPTEMBER<br>PROJECTED TARGET                                                                                                                | Q2<br>OCTOBER - DECEMBER<br>PROJECTED TARGET                                                                                                              | Q3<br>JANUARY - MARCH<br>PROJECTED TARGET                                                                                                                 | Q4<br>APRIL - JUNE<br>PROJECTED TARGET                                                                                                                    |
|-----------------------------------------------------------------|--------------------|-----------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
| To provide access to basic solid waste services to all citizens | OPMS 50            | The percentage of indigent households earning less than R4 500 per month with access to Free Basic Solid Waste. | 100% of indigent households, as per councils indigent register, earning less than R4 500 per month with access to basic level of free waste removal by 30 June 2024. | 100% of indigent households, as per councils indigent register, earning less than R4 500 per month with access to basic level of free solid waste removal | 100% of indigent households, as per councils indigent register, earning less than R4 500 per month with access to basic level of free solid waste removal | 100% of indigent households, as per councils indigent register, earning less than R4 500 per month with access to basic level of free solid waste removal | 100% of indigent households, as per councils indigent register, earning less than R4 500 per month with access to basic level of free solid waste removal |
| To maintain and upgrade existing municipal infrastructure       | OPMS 51            | % expenditure on MV Network upgrades in Cluster A to Cluster G                                                  | 90% expenditure on MV Network upgrades in Cluster A to Cluster G completed by 30 June 2024.                                                                          | 1. Completion of SCM processes. (TAC, Price negotiation, Internal Audit Evaluation.)<br>2. Signinig of SLA.<br>3. Site establishment                      | Allocation of work to panel of contractors and 20 % Expenditure                                                                                           | 40% Expenditure                                                                                                                                           | 90% Expenditure                                                                                                                                           |
| To maintain and upgrade existing municipal infrastructure       | OPMS 52            | % expenditure on LV Network upgrades in Cluster A to Cluster G                                                  | 100% expenditure on LV Network upgrades in Cluster A to Cluster G completed by 30 June 2024.                                                                         | 30% Expenditure                                                                                                                                           | 100% Expenditure                                                                                                                                          | No Target                                                                                                                                                 | No Target                                                                                                                                                 |
| To maintain and upgrade existing municipal infrastructure       | OPMS 53            | 100% expenditure on Street Lights Refurbishment in Cluster A to Cluster G by target date.                       | 100% expenditure on Street Lights Refurbishment in Cluster A to Cluster G by 30 June 2024.                                                                           | 50% Expenditure                                                                                                                                           | 100% Expenditure                                                                                                                                          | 1. TSC approval for new panel.<br>2. TEC approval                                                                                                         | TAC approval and appointment of panel                                                                                                                     |
| To maintain and upgrade existing municipal infrastructure       | OPMS 54            | % expenditure on new streetlights in Cluster A to Cluster G by target date.                                     | 100% expenditure on new streetlights (Installation of 15 High mast) in Cluster A to Cluster G by 30 June 2024.                                                       | Scope of work allocated to Contractors.                                                                                                                   | 100% Expenditure (15 High mast installed )                                                                                                                | 1. TSC approval for new panel.<br>2. TEC approval                                                                                                         | TAC approval and appointment of panel                                                                                                                     |



## APPENDIX U - PERFORMANCE TARGETS SET FOR THE FOLLOWING YEAR 2023/2024 ...continued

| STRATEGIC OBJECTIVE FROM THE IDP                                      | ORG SDBIP-OPMS-NO. | KEY PERFORMANCE INDICATORS                                                                                        | ANNUAL TARGET                                                                                                                                                                                                | Q1                                                                                                                                                        | Q2                                                                                                                                                         | Q3                                                                                                                                                         | Q4                                                                                                                                                         |
|-----------------------------------------------------------------------|--------------------|-------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                       |                    |                                                                                                                   |                                                                                                                                                                                                              | JULY - SEPTEMBER<br>PROJECTED TARGET                                                                                                                      | OCTOBER - DECEMBER<br>PROJECTED TARGET                                                                                                                     | JANUARY - MARCH<br>PROJECTED TARGET                                                                                                                        | APRIL - JUNE<br>PROJECTED TARGET                                                                                                                           |
| To maintain and upgrade existing municipal infrastructure             | OPMS 55            | Multi year - YEAR 1. 60% expenditure for 9 MV Substations Upgrades and Refurbishment by target date (MN 112/2021) | 60% expenditure for 9 MV Substations Upgrades and Refurbishment by 30 June 2024.                                                                                                                             | 1. Completion of SCM processes. (TAC, Price negotiation, Internal Audit Evaluation.)<br>2. Signinig of SLA.<br>3. Site establishment                      | Allocation of work to the panel and Ordering of equipment.                                                                                                 | 30% expenditure (Site establishment and Preliminaries and Generals)                                                                                        | 60% Expenditure (Upgrade of allocated work per switch rooms).                                                                                              |
| To contribute to a safe and secure environment                        | OPMS 56            | Number of multi-disciplinary law enforcement operations conducted                                                 | 120 multi-disciplinary law enforcement operations conducted by 30 June 2024                                                                                                                                  | 30 multi-disciplinary law enforcement operations conducted.                                                                                               | 30 multi-disciplinary law enforcement operations conducted.                                                                                                | 30 multi-disciplinary law enforcement operations conducted.                                                                                                | 30 multi-disciplinary law enforcement operations conducted.                                                                                                |
| To prevent and reduce the impact of disasters within KDM jurisdiction | OPMS 57            | Number of outreach programmes conducted on fire safety, social crime and road safety campaigns.                   | 30 outreach programmes conducted on fire safety, social crime prevention and road safety: -<br>10 Fire Outreach programmes.<br>10 Social Crime Prevention Outreach programmes.<br>10 Road Safety programmes. | 6 outreach programmes conducted.<br>i) 2 ward visited for fire safety<br>ii) 2 ward visited for Social Crime Prevention.<br>iii) 2 Road Safety programme. | 9 outreach programmes conducted.<br>i) 3 ward visited for fire safety.<br>ii) 3 ward visited for Social Crime Prevention.<br>iii) 3 Road Safety programme. | 6 outreach programmes conducted.<br>i) 2 ward visited for fire safety.<br>ii) 2 ward visited for Social Crime Prevention.<br>iii) 2 Road Safety programme. | 9 outreach programmes conducted.<br>i) 3 ward visited for fire safety.<br>ii) 3 ward visited for Social Crime Prevention.<br>iii) 3 Road Safety programme. |
| To prevent and reduce the impact of disasters within KDM jurisdiction | OPMS 58            | Take delivery of Fire Fleet by target date.                                                                       | Take delivery of Fire fleet by 30 June 2024.                                                                                                                                                                 | No target                                                                                                                                                 | No target                                                                                                                                                  | No target                                                                                                                                                  | Take delivery of Fire Fleet.                                                                                                                               |
| Developing and sustaining the spatial, natural and built environment  | OPMS 59            | Completion of Museum by target date.                                                                              | Completion of Museum by 30 September 2023.                                                                                                                                                                   | Completion of KwaDukuza Museum                                                                                                                            | No target.                                                                                                                                                 | No target                                                                                                                                                  | No target                                                                                                                                                  |
| Developing and sustaining the spatial, natural and built environment  | OPMS 60            | Percentage of SPLUMA applications (Rezoning/ subdivision/Scheme Amendments) processed within stipulated time      | 90% of SPLUMA applications processed within 90 days from the closing date of advert by 30 June 2024                                                                                                          | 90% of SPLUMA applications processed within 90 days from the closing date of advert.                                                                      | 90% of SPLUMA applications processed within 90 days from the closing date of advert.                                                                       | 90% of SPLUMA applications processed within 90 days from the closing date of advert.                                                                       | 90% of SPLUMA applications processed within 90 days from the closing date of advert.                                                                       |

## APPENDIX U - PERFORMANCE TARGETS SET FOR THE FOLLOWING YEAR 2023/2024 ...continued

| STRATEGIC OBJECTIVE FROM THE IDP                                                                                                   | ORG SDBIP-OPMS-NO. | KEY PERFORMANCE INDICATORS                                                                                                       | ANNUAL TARGET                                                                                                | Q1<br>JULY - SEPTEMBER<br>PROJECTED TARGET                                                                | Q2<br>OCTOBER - DECEMBER<br>PROJECTED TARGET                                                              | Q3<br>JANUARY - MARCH<br>PROJECTED TARGET                                                                 | Q4<br>APRIL - JUNE<br>PROJECTED TARGET                                                                    |
|------------------------------------------------------------------------------------------------------------------------------------|--------------------|----------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|
| Developing and sustaining the spatial, natural and built environment                                                               | OPMS 61            | Percentage of consent applications (i.e. relaxations) processed within 60 days from closing date of advert or date of submission | 90% of consent applications processed within 60 days, from the closing date of advert or date of submission. | 90% of consent applications processed within 60 days, from the closing date of advert or submission date. | 90% of consent applications processed within 60 days, from the closing date of advert or submission date. | 90% of consent applications processed within 60 days, from the closing date of advert or submission date. | 90% of consent applications processed within 60 days, from the closing date of advert or submission date. |
| Developing and sustaining the spatial, natural and built environment                                                               | OPMS 62            | Percentage of building plans more than 500m <sup>2</sup> approved within 60 days of submission                                   | 95% of building plans more than 500m <sup>2</sup> approved within 60 days of submission.                     | 95% of building plans more than 500m <sup>2</sup> processed within 60 days of submission.                 | 95% of building plans more than 500m <sup>2</sup> processed within 60 days of submission.                 | 95% of building plans more than 500m <sup>2</sup> processed within 60 days of submission.                 | 95% of building plans more than 500m <sup>2</sup> processed within 60 days of submission.                 |
| Developing and sustaining the spatial, natural and built environment                                                               | OPMS 63            | Percentage of building plans less than 500m <sup>2</sup> processed within 30 days of submission                                  | 90% of building plans less than 500m <sup>2</sup> processed within 30 days of submission.                    | 90% of building plans less than 500m <sup>2</sup> processed within 30 days of submission.                 | 90% of building plans less than 500m <sup>2</sup> processed within 30 days of submission.                 | 90% of building plans less than 500m <sup>2</sup> processed within 30 days of submission.                 | 90% of building plans less than 500m <sup>2</sup> processed within 30 days of submission.                 |
| Developing and sustaining the spatial, natural and built environment                                                               | OPMS 64            | Number of Environmental Awareness Programmes conducted                                                                           | 10 x Environmental Management Community awareness Programmes conducted by 30 June 2024.                      | 3 Environmental Management Community awareness programmes conducted.                                      | 2 Environmental Management Community awareness programmes conducted.                                      | 3 Environmental Management Community awareness programmes conducted.                                      | 2 Environmental Management Community awareness programmes conducted.                                      |
| To use capital infrastructure and social investment to provide poverty and income relief through temporary work for the unemployed | OPMS 65            | The number of jobs created through municipality's local economic development initiatives. (NKPI)                                 | 120 Jobs created through LED initiatives by 30 June 2024                                                     | 30 Jobs created through LED initiatives                                                                   | 30 Jobs created through LED initiatives                                                                   | 30 Jobs created through LED initiatives                                                                   | 30 Jobs created through LED initiatives                                                                   |
| To develop a prosperous, inclusive, transformative and diverse local economy                                                       | OPMS 66            | Number of Business sessions conducted                                                                                            | 20 business sessions conducted by 30 June 2024                                                               | 5 business sessions conducted.                                                                            | 5 business sessions conducted.                                                                            | 5 business sessions conducted.                                                                            | 5 business sessions conducted.                                                                            |
| To develop a prosperous, inclusive, transformative and diverse local economy                                                       | OPMS 67            | Approval of LED Strategy by target date.                                                                                         | Approval of LED Strategy by 30 June 2024.                                                                    | Appointment of the service provider                                                                       | Draft Inception report                                                                                    | Draft LED Strategy                                                                                        | Adoption of LED Strategy                                                                                  |

## APPENDIX U - PERFORMANCE TARGETS SET FOR THE FOLLOWING YEAR 2023/2024 ...continued

| STRATEGIC OBJECTIVE FROM THE IDP                                                                                                   | ORG SDBIP-OPMS-NO. | KEY PERFORMANCE INDICATORS                                                                                                                                   | ANNUAL TARGET                                                                                                                                                                                                    | Q1<br>JULY - SEPTEMBER<br>PROJECTED TARGET                                                                                                                                       | Q2<br>OCTOBER - DECEMBER<br>PROJECTED TARGET                                                                                                                                   | Q3<br>JANUARY - MARCH<br>PROJECTED TARGET                                                                                                                                             | Q4<br>APRIL - JUNE<br>PROJECTED TARGET                                                                                                                                           |
|------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| To use capital infrastructure and social investment to provide poverty and income relief through temporary work for the unemployed | OPMS 68            | Number of jobs created through municipality's Capital Projects in the IDP                                                                                    | 370 jobs created through municipality's Capital Projects in the IDP by 30 June 2024:<br>i) Community Services: 100 jobs<br>ii) Electrical Services: 70 jobs created.<br>iii) Civil and Human Settlement 200 jobs | 160 jobs created through municipality's Capital Projects in the IDP:<br>i) Community Services - No target<br>ii) Electrical Services: 10<br>iii) Civil and Human Settlement: 150 | 70 jobs created through municipality's Capital Projects in the IDP:<br>i) Community Services - No target<br>ii) Electrical Services: 20<br>iii) Civil and Human Settlement: 50 | 20 jobs created through municipality's Capital Projects in the IDP:<br>i) Community Services - No target<br>ii) Electrical Services: 20<br>iii) Civil and Human Settlement: No target | 120 jobs created through municipality's Capital Projects in the IDP:<br>i) Community Services - 100<br>ii) Electrical Services: 20<br>iii) Civil and Human Settlement: No target |
| To use capital infrastructure and social investment to provide poverty and income relief through temporary work for the unemployed | OPMS 69            | Number of job opportunities created through implementation of Expanded Public Works Programme (EPWP)                                                         | 80 job opportunities created through implementation of Expanded Public Works Programme by 30 June 2024                                                                                                           | 80 jobs maintained through implementation of Expanded Public Works Programme.                                                                                                    | 80 jobs maintained through implementation of Expanded Public Works Programme.                                                                                                  | 80 jobs maintained through implementation of Expanded Public Works Programme.                                                                                                         | 80 jobs maintained through implementation of Expanded Public Works Programme.                                                                                                    |
| To facilitate provision of formal housing through construction of high quality houses.                                             | OPMS 70            | Number of new houses constructed by target date.                                                                                                             | 90 new houses constructed by 30 June 2024                                                                                                                                                                        | 22 new houses constructed                                                                                                                                                        | 23 new houses constructed                                                                                                                                                      | 22 new houses constructed                                                                                                                                                             | 23 new houses constructed                                                                                                                                                        |
| To ensure fair, transparent and compliant housing beneficiary management system.                                                   | OPMS 71            | Number of houses handed over to beneficiaries by target date.                                                                                                | 90 houses handed over to beneficiaries by 30 June 2024                                                                                                                                                           | 22 houses handed over to beneficiaries.                                                                                                                                          | 23 houses handed over to beneficiaries.                                                                                                                                        | 22 houses handed over to beneficiaries.                                                                                                                                               | 23 houses handed over to beneficiaries.                                                                                                                                          |
| Improved access to adequate housing                                                                                                | OPMS 72            | Number of sites serviced by target date.                                                                                                                     | 500 sites serviced by 30 June 2024                                                                                                                                                                               | 125 sites serviced.                                                                                                                                                              | 125 sites serviced.                                                                                                                                                            | 125 sites serviced.                                                                                                                                                                   | 125 sites serviced.                                                                                                                                                              |
| To restore human dignity through asset ownership                                                                                   | OPMS 73            | Number of Enhanced Extended Discount Benefit Scheme (EEDBS) units transferred as per the business plan with Dept of Human Settlements (DOHS) by target date. | 20 EEDBS units transferred as per business plan with DOHS by 30 June 2024                                                                                                                                        | 5 EEDBS units transferred.                                                                                                                                                       | 5 EEDBS units transferred.                                                                                                                                                     | 5 EEDBS units transferred.                                                                                                                                                            | 5 EEDBS units transferred.                                                                                                                                                       |



## APPENDIX U - PERFORMANCE TARGETS SET FOR THE FOLLOWING YEAR 2023/2024 ...continued

| STRATEGIC OBJECTIVE FROM THE IDP                                                                | ORG SDBIP-OPMS-NO. | KEY PERFORMANCE INDICATORS                                                        | ANNUAL TARGET                                                                      | Q1                                                                                                          | Q2                                                                                                              | Q3                                                                                          | Q4                                            |
|-------------------------------------------------------------------------------------------------|--------------------|-----------------------------------------------------------------------------------|------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|-----------------------------------------------|
|                                                                                                 |                    |                                                                                   |                                                                                    | JULY - SEPTEMBER<br>PROJECTED TARGET                                                                        | OCTOBER - DECEMBER<br>PROJECTED TARGET                                                                          | JANUARY - MARCH<br>PROJECTED TARGET                                                         | APRIL - JUNE<br>PROJECTED TARGET              |
| Improved access to adequate housing & To maintain and upgrade existing municipal infrastructure | OPMS 74            | Completion of Steve Biko Housing Retaining Walls and Access Roads by target date. | Completion of Steve Biko Housing Retaining Walls and Access Roads by 30 June 2024. | Appointment of contractor                                                                                   | Report to IAT indicating 25% of budget spent and works done:<br>i) Foundation excavation<br>ii) Concrete works" | Report to IAT indicating 50% of budget spent and works done:<br>i) Install retaining blocks | Practical Completion/ Completion Certificate. |
| Improved access to adequate housing & To maintain and upgrade existing municipal infrastructure | OPMS 75            | Completion of Etete Housing Retaining Walls and Access Roads by target date.      | Completion of Etete Housing Retaining Walls and Access Roads by 30 June 2024.      | Appointment of contractor                                                                                   | Report to IAT indicating 25% of budget spent and works done:<br>i) Foundation excavation<br>ii) Concrete works" | Report to IAT indicating 50% of budget spent and works done:<br>i) Install retaining blocks | Practical Completion/ Completion Certificate. |
| To ensure that the community has access to functional public amenities                          | OPMS 76            | Groutville Market Sportsfield completed by target date.                           | Groutville Market Sportsfield completed by 31 December 2023.                       | Report to IAT indicating 30% of budget spent and work done:<br>i) Construction of stormwater<br>ii) Fencing | Completion of project by 31 December 2023.                                                                      | No Target                                                                                   | No Target                                     |
| To maintain and upgrade existing municipal infrastructure                                       | OPMS 77            | Townsend Road/Avondale Stormwater Upgrade completed by target date                | Townsend Road/Avondale Stormwater Upgrade completed by 31 March 2024               | Report to IAT indicating 25% of budget spent and work done:<br>i) Excavation works"                         | Report to IAT indicating 50% of budget spent and work done:<br>i) Installation of stormwater                    | Completion of project.                                                                      | No Target                                     |
| To maintain and upgrade existing municipal infrastructure                                       | OPMS 78            | m² of roads rehabilitated by target date.                                         | 7500 m² of roads upgraded by 31 December 2023                                      | Site establishment                                                                                          | Practical Completion/ Completion Certificate.                                                                   | No Target                                                                                   | No target                                     |
| To maintain and upgrade existing municipal infrastructure                                       | OPMS 79            | Melville Hall completed by target date.                                           | Melville Hall completed by 30 June 2024.                                           | (i) TSC approval<br>(ii) TEC approval<br>(iii) TAC approval                                                 | Appointment of the contractor                                                                                   | Progress report to IAT on works done and budget expenditure on project                      | Completion of Melville Community Hall         |

## APPENDIX U - PERFORMANCE TARGETS SET FOR THE FOLLOWING YEAR 2023/2024 ...continued

| STRATEGIC OBJECTIVE FROM THE IDP                                   | ORG SDBIP-OPMS-NO. | KEY PERFORMANCE INDICATORS                                                             | ANNUAL TARGET                                                                           | Q1                                                                                                         | Q2                                                                                                              | Q3                                                                                           | Q4                                                              |
|--------------------------------------------------------------------|--------------------|----------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|-----------------------------------------------------------------|
|                                                                    |                    |                                                                                        |                                                                                         | JULY - SEPTEMBER<br>PROJECTED TARGET                                                                       | OCTOBER - DECEMBER<br>PROJECTED TARGET                                                                          | JANUARY - MARCH<br>PROJECTED TARGET                                                          | APRIL - JUNE<br>PROJECTED TARGET                                |
| To maintain and upgrade existing municipal infrastructure          | OPMS 80            | Charlottdale Community Hall completed by target date.                                  | Charlottdale Community Hall completed by 30 June 2024.                                  | (i) TSC approval<br>(ii) TEC approval<br>(iii) TAC approval                                                | Appointment of the contractor                                                                                   | Progress report to IAT on works done and budget expenditure on project                       | Completion of Charlottdale Community Hall                       |
| To maintain and upgrade existing municipal infrastructure          | OPMS 81            | Ward 14 Retaining of Lloyds Housing Pr(Walls) (Gabion Guard) completed by target date. | Ward 14 Retaining of Lloyds Housing Pr(Walls) (Gabion Guard) completed by 30 June 2024. | Appointment of contractor                                                                                  | Report to IAT indicating 25% of budget spent and works done:<br>i) Foundation excavation<br>ii) Concrete works" | "Report to IAT indicating 50% of budget spent and works done:<br>i) Install retaining blocks | Practical Completion/ Completion Certificate.                   |
| To maintain and upgrade existing municipal infrastructure          | OPMS 82            | Hullet bridge completed by target date                                                 | Hullet bridge completed by 31 December 2023                                             | IAT report with 60% expenditure and works done:<br>i) Completion of deck<br>ii) Construction of road works | Completion of bridge                                                                                            | No Target                                                                                    | No Target                                                       |
| To maintain and upgrade existing municipal infrastructure          | OPMS 83            | km of Sokesimbone Access Road & Stormwater (Ward 1) completed.                         | 1km of Sokesimbone Access Road & Stormwater (Ward 1) completed by 30 June 2024.         | (i) TSC approval<br>(ii) TEC approval<br>(iii) TAC approval                                                | Appointment of the contractor                                                                                   | Progress report to IAT on works done and budget expenditure on project                       | Completion of 1km Sokesimbone Access Road & Stormwater (Ward 1) |
| To maintain and upgrade existing municipal infrastructure          | OPMS 84            | Ward 3 Nonoti Beach Road Access completed by target date.                              | Ward 3 Nonoti Beach Road Access completed by 30 June 2024.                              | (i) TSC approval<br>(ii) TEC approval<br>(iii) TAC approval                                                | Appointment of the contractor                                                                                   | Progress report to IAT on works done and budget expenditure on project                       | Completion of Ward 3 Nonoti Beach Road Access                   |
| To maintain and upgrade existing municipal infrastructure          | OPMS 85            | Lindelani Creche completed by target date.                                             | Lindelani Creche completed by 30 June 2024.                                             | (i) TSC approval<br>(ii) TEC approval<br>(iii) TAC approval                                                | Appointment of the contractor                                                                                   | Progress report to IAT on works done and budget expenditure on project                       | Completion of Lindelani Creche                                  |
| To ensure that all citizens have an electricity service connection | OPMS 86            | The number of new households with access to basic level of electricity.                | 290 new households with access to basic level of electricity by 30 June 2024.           | 20% expenditure (Materials on site)                                                                        | 80% expenditure (200 household connected)                                                                       | 100% expenditure (90 households connected)                                                   | No target.                                                      |



## APPENDIX U - PERFORMANCE TARGETS SET FOR THE FOLLOWING YEAR 2023/2024 ...continued

| STRATEGIC OBJECTIVE FROM THE IDP                                       | ORG SDBIP-OPMS-NO. | KEY PERFORMANCE INDICATORS                                                                  | ANNUAL TARGET                                                                                 | Q1                                                                               | Q2                                                                             | Q3                                                                             | Q4                                                                             |
|------------------------------------------------------------------------|--------------------|---------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|--------------------------------------------------------------------------------|--------------------------------------------------------------------------------|--------------------------------------------------------------------------------|
|                                                                        |                    |                                                                                             |                                                                                               | JULY - SEPTEMBER<br>PROJECTED TARGET                                             | OCTOBER - DECEMBER<br>PROJECTED TARGET                                         | JANUARY - MARCH<br>PROJECTED TARGET                                            | APRIL - JUNE<br>PROJECTED TARGET                                               |
| To ensure that all citizens have an electricity service connection     | OPMS 87            | The number of households with access to basic level of electricity                          | 61253 households with access to basic level of electricity by 30 June 2024.                   | No target                                                                        | No target                                                                      | No target                                                                      | 61 253 households with access to basic level of electricity.                   |
| To ensure that energy losses are reduced within legislated guidelines  | OPMS 88            | % of Energy kilowatts loss reduced by target date.                                          | Energy kilowatts loss reduced by 8% (from 26% to 18%) by 30 June 2024                         | Reduce energy losses to 24%                                                      | Reduce energy losses to 22%                                                    | Reduce energy losses to 20%                                                    | Reduce energy losses to 18%                                                    |
| To maintain and upgrade existing municipal infrastructure              | OPMS 89            | Replace Grid Prot 11K P3 relays by target date                                              | Replace Grid Prot 11K P3 relays by 30 June 2024                                               | Award scope of work to Contractors                                               | Order of relays                                                                | No Target                                                                      | Installation of Grid Prot 11K P3 relays and handover.                          |
| To maintain and upgrade existing municipal infrastructure              | OPMS 90            | Completion of Switchroom and installation of switchgear in Lot 14 Substation by target date | Completion of Switchroom and installation of switchgear in Lot 14 Substation by 31 March 2024 | No Target                                                                        | Completion of Switchroom building                                              | Installation of switchgear and hand over                                       | No target                                                                      |
| To provide access to basic solid waste services to all citizens        | OPMS 91            | The percentage of households with access to basic level of solid waste removal (NKPI)       | 100% households with access to basic level of solid waste removal by 30 June 2024.            | 100% of estimated households with access to basic level of solid waste removal   | 100% of estimated households with access to basic level of solid waste removal | 100% of estimated households with access to basic level of solid waste removal | 100% of estimated households with access to basic level of solid waste removal |
| To ensure that the community has access to functional public amenities | OPMS 92            | Upgrade of Salt Rock Beach Facility completed by target date.                               | Upgrade of Salt Rock Beach Facility completed by 30 June 2024                                 | (i) Appointment of consultant.<br>(ii) TSC approval; TEC approval & TAC approval | Site hand over.                                                                | Practical Completion certificate                                               | Completion certificate                                                         |

# APPENDIX U - PERFORMANCE TARGETS SET FOR THE FOLLOWING YEAR 2023/2024 ...continued

| STRATEGIC OBJECTIVE FROM THE IDP                                       | ORG SDBIP-OPMS-NO. | KEY PERFORMANCE INDICATORS                                                                                                                                                                      | ANNUAL TARGET                                                                                   | Q1<br>JULY - SEPTEMBER<br>PROJECTED TARGET                                                                                                                                                                                                                                                                         | Q2<br>OCTOBER - DECEMBER<br>PROJECTED TARGET                                                                                                                                                                                                                                  | Q3<br>JANUARY - MARCH<br>PROJECTED TARGET                                                                                                                                                                                                                                                                      | Q4<br>APRIL - JUNE<br>PROJECTED TARGET                                                 |
|------------------------------------------------------------------------|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|
|                                                                        |                    |                                                                                                                                                                                                 |                                                                                                 |                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                |                                                                                        |
| To ensure that the community has access to functional public amenities | OPMS 93            | Completion of upgrades to 8 Beach Facilities by target date.                                                                                                                                    | Completion of upgrades to 8 Beach Facilities by 30 June 2024.                                   | Appointment of consultant, TSC, TEC & TAC approval for<br>1. Salmon Bay<br>2. Upgrade of Tinley Manor Tidal Pool<br>3. Salt Rock Main Beach Reinstatement<br>4. Thompsons Bay Beach Reinstatement<br>5. Renewal of Shakas Cove<br>6. Renewal Clark Bay Amphitheater.<br>7. Zinkwazi Black rock<br>8. Hawkins Beach | Site Handover of<br>1. Salmon Bay<br>2. Upgrade of Tinley Manor Tidal Pool<br>3. Salt Rock Main Beach Reinstatement<br>4. Thompsons Bay Beach Reinstatement.<br>5. Renewal of Shakas Cove<br>6. Renewal Clark Bay Amphitheater.<br>7. Zinkwazi Black rock<br>8. Hawkins Beach | Practical Completion / Completion certificate for<br>1. Salmon Bay<br>2. Upgrade of Tinley Manor Tidal Pool<br>3. Salt Rock Main Beach Reinstatement<br>4. Thompsons Bay Beach Reinstatement.<br>5. Renewal of Shakas Cove<br>6. Renewal Clark Bay Amphitheater.<br>7. Zinkwazi Black rock<br>8. Hawkins Beach | No target.                                                                             |
| To ensure that the community has access to functional public amenities | OPMS 94            | Number of Sports fields completed.                                                                                                                                                              | 2 sports fields completed by 30 June 2024.                                                      | Appointment of contractor, TSC approval, TEC approval and TAC approval for<br>1) Glenhills Sportsfield,<br>2) Stanger Manor Sportsfield                                                                                                                                                                            | Site handover,<br>1) Glenhills Sportsfield,<br>2) Stanger Manor Sportsfield                                                                                                                                                                                                   | Practical Completion for<br>1) Glenhills Sportsfield<br>2) Stanger Manor Sportsfield                                                                                                                                                                                                                           | Completion Certificate for<br>1) Glenhills Sportsfield<br>2) Stanger Manor Sportsfield |
| To ensure that the community has access to functional public amenities | OPMS 95            | Nonoti Beach Node Development Phase 3 Completed by target date. (phase 3 - Installation of sewer conservancy tank and sewer reticulation; Parking kerbing, subbase, basecourse and asphaltting) | Multi year project - Year 3<br>Nonoti Beach Node Development Phase 3 completed by 30 June 2024. | (i) Installation of sewer conservancy tank and sewer reticulation<br>(ii) Parking kerbing, subbase, basecourse and asphaltting                                                                                                                                                                                     | Completion Certificate                                                                                                                                                                                                                                                        | No target                                                                                                                                                                                                                                                                                                      | No target                                                                              |
| To ensure that the community has access to functional public amenities | OPMS 96            | Upgrade to Driefontein Sportsfield completed by target date.                                                                                                                                    | Upgrade to Driefontein Sportsfield completed by 30 June 2024.                                   | i) Appointment of consultant<br>(ii) TSC<br>(iii) TEC<br>(iv) TAC"                                                                                                                                                                                                                                                 | (i) Appointment of contractor<br>(ii) Site handover<br>(iii) Req to stores. Monthly progress reports.                                                                                                                                                                         | Practical completion                                                                                                                                                                                                                                                                                           | Completion certificate                                                                 |

## APPENDIX U - PERFORMANCE TARGETS SET FOR THE FOLLOWING YEAR 2023/2024 ...continued

| STRATEGIC OBJECTIVE FROM THE IDP                                      | ORG SDBIP-OPMS-NO. | KEY PERFORMANCE INDICATORS                                    | ANNUAL TARGET                                                         | Q1<br>JULY - SEPTEMBER<br>PROJECTED TARGET                                                                                                          | Q2<br>OCTOBER - DECEMBER<br>PROJECTED TARGET | Q3<br>JANUARY - MARCH<br>PROJECTED TARGET                 | Q4<br>APRIL - JUNE<br>PROJECTED TARGET |
|-----------------------------------------------------------------------|--------------------|---------------------------------------------------------------|-----------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|-----------------------------------------------------------|----------------------------------------|
| To ensure that the community has access to licensed burial facilities | <b>OPMS 97</b>     | Cremator Filtration System completed by target date.          | <b>Cremator Filtration System completed by 30 September 2023.</b>     | Upgrade of Cremator Filtration system completed                                                                                                     | No target                                    | No target                                                 | No target                              |
| To maintain and upgrade existing municipal infrastructure             | <b>OPMS 98</b>     | Nonoti MV network completed by target date                    | <b>Nonoti MV network upgrade completed by 31 March 2024</b>           | Appointment of a contractor through Panel of contractors for MV Upgrades.                                                                           | Practical completion                         | Completion certificate                                    | No target                              |
| To maintain and upgrade existing municipal infrastructure             | <b>OPMS 99</b>     | Refurbishment of KwaDukuza Taxi Rank completed by target date | <b>Refurbishment of KwaDukuza Taxi Rank completed by 30 June 2024</b> | (i) Appointment of consultant,<br>(ii) TSC approval and Tender advert,<br>(iii) TEC approval<br>(iv) TAC approval, Appointment of the contractor    | Site hand over.                              | Installation of commuter shelter                          | Completion certificate                 |
| To maintain and upgrade existing municipal infrastructure             | <b>OPMS 100</b>    | Upgrade of Ballito taxi rank completed by target date         | <b>Upgrade of Ballito Taxi Rank completed by 31 March 2024</b>        | (i) Appointment of consultant,<br>(ii) TSC approval and Tender advert;<br>(iii) TEC approval<br>(iv) TAC approval and Appointment of the contractor | Site hand over.                              | Installation of commuter shelter & completion certificate | No target                              |





GROUTVILLE CONGREGATIONAL CHURCH



UNITED CONGREGATIONAL CHURCH  
OF SOUTHERN AFRICA  
FOUNDED: 1847



## **MUNICIPAL OFFICES**

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*"Committed to Service Delivery"*

# 2022/2023 FINANCIAL YEAR OVERSIGHT REPORT

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## 1. INTRODUCTION

The Municipal Finance Management Act (MFMA) assigns specific oversight responsibilities to Council with regard to the Annual Report and the preparation of an Oversight Report.

Given the processes required by Council to effectively undertake its oversight role, the establishment of the Municipal Public Accounts Committee (MPAC) of Council provides the appropriate mechanism through which Council fulfills its oversight responsibilities.

Their primary role is to consider the Annual Report, receive input from the various role players and to prepare a draft Oversight Report for consideration by Council.

## 2. BACKGROUND

The oversight role of Council is an important component of the financial reforms, and it is achieved through the separation of roles and responsibilities between Council, the Executive (Mayor and Executive Committee) and Administration. Good governance, effective accountability, and oversight can only be achieved if there is a clear distinction between the functions performed by the different role players.

Non-executive Councilors are required to maintain oversight on the performance of specific responsibilities and delegated powers that they have given to the Mayor/Executive Committee. In other words, in exchange for the powers in which Council have delegated to the Executive, Council retains a monitoring and oversight role ensuring that there is accountability for the performance or nonperformance of the municipality.

The Municipal Finance Management Act, No.56 of 2003 (MFMA) vests in Council specific powers of approval and oversight.

- ✓ Approval of budgets.
- ✓ Approval of Budget related Policies; and
- ✓ Review of the Annual Report and adoption of the Oversight Report.

The Council is vested with a responsibility to oversee the performance of KwaDukuza Municipality as required by the Constitution, Municipal Finance Management Act, 56 of 2003 (MFMA) and the Municipal Systems Act, 32 of 2000 (MSA). The oversight responsibility for Council is key when considering the Annual Report.

Both the MFMA and MSA recognize the Council as a critical role player to ensure that all Municipal Departments perform according to what has been planned in the SDBIP. There is a critical linkage between the strategic goals set by Council in the Integrated Development Plan (IDP), which is translated into budget and the delivery of those goals through the Service Delivery Budget Implementation Plan which is reported in the Annual Report. It is essential that the Council ensures the budget gives effect to priorities as contained in the IDP. A good budget will form the basis of a better oversight and the fulfillment of a contract between the Executive/Council, the administration and the public.

The MFMA gives effect to financial management reforms that place a greater emphasis on service delivery responsibilities to Managers and make them more accountable for their own performance. Whilst it is the responsibility of the Mayor and the Executive Committee to resolve any performance failures, the Council is also vested with powers and responsibility to oversee both the Executive and

Administration. Oversight occurs at various levels in the municipality and is clearly explained in the table below:

|                                             | Responsible for              | Oversight over                                 | Accountable to               |
|---------------------------------------------|------------------------------|------------------------------------------------|------------------------------|
| Council                                     | Approving policy and budget  | Mayor or Executive Committee                   | Community                    |
| Mayor or Executive Committee                | Policy, Budget, and Outcomes | Municipal Manager                              | Council                      |
| Municipal Manager                           | Outputs and Implementation   | Administration                                 | Mayor or Executive Committee |
| Chief Financial Officer and Senior Managers | Outputs and Implementation   | Financial Management and Operational functions | Municipal Manager            |

Table 1: Financial Governance Framework applicable to Local Government



### 3. FUNCTIONS OF THE OVERSIGHT COMMITTEE

**The functions of the Oversight Committee are to:**

- ✓ Undertake a review and analysis of the Annual Report.
- ✓ Invite, receive, and consider inputs from Councilors and Portfolio Committees, on the Annual Report.
- ✓ Consider written comments received on the Annual Report from the public consultation process.
- ✓ Conduct Public Hearing(s) to allow the local community or any organs of state to make representations on the Annual Report.
- ✓ Receive and consider Council's Audit Committee views and comments on the annual financial statements and the performance report.
- ✓ Preparation of the draft Oversight Report, taking into consideration, the views and inputs of the public, representative(s) of the Auditor-General, organs of state, Council's Audit Committee and Councilors.

#### 4. COMPOSITION OF OVERSIGHT COMMITTEE

##### 4.1 Membership

The Municipal Public Accounts Committee (MPAC) is a committee of Council established under section 79 of the Municipal Structures Act, 1998. Section 79 allows for the co-option of advisory members to a Committee of Council, who are not members of the Council.

Due to the separation of roles and responsibilities, between Council and the Mayor and Executive Committee it is not appropriate/allowed that members of the Executive Committee be members of the MPAC, also referred to as Oversight Committee. The sole function of the Oversight Committee can be performed by MPAC.

The KwaDukuza Municipality MPAC is made up of the following members :

|                              |                  |
|------------------------------|------------------|
| Chairperson - Cllr TT Mkhize | Cllr K Naidoo    |
| Cllr N Qwabe                 | Cllr AM Baardman |
| Cllr EM Kolia                | Cllr DN Ngema    |
| Cllr JF Magwaza              | Cllr NJ Mpanza   |
| Cllr SC Mwandla              | Cllr CP Dumakude |

##### 4.2 Authority & Power

The Oversight Committee is delegated the responsibility to conduct meetings and to hold public hearings to receive and hear public submissions on the Annual Report, on behalf of Council.

Timely notice of all meetings should be given, and all meetings held by the Oversight Committee must be open to the public and minutes of the meetings must be submitted to Council.

##### 4.3 Meeting Schedule

The Annual Report was submitted to Council at its Council Meeting held on the 25<sup>th</sup> of January 2024, as per MFMA S127 (2)(3)(a)(b).

The Public were invited to the tabling of the Annual Report to Council on the 25<sup>th</sup> of January 2024, and the media had been invited to attend the meetings through an advert sent to local newspapers.

The report was referred from Council to the MPAC Committee. The community was advised through the speech delivered by the Mayor and the local media of the availability of the Annual Report in Municipal Buildings and Libraries and was invited to submit written representations on the annual report. These written

representations must be aligned to content and page number in the Annual Report and submitted to [judys@kwadukuza.gov.za](mailto:judys@kwadukuza.gov.za) and/or [municipalm@kwadukuza.gov.za](mailto:municipalm@kwadukuza.gov.za).

The Annual Report was available at all municipal libraries and offices and was also placed on the KwaDukuza Municipality website at [www.kwadukuza.gov.za](http://www.kwadukuza.gov.za). The Annual Report was submitted to the Auditor-General(30/01/2024), Provincial Treasury(30/01/2024) and the Department of Local Government and Traditional Affairs(30/01/2024).

At the closing date of 13 February 2024, for public comments on the Annual Report, 2 submissions were received. An internal submission by the Chair of Economic Development, Sports and Youth Portfolio Committee (ESY) was also submitted on 15 February 2024.

Numerous comments and questions were received from the various public meetings and were addressed by the Municipality. This feedback is attached hereto as Annexure A on the minutes and under Annexure B.

## 5. REVISIONS RECEIVED ON THE ANNUAL REPORT POST TABLING

| CHAPTER      | PAGE/S                                | QUERY                                                                          | KDM COMMENT                                                                                       | ACTION                                     |
|--------------|---------------------------------------|--------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|--------------------------------------------|
| 4            | 207                                   | Finance BU requested to update information                                     | This information will be updated before printing the final Annual and Oversight Report.           | Before final print all updates to be done. |
| 2            | 31                                    | Should read 'She also performs duties as delegated to HER by Council           | Will be updated to reflect "her."                                                                 |                                            |
| 2            | 44                                    | Madundube Community Hall - ward 27                                             | Ward 21 be changed to Ward 27                                                                     |                                            |
| 6            | 323                                   | AG Action plan to be updated to 2022/2023 Action Plan.                         | Updated AG Action Plan will replace the previous years 2021/2022 when the final printing is done. |                                            |
| 4            | 201                                   | Corporate Services BU to update the date of submission to WCA.                 | Date to be reflected as 06/02/2023                                                                |                                            |
| N/A Appendix | New to the annual report - Appendix U | COGTA advise is to add the 2023/2024 SDBIP as an appendix to KDM Annual Report | Appendix U which was the MPAC Oversight Report will now be Appendix V.                            |                                            |

## 6. ANNUAL REPORT CHECKLIST

| Information Required to Be Included In Annual Reports                                                                                                                      | Council / Committee Considerations & Questions                                                                                                                                                                                                 | Responses/Comments                                                                                                                                                                                                                                                                                                                                                                                    |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Financial Matters - Annual Financial Statements - Section 121 (3) MFMA                                                                                                  | Financial reporting matters to be considered                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                       |
| 121 (3)(a) The Annual Financial Statements (AFS) for the municipality and, if applicable, consolidated statements (with all entities) as submitted to the Auditor-General. | <p>To ensure the Annual Financial Statements complies with GRAP as issued by the Accounting Standards Board.</p> <p>MFMA Circular 18 with Annexures, 23 June 2005, provides guidelines on the new accounting standards for municipalities.</p> | Kwa-Dukuza Municipality's AFS has been prepared in accordance with South African Standards of Generally Recognised Accounting Practice (GRAP) as prescribed by the Minister of Finance and also in terms of the standards and principles contained in Directives 3 and 5 issued by the Accounting Standards Board ("ASB") respectively, as amended. Refer to <b>pages 230 - 322</b> of Annual Report. |
| 121(3)(b) The Auditor-General's reports on the financial statements of the municipality                                                                                    | Is the audit report included in the Annual Report as tabled? If not, when will the audit report be tabled? What are causes for the delays? What actions are being taken to expedite the report?                                                | The audit report is included in the Annual Report. Refer to <b>pages 218 -229</b> of the Annual Report                                                                                                                                                                                                                                                                                                |
| 121 (3)(h)<br>Any explanations that may be necessary to clarify issues in connection with the financial statements.                                                        | The accounting standards require that notes accompany the Kwa-Dukuza Municipality's Annual Financial Statements to provide explanations of issues and matters reported.                                                                        | The notes have been included in the Annual Report. Refer to <b>pages 271- 320</b> of the Annual Report.                                                                                                                                                                                                                                                                                               |
| 121 (3)(e)<br>An assessment by the accounting officer on any arrears on municipal taxes and service charges, including municipal entities.                                 | Has the Accounting Officer of Kwa-Dukuza Municipality included the following in the Annual Report? An adequate assessment, on the arrears?                                                                                                     | An adequate assessment on the arrears has been included in the Annual Report. Refer to <b>page 22</b> of the Annual Report.                                                                                                                                                                                                                                                                           |
|                                                                                                                                                                            | <p>✓ Sufficient explanation of the causes of the arrears and of actions to be taken to remedy the situation?</p>                                                                                                                               | Sufficient explanation of the causes of the arrears is contained on pages 22 of the annual report however actions to be taken to remedy the situation is not included - This will however be included in the final report to be tabled to                                                                                                                                                             |



|                                                                                                                |                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
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|                                                                                                                |                                                                                                                                                                                                  | Council.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 121 (3)(g)<br>Of any corrective action taken or to be taken in response to issues raised in the audit reports. | The conclusions of the annual audit must be an unqualified audit opinion with or without management issues, which means that the financial statements are acceptable;                            | Kwa-Dukuza Municipality has received an unqualified audit report with matters of emphasis and other issues. Refer to <b>pages 218 - 229</b> of the Annual Report.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|                                                                                                                | The objective of the municipality should be to achieve an unqualified audit opinion.                                                                                                             | The Municipality received its 18 <sup>th</sup> Unqualified audit opinion for the 2022/2023 financial year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|                                                                                                                | Taking into account the audit report, audit opinion and the views of the audit committee, Council should consider:<br>To what extent does the report indicate serious or minor financial issues? | The following issues were raised in the Audit report:<br><u>Material losses - electricity</u><br>As disclosed in note 52 to the financial statements, material electricity losses of 172 096 301 kwh (2021-2022 171 753 233 kwh) amounting to R262.54 million (2021-2022: R237.73 million) were incurred, which represents 25.39% (2021-22: 24.83%) of total electricity purchased against a national norm of between 6% to 12%. The losses were due to transmission/distribution losses and illegal connections.<br><u>Expenditure Management: -</u><br>Money owed by the municipality was not always paid within 30 days, as required by section 65(2) of the MFMA.<br><u>Consequence management:</u><br>Some of the irregular expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA. |
|                                                                                                                | Is the action proposed considered to be adequate to effectively address the issues raised in the audit report?                                                                                   | The various issues raised by AG together with Management actions and commitments are detailed in the Audit action plan with specific target dates for resolving issues raised by the AG                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

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|                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                       | on pages 323-326 of the Annual Report                                                                                                                                                                                                  |
|                                                                                                                                                                                                                                            | Has a schedule of action to be taken been included in the Annual Report, with appropriate due dates?                                                                                                                                                                                  | Yes, the schedule of actions is included in the management action plan on pages 323-326 of the Annual report.                                                                                                                          |
|                                                                                                                                                                                                                                            | Note that actions taken on audit issues are to be reported to the provincial legislature, the MEC's for local government and finance to report on any omissions by municipalities in addressing issues. Council should confirm that the audit report has been forwarded to the MEC's. | Yes - the audit reports have been forwarded to the National, Provincial Treasury & COGTA                                                                                                                                               |
| 121 (3)(f)<br>An assessment by the municipality's accounting officer of the municipality's performance against measurable performance objectives for revenue collection from each revenue source and for each vote in the approved budget. | Does the budget of KwaDukuza Municipality contain measurable performance objectives for revenue from each source and for each vote in the budget, taking into account the IDP (MFMA s17(3)(b))?                                                                                       | Yes, the budget of KwaDukuza Municipality contains measurable performance objectives for revenue from each source and for each vote in the budget.                                                                                     |
|                                                                                                                                                                                                                                            | Has the Accounting Officer included these objectives in the Annual Report and report on performance accordingly?                                                                                                                                                                      | Pg 239-240<br>Yes, the Accounting Officer included these objectives in the Annual Report and reported on performance, refer to <b>pages 239-240</b> of the annual report - Audited Statement of Comparison of Budget & Actual Amounts. |
|                                                                                                                                                                                                                                            | Has the performance met the expectations of council and the community?                                                                                                                                                                                                                | Yes, the performance has met the expectation of council and the community in terms of financial matters - revenue exceeded expenditure with the end result being a surplus position.                                                   |
|                                                                                                                                                                                                                                            | Have the objectives been met?                                                                                                                                                                                                                                                         | Yes, the objectives have been met as detailed above.                                                                                                                                                                                   |
|                                                                                                                                                                                                                                            | What explanations have been provided for any non-achievement?                                                                                                                                                                                                                         | No explanation's were provided for non-achievement as the objectives were met.                                                                                                                                                         |
|                                                                                                                                                                                                                                            | What was the impact on the service delivery                                                                                                                                                                                                                                           | All capital and operational spending was against                                                                                                                                                                                       |

|                                                                                                                                                    |                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                            |
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|                                                                                                                                                    | and expenditure objectives in the budget?                                                                                                       | the Council approved budget.                                                                                                                                                                                                                                                                                                                                                                                               |
| 121 (3)(i)(k) Any information as determined by the municipality, the entity, or its parent municipality.                                           | Review any other information that has been included in regard to the AFS.                                                                       | N/A                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 121 (3)(j) and 121 (4)(g)<br>Recommendations of the audit committee in relation to the AFS and audit reports of the municipality and its entities. | Have the recommendations of the Kwa-Dukuza Municipality's Audit Committee with regard to the AFS been adequately addressed by the municipality? | Yes, the recommendations of the Audit Committee with regard to the AFS have been adequately addressed. The review process of the AFS by the Audit committee, involves meetings and discussions, queries and review notes and various suggestions on possible changes to the draft AFS.                                                                                                                                     |
|                                                                                                                                                    | What actions have been taken in terms of these recommendations?                                                                                 | The draft AFS was amended to take into account the recommendations of the Audit committee.                                                                                                                                                                                                                                                                                                                                 |
|                                                                                                                                                    | The conclusions on these recommendations and the actions required must be incorporated in this Oversight Report.                                | Recommendations of the Municipal Audit committee is contained in Appendix G, on page 337, of the Annual report. These recommendations incorporate issues such as consequence management, compliance, UIFW expenditure, vacancies, electricity losses, contact management & the disaster management grants. Some of these matters such as UIFW expenditure and Electricity losses are incorporated into the AG Action plan. |

| 2. Allocations Received and Made                                    | Council / Committee Considerations & Questions                                                                                       | Responses and comments                                                                                                                     |
|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| 123 (1)(a)<br>Allocations received by and made to the municipality. | Does the Kwa-Dukuza Municipality 2022/2023 Annual Report disclose the following:                                                     |                                                                                                                                            |
|                                                                     | Details of allocations received from another organ of state in the national or provincial sphere. (Government grants and subsidies). | Refer to <b>page 322</b> of the Annual Report (Appendix B, Grants & Subsidies)                                                             |
|                                                                     | Details of allocations received from a municipal entity or another municipality.                                                     | No allocations were received from a municipal entity or another municipality.                                                              |
|                                                                     | Details of allocations made to any other organ of state, another municipality, or a municipal entity.                                | No allocations were made to any other organ of state, another municipality, or a municipal entity.                                         |
|                                                                     | Any other allocation made to the municipality under Section 214(1)(c) of the Constitution.                                           | Yes, allocation were made to the municipality in terms of section 214(1)(c) of the Constitution. Refer to <b>page 322</b> of Annual Report |
|                                                                     | Have these allocations been received and made?                                                                                       | Yes - Refer to page 322 of the Annual Report. - Grants and Subsidies.                                                                      |
|                                                                     | Does the audit report confirm the correctness of the allocations received in terms of DORA and provincial budgets?                   | Yes, the audit report confirms the correctness as there are no matters reported on in terms of allocations received.                       |
|                                                                     | Does the audit report or the audit committee recommend any action?                                                                   | No shortcomings were identified in the audit of grants and subsidies. Hence no recommendations were necessary by AG or Audit committee.    |

|                                                                                                          |                                                                                                                                                                                                                               |                                                                                                                                                                                   |
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| 125 (1)<br>Information in relation to outstanding debtors and creditors of the municipality and entities | Has Kwa-Dukuza Municipality reported on whether it has met its statutory commitments, including the payment of taxes, audit fees, and contributions for pension and medical aid funds?                                        | Yes, this has been included in the Notes to Annual Financial Statements. Refer to note 54 to 57 on <b>pages 311-312</b> of the Annual Report.                                     |
|                                                                                                          | Was Council satisfied that -<br>✓ The information has been properly disclosed;                                                                                                                                                | Yes, this has been included in the Notes to Annual Financial Statements. Refer to note 54 to 57 on <b>pages 311-312</b> of the Annual Report.                                     |
|                                                                                                          | ✓ Conditions of allocations have been met; and                                                                                                                                                                                | Yes, this has been included in the Notes to Annual Financial Statements. Refer to note 54 to 57 on <b>pages 311-312</b> of the Annual Report.                                     |
|                                                                                                          | ✓ That any explanations provided are acceptable.                                                                                                                                                                              | Yes, this has been included in the Notes to Annual Financial Statements. Refer to note 54 to 57 on <b>pages 311-312</b> of the Annual Report.                                     |
|                                                                                                          | The comments of the Auditor-General and the views of the audit committee should be used to determine the accuracy and appropriateness of this information.                                                                    | No informal audit queries were raised by the Auditor-General in respect of this.                                                                                                  |
| 123 (1)(c)<br>Information in relation to the use of allocations received.                                | In terms of Section 123 of the MFMA and MFMA guidance circular 11, has Kwa-Dukuza Municipality provided information per allocation received per vote and include:                                                             | Yes, information in relation to the use of allocations received has been provided in the Annual report - The grant note in the AFS provides details of the purpose of each grant. |
|                                                                                                          | ✓ The current year and details of spending on all previous conditional grants, for the previous two financial years.                                                                                                          | Yes - refer to Note 26 on <b>pages 295-299</b> of Annual report which gives details of all allocations received and spent.                                                        |
|                                                                                                          | ✓ Information stating whether the municipality has complied with the conditions of the grants, allocations in terms of section 214(1)(c) of the Constitution and allocations received from other than another organ of state. | Yes - refer to <b>pages 295-299</b> of Annual Report.                                                                                                                             |
|                                                                                                          | ✓ Information on whether allocations under the DORA were delayed or withheld and                                                                                                                                              | Yes - refer to Appendix B - Grants & subsidies - Pages 322 of the Annual; report.                                                                                                 |



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|  | the reasons advanced for this.                                                                                                                                       |                                                                                                                                                                           |
|  | Has the Auditor-General ensured that the audit process included a proper assessment (and reconciliation) on all national grants received by Kwa-Dukuza Municipality? | Yes, the grants received by the Municipality have been highlighted in the Note 26 to the Annual Financial Statements. Refer to <b>pages 398-401</b> of the Annual Report. |

| 3. Disclosures in notes to AFS                                                                           | Considerations relating to section 124                                                                                                                                                                                                                                                 | Responses and comments                                          |
|----------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|
| Information relating to benefits paid by municipality and entity to Councillors, directors and officials | Has the following information been included in the notes to the KwaDukuza Municipality 2022/2023 Annual Report and Annual Financial Statements:<br>✓ salaries, allowances and benefits of political office bearers, Councillors and boards of directors, whether financial or in kind; | Yes, refer to Note 29 on <b>page 301</b> of the Annual Report.  |
|                                                                                                          | ✓ any arrears owed by individual Councillors to the municipality or entity for rates and services, which at any time were outstanding for more than 90 days, including the names of Councillors;                                                                                       | Yes - refer to Note 53 - <b>page 311</b> of Annual Report       |
|                                                                                                          | ✓ salaries allowances and benefits of the municipal manager, CEO of a municipal entity, CFO and every senior manager;                                                                                                                                                                  | Yes, refer to Note 28 on <b>pages 299-301</b> of Annual Report. |
|                                                                                                          | ✓ contributions for pensions and medical aid; travel, motor car, accommodation, subsistence and other allowances; housing benefits and allowances;                                                                                                                                     | Yes, refer to Note 28 on <b>pages of 299-301</b> Annual Report. |
|                                                                                                          | ✓ overtime payments;                                                                                                                                                                                                                                                                   | Yes, refer to Note 28 on <b>pages 299-301</b> of Annual Report. |
|                                                                                                          | ✓ loans and advances, and boards of directors, whether financial or in kind;                                                                                                                                                                                                           | N/A                                                             |
|                                                                                                          | ✓ any other type of benefit or allowance                                                                                                                                                                                                                                               | N/A                                                             |

|                                                                 |                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                  |
|-----------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                 | related to staff.                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                  |
|                                                                 | Was Council satisfied that -<br>✓ the information has been properly disclosed;                                                                                                                                            | Yes - there were no shortcoming identified during the audit process.                                                                                                                                                                                                             |
|                                                                 | ✓ conditions of allocations have been met; and                                                                                                                                                                            | Yes. - there was no shortcoming identified during the audit process                                                                                                                                                                                                              |
|                                                                 | ✓ That any explanations provided are acceptable.                                                                                                                                                                          | Yes. - there was no shortcoming identified during the audit process                                                                                                                                                                                                              |
| 4. Municipal Performance                                        | Council comments & considerations                                                                                                                                                                                         | Responses and comments                                                                                                                                                                                                                                                           |
| Information required to be included in the Annual Report        |                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                  |
| The annual performance reports of the municipality and entities | Section 46, MSA requires Kwa-Dukuza Municipality to submit a performance report reflecting performance. A comparison of the performance with targets set for the previous year and measures taken to improve performance. |                                                                                                                                                                                                                                                                                  |
|                                                                 | Does the performance evaluation in the Annual Report compare actual performance with targets expressed in the budgets and SDBIP approved for the financial year?                                                          | Yes. Refer to <b>pages 162 to 187</b> of the Annual Report. For the Full KwaDukuza Municipality Annual Performance Report for 2022/2023. Refer to <b>pages 148 to 192</b> of the Annual Report.                                                                                  |
|                                                                 | Is the Council satisfied with the performance levels achieved?                                                                                                                                                            | Partly, due to the flood disasters that have occurred, This phenomena had a regressive effect on service delivery, However in comparison to last financial year 57% of the targets were met and there has been a markedly noticeable increase to 77% during this financial year. |
|                                                                 | Is the community satisfied with performance?                                                                                                                                                                              | Partly as 77% of the planned targets were achieved. There are corrective measures in place for each target that has not been met.                                                                                                                                                |
|                                                                 | Has a customer satisfaction survey (CSS) been undertaken and, if so, how do the results align with the Annual Report contents?                                                                                            | Yes, A Customer Satisfaction Survey was undertaken during May and June 2023. This was done both online and physical. The survey was planned to be online, however Council felt that people in the deep rural                                                                     |

|  |                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
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|  |                                                                                                                                                     | <p>areas would not be able to have access to the survey, thus the need for both online and physical.</p> <p>The results of the survey align to most of the contents of the annual report on service delivery. The outcome of public consultation were positive as the residents fully participated in the survey during the data collection processes. The municipality is currently ensuring that all internal processes and submissions to committees are followed before the results are made public. The survey was done for a period of 10 days starting from the 15th of May to the 26th of May 2023. The total responses received from both the online and physical was 2942. Of the 2942 respondents, 2372 respondents were from the thirty wards where the survey was conducted physically, and 570 responses came from the online survey.</p> |
|  | What were the outcomes of public consultation and public hearings in relation to the customer satisfaction survey?                                  | N/A as yet.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|  | What actions have been taken and planned to improve performance?                                                                                    | In terms of the Annual Performance Report there are various listed corrective actions found on Pages 162 to 187 of the Annual Report.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|  | Is the Council satisfied with actions to improve performance?                                                                                       | Yes.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|  | Did the targets set in the budgets, SDBIP agree with the targets set in the performance contracts of the municipal manager and each senior manager? | Yes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|  | Does the report evaluate the efficiency of mechanisms applied to deliver the performance outcomes?                                                  | Yes.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|  | Taking into account the audit report and opinion and the views of the audit committee, is performance considered to be efficient and effective?     | In terms of the Audit Report from the Auditor General of SA, the municipality has received an Unqualified with no findings on Performance, however there are internal control deficiencies that need to be rectified                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

|                                                                    |                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
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|                                                                    |                                                                                                                                                                                                                                                                                                                                     | by the various departments. Performance has shown to be efficient as there was a 20% increase when compared to the last financial year. (2022/2023 77%) 2021/2022 57%).                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|                                                                    | <p>To what extent have actions planned for the previous year been carried over to the financial year reported upon?</p> <p>Have any actions planned in the reported year been carried over to the current or future years?</p> <p>If so are any explanations been provided by the municipal manager and are these satisfactory?</p> | <p>The carried over action plans have been reported on 100%.</p> <p>Yes- there are actions plans carried over such as irregular expenditure, electricity losses, developers agreements as those are not once off actions but ongoing in nature.</p> <p>Yes - there are explanations provided by management that can be considered satisfactory as these have served before the Good Governance Committee and has been submitted to COGTA and Audit Committee for their inputs and comments before approval by Council. The full action plan in response to the Auditor Generals Report can be found on Pages 323-326 of the Annual Report.</p> |
| Audit reports on performance.                                      | Section 45, MSA requires that the Auditor-General audit the results of performance measurements, as part of the internal auditing processes and annually.                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|                                                                    | Have the recommendations of internal audit been acted on during the financial year?                                                                                                                                                                                                                                                 | Yes.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|                                                                    | Have recommendations by internal audit and/or the Auditor-General been included in action plans to improve performance in the following year?                                                                                                                                                                                       | Yes.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Performance of municipal entities and municipal service providers. | The Annual Report of Kwa-Dukuza Municipality should provide an assessment of the performance of the municipal entities and all contracted service providers. The report should evaluate the effectiveness of these services and whether alternative mechanisms should be considered.                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|                                                                    | Is the Council satisfied with the evaluation and conclusions of the Kwa-Dukuza Municipality?                                                                                                                                                                                                                                        | Yes. The Council has indicated the rating of satisfaction, in terms of contracted services being Good Satisfactory or Poor.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

|  |                                                                                     |                                                                                                                                                                                                                                                                                                                 |
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|  |                                                                                     | Municipal Entities - N/A<br>Service Providers Assessment can be found on Appendix I : <b>Pages 345-367</b> of the Annual Report                                                                                                                                                                                 |
|  | What other actions are considered necessary to be taken by the accounting officers? | The necessary action that is considered, is that non-performing service providers are put on terms and if they fail to implement satisfactory work then their contracts are terminated and another service provider is appointed to complete the work, using the municipality's supply chain management policy. |

|                                                                       |                                                                                                                                  |                                                                               |
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| <b>5. General information</b>                                         | The following general information is required to be disclosed in the Annual Report.                                              |                                                                               |
| <b>Information required to be included in the Annual Report</b>       | <b>Council comments &amp; considerations</b>                                                                                     | <b>Responses and comments</b>                                                 |
| The use of any donor funding support.                                 | What donor funding has Kwa-Dukuza Municipality received?                                                                         | None                                                                          |
|                                                                       | Have the purposes and the management agreements for the funding been properly agreed upon?                                       | N/A                                                                           |
|                                                                       | Have the funds been used in accordance with agreements?                                                                          | N/A                                                                           |
|                                                                       | Have the objectives been achieved?                                                                                               | N/A                                                                           |
|                                                                       | Has the use of funds been effective in improving services to the community?                                                      | N/A                                                                           |
|                                                                       | What actions need to be taken to improve utilisation of the funds?                                                               | N/A                                                                           |
| Agreements, contracts and projects under Private-Public-Partnerships. | Information similar to the details of municipal entities should be provided.<br>Council should ensure that all details have been | Included under Appendix H Refer to <b>Pages 341-344</b> of the Annual Report. |

|                                                                 |                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                              |
|-----------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|
| <b>5. General information</b>                                   | The following general information is required to be disclosed in the Annual Report.                                                                                                                                                                                                                                                                              |                                                                                                                              |
| <b>Information required to be included in the Annual Report</b> | <b>Council comments &amp; considerations</b>                                                                                                                                                                                                                                                                                                                     | <b>Responses and comments</b>                                                                                                |
|                                                                 | supplied.                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                              |
| Service delivery performance on key services provided.          | This may be a high-level summary, in addition to detailed information on performance, which sets out overall performance under the strategic objectives of the municipality. Overall results on the strategic functions and services should be summarised. This should cover all services whether provided by the municipality, entities or external mechanisms. | For a summary refer to <b>Pages 172-174</b> of the Annual Report.                                                            |
| Information on long-term contracts.                             | Details of all long-term contracts including levels of liability to the municipality should be included.                                                                                                                                                                                                                                                         | Refer to Appendix A - <b>Page 326</b> of the Annual Report. Also refer to Appendix B - <b>Page 327</b> of the Annual Report. |

|                                            |                                                                                 |                                                                                                                                                                                                                                                                                                                                              |
|--------------------------------------------|---------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>6. Other considerations recommended</b> | <b>Other considerations recommended</b>                                         | <b>Responses and comments</b>                                                                                                                                                                                                                                                                                                                |
| Timing of reports                          | Was the Annual Report for KwaDukuza Municipality tabled in the time prescribed? | Yes. The Annual Report was tabled timeously, on <b>25th January 2024</b> and was later made public in all municipal libraries and offices.                                                                                                                                                                                                   |
| Oversight Committee or other mechanism     | What mechanisms have been put in place to prepare the oversight report?         | An MPAC Oversight Committee was established, and its meetings were advertised in the newspaper inviting members of public to attend.                                                                                                                                                                                                         |
|                                            | Has a schedule for its completion and tabling been adopted?                     | Yes, the MPAC Oversight meetings to review the 2022/2023 Annual Report were advertised with the following dates:<br>1. 20 February 2024                      2. 27 February 2024<br>3. 05 March 2024                         4. 12 March 2024<br>These meetings also invited members of the public to attend as well as officials from COGTA |



|                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                         |
|--------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | and the Office of the AG.<br>Tabling for adoption to be done on 28 March 2024.                                                                                                                          |
| Payment of performance bonuses to municipal officials. | As per Section 57 MSA as amended, bonuses based on performance may be awarded to a municipal manager or a manager directly accountable to the municipal manager after the end of the financial year and only after an evaluation of performance and approval of such evaluation by the municipal Council. The basis upon which performance is evaluated for payment of bonuses should be reconciled with the municipal performance reported in the Annual Report. |                                                                                                                                                                                                         |
|                                                        | Have bonuses been paid based on achievements of agreed outputs and after consideration of the Annual Report by Council?                                                                                                                                                                                                                                                                                                                                           | Payment of bonuses for the 2022/2023 has not yet been done. This will only be done after approval by Council and after the adoption of the Annual Report and Oversight Report by the end of March 2024. |
|                                                        | If so has a proper evaluation of performance been undertaken?                                                                                                                                                                                                                                                                                                                                                                                                     | A proper evaluation of performance has been undertaken. This was done in terms of The Municipal Planning and Performance Regulations 2001 and 2006 for all qualifying Section 56/57 Managers.           |

## 7. REPORT OF THE AUDITOR GENERAL SOUTH AFRICA

This is found on **Page 216** of the Annual Report.

Comments by the MPAC : Report of the Auditor General South Africa was noted.

### 7.1 AUDITOR GENERAL ACTION PLAN

This is found on **page 323** of the Annual Report.

Comments by the MPAC : The Management AG Action plan was noted.

## 8. CONCLUSION AND RECOMMENDATIONS TO COUNCIL

After having performed the following tasks :

- Undertook a review and analysis of the Annual Report.
- Invited, received, and considered inputs from Councillors and Portfolio Committees, on the Annual Report.
- Considered written comments received on the Annual Report from the public consultation process.
- Conduct Public Hearing(s) to allow the local community or any organs of state to make representations on the Annual Report.
- Received and considered Council's Audit Committee views and comments on the annual financial statements and the performance report.
- Prepared the draft Oversight Report, taking into consideration, the views and inputs of the public, representative(s) of the Auditor-General, organs of state, Council's Audit Committee and Councillors.

MPAC has pleasure in presenting the Oversight Report to Council for consideration and, thereafter, forwarding to the relevant Departments and Provincial Legislature.

### The MPAC RECOMMENDS:

1. That Council adopts the Annual Report of the KwaDukuza Municipality for the 2022/2023 Financial Year.
2. That Council having fully considered the Annual Report of the KwaDukuza Municipality for the 2022/2023 Financial Year, adopts the Annual Report in accordance with Section 46(4) of the Local Government Municipal Systems Act No 32 of 2000; **and** Oversight Report for the 2022/2023 Financial Year.
3. That the Oversight Report be made public in accordance with Section 129(3) of the Municipal Finance Management Act 56 of 2003.
4. That the Oversight Report be submitted to the Provincial Legislature in accordance with Section 132(2) of the Municipal Finance Management Act 56 of 2003.
5. That MPAC, in consideration of public comments that were submitted on the annual report as well as its ongoing oversight responsibility recommends that Management prioritizes its focus on the following issues : -

- 5.1 **Energy losses** : Management to identify as well as implement actionable strategies to address the ongoing challenges of energy losses as raised by the Auditor General. This is an urgent priority as it affects the future going concern of the municipality.
- 5.2 The issue of **Aging Infrastructure** especially roads and potholes in the urban centers is another common concern from the public comments. Management to focus its attention on strategies to address the issue of aging road infrastructure.
- 5.3 The **UIFW expenditure** remains another key concern. Management is urged to implement the UIFW reduction strategy in preparation for 2023/4 audit.
- 5.4 Management is urged to finalize all processes for approval of consequence management policies as per the commitment provided in the responses. This matter has been raised numerous times in the Audit Reports by the Auditor General.
- 5.5 Management must also improve the implementation of actions to address the **Strategic Risks**, following a decline in the Final results for the strategic Risk Register during 2022/23 financial year.
- 5.6 MPAC is also requesting Council to finalize the processes of approving the **Organogram** in order to deal with staff related capacity challenges for example, the Internal Audit unit as well as other Business units . This will also assist with implementation of the shift system and reduction of the challenges of overtime.
- 5.7 Management to implement all the commitments in the AG action plan in order to avoid recurring audit findings during the 2023/24 audit.

## 9. ANNEXURE A : OVERSIGHT MINUTES

### Minutes of the meeting held on 20 February 2024

MINUTES OF THE MUNICIPAL PUBLIC ACCOUNTS OVERSIGHT COMMITTEE MEETING HELD, ON TUESDAY, 20 FEBRUARY 2024 AT 09H17.

Present:

councillors: Cllr TT Mkhize (Chairperson), Cllr EM Kolia, Cllr DN Ngema, Cllr SC Mwandla, Cllr AM Baardman, Cllr NJ Mpanza

Officials: NJ Mdakane (Municipal Manager), AM Manzini (Chief Operations Officer), SC Viramuthu (ED: Community Safety), SM Khanyile (ED: Community Services & Public Amenities), S Jali (ED: Electrical), Y Pillay (Head: Internal Audit), J Sewdular (Director: PM&E), S Ngiba (Project Executive: Risk Management & Compliance), M Mahlalela (Ass. Manager: PM&E), M Mbili (Director: ICT), P Murugan (Manager: AFS), Q Msweli (Ass. Manager: PM&E), P Mbili (PM&E Specialist), & S Mpunzana (Secretariat)

Other: C Meyiwa (PAC Chairperson), P Maharaj (Human Rights Association), S Marais (DOCCRA), D Viljoen (DOCCRA),

#### 1. Opening prayer & welcome

The meeting opened with a silent prayer and the chairperson welcomed all present.

#### 2. Notice of Meeting

The notice of the meeting was taken as read.

#### 3. Signing of Attendance Register

The attendance register was noted by the meeting and was circulated for all present to sign

#### 4. Declarations of Pecuniary Interest/ Other Forms of Interest

- a. Councillors: None
- b. Staff: None

#### 5. Apologies:

- a. S Chonguene (Acting CFO) was attending another meeting however to join the meeting
- b. S Khanyile (ED: Community Services) requested to be excused to attending another meeting
- c. C Viramuthu (ED: Community Safety) requested to be excused at 10:30 to attend TAC
- d. A Nunkumar (Dir: Budget) was attending another meeting and to join the meeting late
- e. P Mntaka (ED: Corporate Services) was unwell
- f. B Botes (DOCCRA) was attending to another commitment

#### 6. Councillors leave of Absence:

- a. Applications: Cllr K Naidoo (19/02/2024 - 22/02/2024) doctor's appointment (Surgery)
- b. Granted: None

#### 7. Official Announcements

- J Sewdular (Dir: PME) made the following announcements:

1. That the comments submitted by KORA and DA have been noted and the responses will be made in the next Oversight meeting.
2. That the updated AG Action plan will be discussed in the next Oversight meeting taking place on the 27 February 2024.
3. That the dates of the MPAC Oversight are 20 February, 27 February, 5 March & 12 March
4. That the committee must note that there will be an update on all the information that is highlighted in red
5. That the discussion of the meeting will focus mainly on the annual report

#### 8. Business of the day:

#### 2022/2023 FINANCIAL YEAR DRAFT OVERSIGHT REPORT

#### RESOLVED:

1. That the AG Action Plan be discussed in the next MPAC Oversight meeting taking place on the 27 February 2024.
2. That the members of DOCCRA must submit their written comments/questions to the Office of the Municipal Manager by 12:00 on Friday 23 February 2024
3. Cllr Kolia raised a comment on Page 17 - on the customer satisfaction survey . The Municipal Manager resolved that the information requested by Cllr Kolia be provided in a written format at the next meeting.
4. The Chairperson requested that all officials must ensure that they are available at the meeting taking place on 27 February 2024 to be able to provide all the requested information.

There being no further matters for discussion the meeting terminated at 10h37

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#### Minutes of the meeting held on 27 February 2024

MINUTES OF THE MUNICIPAL PUBLIC ACCOUNTS OVERSIGHT COMMITTEE MEETING HELD, ON TUESDAY, 27 FEBRUARY 2024 AT 09H12.

#### Present:

Councillors: Cllr TT Mkhize (Chairperson), E Kolia, JF Magwaza, SC Mwandla, K Naidoo, AM Baardman, CP Dumakude, N Qwabe, DN Ngema, NJ Mpanza

Officials: NJ Mdakane (Municipal Manager), AM Manzini (Chief Operations Officer), SV Hlongwane (ED: EDP), PS Mtaka (ED: Corporate Services), SM Khanyile (ED: Community Services & Public Amenities), S Chonguene (Acting CFO), Y Pillay (Head: Internal Audit), J Sewdular (Director: PM&E), S Ngiba (Project Executive: Risk Management & Compliance, A Nunkumar (Dir: Budget & Compliance), M Nene (Dir: Revenue) F Mhlono (Dir: Civil Engineering), M Mahlalela (Ass. Manager: PM&E ), S Kuber (Snr. Manager: ICT), P Murugan (Manager: AFS), Q Msweli (Ass. Manager: PM&E), P Mbili (PM&E Specialist), & S Mpunzana (Secretariat)

Other: C Meyiwa (PAC Chairperson), R Addison (DOCCRA), B Jay (DOCCRA), S Marais (DOCCRA),

#### 1. Opening prayer & welcome

The meeting opened with a prayer by Cllr SC Mwandla and the chairperson welcomed all present.

#### 2. Notice of Meeting

The notice of the meeting was taken as read.

### 3. Signing of Attendance Register

The attendance register was noted by the meeting and was circulated for all present to sign

### 4. Declarations of Pecuniary Interest/ Other Forms of Interest

- a. Councillors: None
- b. Staff: None

### 5. Apologies:

- a. S Chonguene (Acting CFO) was to join the meeting late
- b. A Nunkumar (Dir: Budget) requested to be excused at 10:00 to join TEC
- c. M Mbili (Dir: ICT) was unwell
- d. Y Pillay (Head: Internal Audit) was to join the meeting late
- e. S Jali (ED: Electrical) was on sick leave
- f. SC Viramuthu (ED: Community Safety) was on family responsibility leave
- g. D Viljoen (DOCCRA)

### 6. Councillors leave of Absence:

- a. Applications: None
- b. Granted: None

### 7. Official Announcements

- J Sewdular (Dir: PM&E) announced that there is a submission received from the Chairperson of Economic Development, Planning, Special Programmes and Youth Affairs Portfolio Committee and it will be submitted in the next meeting.
- The Secretariat requested that the first page of the previous minutes be removed
- Cllr E Kolia requested that there must be a representative from each Business Unit.

### 8. Confirmation of Minutes: MPAC Oversight Meeting 20 February 2024

Matters arising from the minutes:

Page 2 of Annexure A - S Ngiba (Project Executive) indicated that the AG Action Plan will be submitted in the next MPAC Oversight meeting.

Minutes Moved by Cllr SC Mwandla seconded by Cllr EM Kolia

### 9. Business of the day:

#### 2022/2023 FINANCIAL YEAR DRAFT OVERSIGHT REPORT

#### RESOLVED:

1. That the cluster team leaders at the Civil department must submit reports on a daily basis for the tasks they have performed in the wards, and that will assist in fixing the potholes timeously.
2. That in regard to incomplete audit of payroll to identify ghost employees . "at that point in time, what was identified was the lifeguards who are employed seasonally; however, the comments will be updated.
3. That the Finance Business unit must submit a detailed report on the issue of amount owed by Councillor V Govender to MPAC.
4. That going forward the indigent register must be made available at the MPAC meeting to ensure that it is credible and accurate.
5. That at the next Oversight meeting the comments submitted by the of Economic Development, Planning, Special Programmes and Youth Affairs Portfolio Committee Chairperson will be submitted.



6. That all the officials that need to respond to outstanding queries / comments must submit to Director PME urgently.
7. That the AG Action Plan will be submitted at the next MPAC Oversight meeting.

There being no further matters for discussion the meeting terminated at 12h35

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#### **Minutes of the meeting held on 5 March 2024**

MINUTES OF THE MUNICIPAL PUBLIC ACCOUNTS OVERSIGHT COMMITTEE MEETING HELD, ON TUESDAY, 05 MARCH 2024 AT 09H28.

Present:

Councillors: Cllr TT Mkhize (Chairperson), E Kolia, JF Magwaza, AM Baardman, DN Ngema, NJ Mpanza

Officials: AM Manzini (Chief Operations Officer), PS Mtaka (ED: Corporate Services), S Chonguene (Acting CFO), SC Viramuthu (ED: Community Safety), S Chonguene (Acting CFO), Y Pillay (Head: Internal Audit), J Sewdular (Director: PM&E), S Ngiba (Project Executive: Risk Management & Compliance), A Nunkumar (Dir: Budget & Compliance), F Mhlongo (Dir: Civil Engineering), M Mahlalela (Ass. Manager: PM&E), P Mbili (PM&E Specialist), C Saib (Manager: Income), & S Mpunzana (Secretariat)

Other: C Meyiwa (PAC Chairperson), P Maharaj (Human Rights Association),

#### **1. Opening prayer & welcome**

The meeting opened with a silent prayer and the chairperson welcomed all present.

#### **2. Notice of Meeting**

The notice of the meeting was taken as read with the change of time; the meeting commenced at 09:28 due to the challenges of quorum.

#### **3. Signing of Attendance Register**

The attendance register was noted by the meeting and was circulated for all present to sign

#### **4. Declarations of Pecuniary Interest/ Other Forms of Interest**

a. Councillors: None

b. Staff: None

#### **5. Apologies:**

a. SC Viramuthu (ED: Community Safety) requested to be excused at 10:00 to attend TAC

b. M Ngcamu (Dir: HR) was on Council Business

c. NJ Mdakane (Municipal Manager) was on Council Business in Durban

d. Q Msweli (Ass. Manager: PM&E) was attending MFMP training

#### **6. Councillors leave of Absence:**

a. Applications: Cllr SC Mwandla (05/03/2024 - 08/03/2024) Attending SALGA Programme

Cllr N Qwabe (05/03/2024) Council Business

Cllr K Naidoo (05/03/2024) Family Commitment

b. Granted: None

#### **7. Official Announcements**

- J Sewdular (Dir: PM&E) announced the tabling of the AG Action Plan
- Y Pillay (Head Internal Audit) announced that a response has been received from COGTA in terms of the attendance of the members of the Public to the MPAC meeting, therefore a formal item will be submitted.
- Cllr E Kolia asked if COGTA has been invited to the MPAC Oversight meetings  
J Sewdular responded by saying that COGTA and the AG are invited to Oversight meetings  
However, Cllr E Kolia raised the concern of their non - attendance to the meeting. S Ngiba indicated that a formal correspondence will be sent to COGTA and AG informing them of the concerns raised by MPAC Councillors.

#### 8. Confirmation of Minutes: MPAC Oversight Meeting 27 February 2024

Matters arising from the minutes:

- Rec 3. - The Speaker of Council must be informed to deal with the issue of the amount owed by the Councillor.
- Rec 4. That in the next meeting the Finance Business Unit must provide a Recon indicating the opening balance, all the movements and the closing balance of the indigent register.
- Rec 6 - a concern was raised in terms of the non - attendance of Senior Managers, therefore the Municipal Manager must write a letter to all the Senior Managers informing them of the concerns raised by MPAC Oversight Committee on their non-attendance to the meeting.

Minutes Moved by Cllr NJ Mpanza seconded by Cllr JF Magwaza

#### 9. Business of the day:

##### 2022/2023 FINANCIAL YEAR DRAFT OVERSIGHT REPORT

RESOLVED:

1. That the Legal department must provide more information on the CM Nyawo case.
2. That the Electrical Business Unit must be present in the next meeting to provide comments on the questions raised in terms of the high masts / apollo lights.
3. That the Community Services Business Unit must be available in the next meeting to provide comments on the questions raised in terms of garden refuse.
4. That all Departments must be fully represented in the next meeting taking place on the 12th March 2024 as it will be the last Oversight meeting, so that they can provide all the answers for the questions raised.

There being no further matters for discussion the meeting terminated at 11h26

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#### **Minutes of the meeting held on 12 March 2024**

MINUTES OF THE MUNICIPAL PUBLIC ACCOUNTS OVERSIGHT COMMITTEE MEETING HELD, ON TUESDAY, 12 MARCH 2024 AT 09H16.

Present:

Councilors: Cllr TT Mkhize (Chairperson), EM Kolia, JF Magwaza, SC Mwandla, K Naidoo, NJ Mpanza, N Qwabe, CP Dumakude

Officials: NJ Mdakane (Municipal Manager), AM Manzini (Chief Operations Officer), S Chonguene (Acting CFO), SC Viramuthu (ED: Community Safety), S Jali (ED: Electrical Engineering), Y Pillay (Head: Internal Audit), J Sewdular (Director: PM&E), S Ngiba (Project Executive: Risk Management)

& Compliance, A Nunkumar (Dir: Budget & Compliance), M Nene (Dir: M Mahlalela (Ass. Manager: PM&E), P Mbili (PM&E Specialist), & S Mpunzana (Secretariat)

Other: C Meyiwa (PAC Chairperson), M Coates (AGSA), P Maharaj (Human Rights Association), S Marals (DOCRRA), D Viljoen (DOCRRA),

#### 1. Opening prayer & welcome

The meeting opened with a prayer by Cllr SC Mwandla and the chairperson welcomed all present.

#### 2. Notice of Meeting

The notice of the meeting was taken as read.

#### 3. Signing of Attendance Register

The attendance register was noted by the meeting and was circulated for all present to sign

#### 4. Declarations of Pecuniary Interest/ Other Forms of Interest

- a. Councillors: None
- b. Staff: None

#### 5. Apologies:

- a. Cllr K Naidoo requested to be excused at 11:00 for doctor's appointment
- b. P Mntaka (ED: Corporate Services) was busy conducting interviews
- c. S Chonguene (Acting CFO) requested to be excused at 10:00
- d. S Khanyile (ED: Community Services) was on Council Business
- e. S Hlongwane (ED: EDP) was to join the meeting late
- f. Q Msweli (Ass. Manager: PM&E) was to join the meeting late
- g. LS Pillay (COGTA)

#### 6. Councillors leave of Absence:

- a. Applications: Cllr AM Baardman (12/03/2024) Death in the family
- b. Granted: None

#### 7. Official Announcements

- J Sewdular (Dir: PM&E) announced that there is letter received by COGTA
- The MPAC Committee raised concerns in terms of the business units that are still not represented, however the Municipal Manager ensured the committee that all business units will be represented.

#### 8. Confirmation of Minutes: MPAC Oversight Meeting 05 March 2024

Corrections: Page 27 correction be made for SC Magwaza to JF Magwaza

Matters arising from the minutes:

- In terms of the issue pertaining to the amount owed by the Councillor. - Finance business unit confirmed that a meeting was held with the Councillor and there is progress and the final outcome will be presented to Council.

The MPAC Committee resolved that Finance business unit must be given time to deal with the matter and provide a detailed report to Council.

- A question was raised in terms of the high masts (who determines where the high masts must be installed and what is the value of the high masts?)

Mr Jali responded that the high masts are installed in consultation with the Ward Councillors, however it is mostly installed in rural areas, as well as high risk areas. And the value of the high masts average R390 000.

Minutes Moved by Cllr NJ Mpanza seconded by Cllr JF Magwaza

#### 9. Business of the day:

#### 2022/2023 FINANCIAL YEAR DRAFT OVERSIGHT REPORT

#### RESOLVED:

1. That Council adopts the Annual Report of the KwaDukuza Municipality for the 2022/2023 Financial Year.
2. That Council having fully considered the Annual Report of the KwaDukuza Municipality for the 2022/2023 Financial Year, adopts the Annual Report in accordance with Section 46 (4) of the Local Government Municipal Systems Act No 32 of 2000; and Oversight Report for the 2022/2023 Financial Year.
3. That the Oversight Report be made public in accordance with Section 129 (3) of the Municipal Finance Management Act 56 of 2003.
4. That the Oversight Report be submitted to the Provincial Legislature in accordance with Section 132 (2) of the Municipal Finance Management Act 56 of 2003.

#### ADDITIONAL MATTERS TO FORM PART OF FINAL OVERSIGHT REPORT FROM THE MPAC:

MPAC in consideration of public comments that were submitted on the annual report as well as its ongoing oversight responsibility recommends that Management prioritizes its focus on the following issues:

1. Energy losses: Management to identify as well as implement actionable strategies to address the ongoing challenges of energy losses as raised by the Auditor General. This is an urgent priority as it affects the future going concern of the Municipality.
2. The issue of Aging Infrastructure especially roads potholes in the urban centers are another common concern from the public comments. Management to focus its attention on strategies to address the issue of aging road infrastructure.
3. The UIFW expenditure remains another key concern. Management is urged to implement the UIFW reduction strategy in preparation for 2024/5 audit.
4. Management is urged to finalize all processes for approval of consequence management policies as per the commitment provided in the responses. This matter has been raised numerous times in the Audit Reports by the Auditor General.
5. Management must also improve the implementation of actions to address the Strategic Risks following a decline in the Final results for the strategic Risk Register during 2022/23 financial year.
6. MPAC is also requesting Council to finalize the processes of approving the Organogram in order to deal with staff related capacity challenges for example, the internal audit unit as well as other Business units. This will also assist with implementation of the shift system and reduction of the challenges of overtime.
7. Management to implement all the commitments in the AG action plan in order to avoid recurring audit findings during the 2023/24 audit.

There being no further matters for discussion the meeting terminated at 11h38.

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## 10. ANNEXURE B: RESPONSES TO COMMENTS/QUESTIONS/QUERIES RECEIVED FROM MEMBERS OF THE PUBLIC

Only those queries and questions that are relevant to the 2022/2023 Annual Report will be reflected in the Oversight Report. The letters from the respective parties have been noted and will be attached in its entirety to the end of this report. We are noting the letters and comments from: -

1. KWADUKUZA ORGANISED RESIDENTS, RATEPAYERS and CIVIC ASSOCIATIONS (KORA) which (includes DOCRRA, ZBRRA, Tinley Manor Ratepayers, Blythedale Ratepayers, KwaDukuza Residents Forum and iLembe Community Action Network)
2. The Democratic Alliance (DA)
3. Chairperson of the ESY Portfolio Committee
4. KZN Co-Operative Governance & Traditional Affairs Municipal Finance Directorate- Dr HB Krishnan

| RESPONSES TO QUESTIONS/QUERIES RECEIVED FROM MEMBERS OF THE PUBLIC                                                                                                                                                                                                                                                                                                  |                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| NO.                                                                                                                                                                                                                                                                                                                                                                 | Chapter/<br>Section/Page                                     | QUERIES/QUESTIONS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | RESPONSIBLE<br>DEPARTMENT                             | MANAGEMENT RESPONSE AND CORRECTIVE ACTIONS                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>COMMENTS AND QUESTIONS FROM KWADUKUZA ORGANISED RESIDENTS, RATEPAYERS and CIVIC ASSOCIATIONS (KORA) which (includes DOCRRA, ZBRRA, Tinley Manor Ratepayers, Blythedale Ratepayers, KwaDukuza Residents Forum and iLembe Community Action Network) to the MUNICIPAL PUBLIC ACCOUNTS COMMITTEE on the KWADUKUZA ANNUAL REPORT FOR THE 2022/2023 FINANCIAL YEAR</b> |                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| 1                                                                                                                                                                                                                                                                                                                                                                   | Page 14                                                      | Municipal challenges well documented but little evidence of action or effective results. Does MPAC monitor these proposed actions (IDP Interventions) for effectiveness and timeliness?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | MPAC/Chief Operations Office (COO) Business Unit (BU) | The MPAC workplan for the 2023/24 financial year will be revised to incorporate the monitoring of the implementation of the IDP Assessment interventions.                                                                                                                                                                                                                                                                                                                                 |
| 2                                                                                                                                                                                                                                                                                                                                                                   | Page 15 - point 2                                            | Failing at fixing potholes timeously. We suggest KDM employ small teams and do it themselves rather than employing contractors.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Civil Engineering BU                                  | KwaDukuza Municipality have put in place a panel of contractor for pothole patching which assist in the implementation of the pothole patching activities using hot asphalt, and for short term and immediate response a cold asphalt mix is utilized, these are strategies put in place in ensuring that potholes are repaired timeously.                                                                                                                                                |
| 3                                                                                                                                                                                                                                                                                                                                                                   | Page 21 Revenue trend by source including borrowings section | The focus given here is on borrowings rather than revenue, except for a minor comment on “marginal” increases in rates. Besides rates having been increased by in excess of inflation for 2023/24, there is no comment on revenue earned from electricity sales, refuse or other sources. Residents should be made aware and be informed of the deteriorating electricity sales volumes, due to load shedding and losses, which will have a significant impact on consumers in future years. Page 76 reflects the continual and consistent decrease in electricity volumes sold annually. This negative will have a significant impact on the financial stability of KDM and ratepayers in future years. How is KDM planning to supplement its income in light of reducing electricity income? | Finance BU & Electrical Engineering BU                | The communities are made to be aware of the effect of energy losses in various platforms including Mayoral Izimbizo's, media, etc.<br>KDM has a strategy to address energy losses in place, which is at the implementation phase right now. Income will be increased by rooting out corrupt activities in the form of stealing electricity which also result to a reduced expenditure for energy stock losses. This will certainly increase financial sustainability of the municipality. |



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| 4 | Page 22 | The report reflects that debtors have increased by over 19% at end FY23 compared to end FY22. While this is concerning, we don't understand how the collection rate of 95%, which is consistent with FY22 could still be correct? | Finance BU            | These are two non-comparable calculations for different purposes. Collection Rate uses net debtors and an increase in debtors uses gross debtors.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 5 | Page 26 | Census data is 8 years old! Little value                                                                                                                                                                                          | MM                    | Noted. This will be conveyed to the IDP Section.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| 6 | Page 39 | Is the ED Engineering post still vacant?                                                                                                                                                                                          | Corporate Services BU | Yes it is still vacant, the process is awaiting Council approval (ED : Civil Engineering)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 7 | Page 51 | Planned actions against top 10 risks achieved for FY23 is 46%, (13 of 28) whereas for FY 22 the achievement was 74%. This is unacceptable.                                                                                        | COO BU                | <p>The decline in performance against the top 10 risks for the 2022/23 financial year is unfortunate and regretted. The 15 actions not implemented for the reporting period in question have been carried over into the 23/24 financial year as the non-implementation effectively means the risk has not been mitigated.</p> <p>It is important to note to that substantial progress has been made in implementing the actions aimed at mitigating the top 10 risk as at the end of quarter 2 of the current financial year (2023/24), the results demonstrate that at least 78% of the actions have been implemented to date. Risk management is an ongoing process, and the responsible department is actively monitoring the implementation of all commitments of the respective BU's, with MPAC, AUDCOM and Council providing oversight on a quarterly basis to ensure improvement. The end of the financial goal is to achieve not less than 70% in the implementation of planned actions against the top ten risks assessed and profiled.</p> |

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| 8 | Pages 57 to 59 | <p>The table reflects that a number of appeals were upheld. We assume this means that the appellant was able to be added to a panel or have their exclusion from a contract overturned.</p> <p>This high number reflects some problematic issues in the tender committee. These could be related to lack of skills, favouritism by the appeals committee or some other factor which needs to be investigated and addressed.</p> | Finance BU / Tender Appeals Committee Chairperson | <p>The Tender Appeals Committee is an independent committee that presides over the appeals. A bidder has a right to appeal a decision of the Bid Adjudication Committee. There is no favouritism practised at the committee and the Committee is made up of Professionals. Each appeal is dealt with on its merit and representation/evidence provided to the Committee. The committee have however noted discrepancies in the process and have advised the accounting officer of its concerns and system to be implemented.</p> |
| 9 | Page 67        | <p>The report refers to a public satisfaction survey on municipal services undertaken in May and June 2023.</p> <p>Please could you refer us to the where the results of this survey were released and published.</p>                                                                                                                                                                                                           | COO BU                                            | <p>The results of the survey have not yet been made public. The municipality is currently ensuring that all internal processes and submissions to committees are followed before the results are made public.</p>                                                                                                                                                                                                                                                                                                                |

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| 10 | Page 77 | <p>The increasing energy losses of 2023 of 25%, R263m, is a significant cause of concern to residents and ratepayers.</p> <p>The same proposed actions have been presented over various years with no improvements, as well as slow and poor implementation by Council. The status of implementation shown in the table on pages 77 and 78 is disappointing and certainly doesn't seem to be a focus of management or the council.</p> <p>We also see no consequence management against the various ED's responsible, being Electrical Engineering, Community Safety and Finance, together with the Municipal Manager. The Electrical Services BU incurred a loss of R83m (page 241) which a significant increase of the loss for 2021/22.</p> <p>Can MPAC advise what consequence management it has directed to Council to take?</p> <p>Revenue Protection Unit - this unit was approved by Council in previous years but has not yet been staffed. Does this not mean that the Municipal Manager has not complied with a council resolution and should therefore be subject to appropriate disciplinary/consequence management processes?</p> | MPAC / COO BU | <p>MPAC is monitoring the implementation of the energy losses strategies as contained in the AG action plan through oversight on an ongoing basis. The challenge encountered is the impact of the strategies in reducing energy losses. One of the proposed strategies by management is the Energy Indaba that will address the issues of conceptualising the additional energy loss strategies.</p> <p><u>Consequence Management</u></p> <p>The existing framework on consequence management is inadequate to address consequence management relevantly. Management is in the process of reviewing the existing framework and commitment by management is that the process will be concluded at the end of March 2024. MPAC will then consider all matters requiring consequence management against the proposed framework.</p> <p>Revenue Protection</p> <p>There is soon to be an advert with an intention to fill the vacant posts.</p> |
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| 11 | Page 160 | The estimated completion date for the new museum was 31 July 2023. Is the museum open for business yet? | EDP & Human Settlements BU | <p>The KwaDukuza Museum building was supposed to be completed and handed over to KwaDukuza Municipality by the 30<sup>th</sup> of June 2023. However, the Museum was not completed on the 30<sup>th</sup> of June 2023, because the KwaDukuza Municipality's Water account was never paid since 2007 and Ilembe refused to issue a new water meter for the municipality. The meter was crucial for the wet services testing. Whilst the municipality was waiting for the connection of services the lift was damaged by load-shedding. Eventually the municipality paid Ilembe DM, and the water was connected on the 23<sup>rd</sup> of June 2023 and the relevant testing and approval of sewer connections inspection were done in the month of August 2023. The contractor insurance only paid for the repair of the lift in November 2023. The mechanical and electrical engineers recommended that load-shedding protector devices be installed in the lift, and it has been installed. Lastly, the contractor was also issued with a SNAG List, which they have to attend to. The KDM Electricity BU and adjacent properties were involved in the engagement regarding the relocation of the KV lines which was "encroaching" on council property and were exposed during the construction. The relocation of the KV lines was done and completed at the beginning of February 2024. The building was official handed over to KwaDukuza municipality on the 13<sup>th</sup> of February 2024.</p> <p>It must be further noted that the second phase of the project which is the research and installation of exhibition is currently underway. It is expected to be completed in the next three (3) months. With a hope to officially open the museum before end of this financial year.</p> |
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| 12 | Page 161              | You comment here about disruptions by Business Forums, otherwise known as business mafia, as a reason for not achieving completion of various bridges.<br>What action has KDM, together with SAPS, taken against these organisations?                                                                                                                                                  | Civil Engineering<br>BU | The KDM community safety and SAPS response team has responded to incidents as and when reported, the contractors have sourced security companies to ensure that the sites are protected at all times and protection orders were issued to vigilantes disrupting projects.<br>Recognised business forums from ward level have been engaged during stakeholder engagements in the wards and where practical sub-contracting opportunities be implemented. |
| 13 | Page 169 -<br>OPMS26b | This target is stated as achieved as 2 progress reports were submitted. However, only 10 of 31 AG findings were resolved (32%) which is poor. The target should rather be on the resolution of say, 90% of AG findings rather than the submission of progress reports.<br>Even if no findings had been resolved KDM would have still achieved the target of 2 reports being submitted. | COO BU                  | The AG finding target has since been amended during the 2023/24 adjustment process to focus on the implementation of the AG Findings commitments as opposed to the submission of the reports as pointed out.                                                                                                                                                                                                                                            |
| 14 | Page 170 -<br>OPMS27  | Similarly, the target was “risk registers adopted by Council”. However, if you review the top 10 risks on pages 50 and 51, 54% of the risks were not addressed during 2023. The target should focus on the resolution of key risks, not the submission of reports.                                                                                                                     | COO BU                  | The risk management target has since been changed during the 2023/24 adjustment process to focus on the implementation of the action plans as opposed to the submission of the reports as pointed out.                                                                                                                                                                                                                                                  |

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| 15 | Page 171 -<br>OPMS 34 | A 2% reduction of 60-day debtors target is very low. Credit control should be set a more realistic target of 10% or greater to ensure financial viability of KDM.                                                                                                                                                                                                                                               | Finance BU | The 2% target is realistic considering that the municipality has not wrote off any uncollectable debtors such as Indigent accounts and those that are long outstanding. Therefore, they all accumulate interest monthly which also increases the debtors. Should this target be increased, it will not be realistic because the current 2% is also not an easy target as we speak right now. However, should the council agree to write off all the uncollectable debtors including indigents accounts which are long outstanding. It will be realistic because no uncollectable debtors will be there. |
| 16 | Page 173 -<br>OPMS 39 | The target for outstanding (unpaid) service debtors is stated as 0,5:1. This would mean that 50% of billings for electricity and refuse services should be outstanding at year end?<br>The achievement of 11% is a more accurate target of approximately 1,2 months which is a more accurate target to be set.<br>If KDM reached 50% of service debtors outstanding it would result in a negative cash coverage | Finance BU | The target appears to be low and must be relooked at to improve financial sustainability.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |



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| 17 | Page 175 -<br>OPMS 78 | How can the number of registered indigents reduce from 10971 in FY 2022 to 8979 in FY 2023? Based on earlier statements in the Annual Report consumers are experiencing financial difficulties, loss of jobs and therefore more likely that the number of indigents will have increased. See similar inaccurate statistics in OPMS 94 (849 to 8979). | Finance BU | <p>Indigent support is granted only on an application basis whereby a household applies for the support and such application is submitted for verification against external sources namely Credit Bureau, SARS, Deeds Office, Home Affairs, etc. to establish if the household does indeed qualify and they granted the support should the application prove successful.</p> <p>During the 2022/2023 year, a further analysis was conducted on Customers approved as indigent against the prepaid purchases and/or free basic electricity issued. This analysis was undertaken in view of having a credible indigent register, proper budgeting and supporting other processes like Credit Control as the Indigent Policy is clear in respect of not granting the benefit to households that do not have a regular meter connection.</p> <p>The findings were as follows:</p> <ul style="list-style-type: none"> <li>• 2517 consumers approved for indigent support did not collect their free basic electricity tokens at all nor did they purchase any electricity and was accordingly removed from the register</li> <li>• 329 of the 1020 approved Eskom Customers were not activated by Eskom for the support due to various reasons - no purchase history, last transaction date older than 3months, meters not registered on the system, etc.</li> </ul> <p>The above trend is of serious concern, as an indigent household should at least claim their free basic electricity token monthly although they may not afford to purchase any further electricity. This seemingly appears that there could be issues with their meters - faulty, tampered, bypassed, directly connected, etc. which could be contributing to the escalating energy losses.</p> <p>The above explains the decrease in number of indigent Customers.</p> |
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| 18 | Page 180 -<br>OPMS 55      | For transparency it would be appropriate to reflect where and how these 844 jobs were created through LED initiatives please.                                                                                                                                                  | EDP & Human Settlements BU | The local economic jobs that we are accounting for in this is both the private sector driven job , which has been facilitated through the municipality job creation and sub-contracting opportunities, that is being done with interested developers. The main contributor of the jobs, that has been reported includes the job opportunity created for 500 people, through EDTEA funded project, called Mavivane Riverine Management Programme, which was successfully implemented during the financial year under review. |
| 19 | Page 186<br>OPMS 81 and 82 | If you add the increase in access to basic electricity of 1299 to the closing number of households at end FY22 of 60963, the total at end FY23 should be 62262.<br>Stated number of 61762 is 500 different?                                                                    | COO BU                     | The end of 2021/2022 closed on 60 463<br>1299 added to this baseline of 60 463 = 61762<br>The target was set on doing 500 but 1299 was done.                                                                                                                                                                                                                                                                                                                                                                                |
| 20 | Page 187                   | Why is the spending of the NDPG grant, relating to the renewal of KwaDukuza Central Business district not a specific performance target?                                                                                                                                       | COO BU                     | Targets for the project may only be set once there are specific authorisations given by the funder. The municipality has requested authorisation of which these are being discussed with the funder.                                                                                                                                                                                                                                                                                                                        |
| 21 | Page 207                   | Please clarify/explain the “2023 - restated” column?                                                                                                                                                                                                                           | Finance BU                 | The 2023 - restated is a typographical error and the correct financial year is 2021/2022. The table will be updated to reflect 2022/2023 information to ensure consistency with the AFS , (ref pages 299-301)<br>Restated figures mean a revision of previously issued financial statement to correct an error.                                                                                                                                                                                                             |
| 22 | Page 210                   | The Audit Committee has repeated its concern the lack of adequate resources for Internal Audit. We are aware that adverts were posted to recruit additional resources during 2023.<br>Have these resources been employed?<br>How many additional resources have been employed? | COO BU                     | Yes, only one additional resource has been employed, several applicants did not take up the offers as they were contract posts.<br>Also, an amended organogram was submitted for approval by Council.                                                                                                                                                                                                                                                                                                                       |

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| 23 | Page 211          | Regarding the incomplete audit of payroll to identify potential “ghost employees”, we suggest KDM suspend payment to those individuals until such time as they properly present themselves. | Finance BU    | Physical verification was done by the AGSA, under payroll audit and HR audit. After verification there were no ghost employees found.                                                                                                                                                                                                                                            |
| 24 |                   | No council approval for the challenge/appeal against the High Court ruling against KDM?                                                                                                     | MM / COO BU   | The comments is not aligned or relate to the annual report. However, it must be noted that the Municipal Manager is delegated by council to take any matter to court or defend any matter against council and appeal any court outcome. As per the delegation authority, the Municipal Manager must seek council resolution if he takes the matter to constitutional court only. |
| 25 | Page 221          | The AG has repeated his previous finding of insufficient investigation of irregular expenditure by Council.<br>What is MPAC’s plan to address this finding?                                 | MPAC / COO BU | In line with the AG recommendations a new investigation framework has been developed to empower MPAC with a clear process of undertaking UIFW related expenditure. MPAC has been workshopped on the same and all UIFW expenditure for incurred during the 2023/24 financial year will now being conducted utilising the new investigation framework.                             |
| 26 | Page 273 - note 4 | Please describe the nature of Intangible Assets - Under Development of R15,6m?                                                                                                              | Finance BU    | This is in relation to the SCADA system under development by the Electrical Business Unit. This asset consists of both Intangible and Physical aspects. The unbundling of this will occur once the Asset is available for use in accordance with GRAP 31 and GRAP 17.                                                                                                            |
| 27 | Page 281 - note 9 | Consideration should be given to clearing and deleting balance of historical debtors over 1 year which are never likely to be collected.<br>All balances over R1000 should be written off.  | Finance BU    | Some debtors were presented to council to be written off. Unfortunately, no write off was approved.                                                                                                                                                                                                                                                                              |

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| 28 | Page 285 -<br>note 10 | Consideration should be given to clearing and deleting balances of historical debtors over 1 year which are never likely to be collected.<br>All balances over R1000 should be written off.<br>KDM should provide disclosure on the number of properties attached and sold during the year for the recovery of unpaid rates.<br>Please advise the number of properties attached in 2021/22 and 2022/23 financial years? | Finance BU            | Some debtors were presented to council to be written off. Unfortunately, no write off was approved. Furthermore, attaching properties is not KDM's decisions by court. We have no case which was concluded by the court to attach a property so far.                                                          |
| 29 | Page 293 -<br>note 23 | Please explain why no proceeds from insurance recorded on assets lost/damaged during the July 2021 riots or April 2022 floods?                                                                                                                                                                                                                                                                                          | Finance BU            | The insurance claim for the flood damage is in the process of being finalised with the respective Business Units. An interim settlement has been received from the insurers. Due to the size of the claim this is currently being interrogated by the Business Units. This claim should be finalised shortly. |
| 30 | Page 299 -<br>note 28 | Please advise the number of persons employed by KDM as at 30 June 2023?<br>Is it correct that the ED Community Safety has no pension amount as part of his remuneration?                                                                                                                                                                                                                                                | Corporate Services BU | 1016<br><br>Yes it is correct. ED's structure their remuneration package according to their choices                                                                                                                                                                                                           |
| 31 | Page 300 -<br>note 29 | Please explain the reason for the R10m, 48% increase in councillor remuneration?                                                                                                                                                                                                                                                                                                                                        | Corporate Services BU | Councillors increases are in terms of upper limits for public office bearers issued by the Minister of COGTA in terms of Gazzete 49142 dated 18 August 2023.                                                                                                                                                  |

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| 32 | Page 302 - note 35 | Please explain the almost 3 times cost increase in Ballito Pro, from R3.6m to R11.8m?               | EDP & Human Settlements BU | <p>The 2021, Ballito Pro was held when the country was easing off Covid 19 restrictions, this took place in December and it was not categorised by The World Surfing League(WSL), as an international event. There were still some travel restrictions hence this event was changed to a national event which formed part of the KwaDukuza Economic Recovery Plan. The prize money was decreased as it was a national event and most of our partners including the WSL nominated service providers did not increase their costs and gave the municipality discounts or kept the costs at 2019 rates.</p> <p>Whereas the 2022 event was an international event, which forms part of WSL World Series. Both events sanctions fees, prize money and judges which are all paid in dollars, thus increasing the money spent.</p> |
| 33 | Page 302 - note 38 | Did KDM have to settle the C M Mmwayo case, or explain reason for it not being on the list in 2023? | COO BU - LEGAL             | <p>The municipality was served summons in this matter for a claim in the amount of R18 million for damages claimed in the incident relating to one of our traffic officers. The matter has not been to court to date and the matter was removed from the legal status updates as there was no movement from the applicant.</p> <p>The municipality was subsequently served with a condonation application which the Municipality opposed and brought in a counter application.</p> <p>KDM filed its answering affidavit in the matter and the counter application to strike out their claim.</p> <p>The applicants have not responded to date.</p>                                                                                                                                                                          |
| 34 | Page 308 - note 44 | Please explain the reason for increase in Security services from R34.9m to R42.1m, 21%?             | Community Safety BU        | <ul style="list-style-type: none"> <li>• Scheduled annual increase as per Tender.</li> <li>• Events Coverage.</li> <li>• Unforeseen security requests for guarding of Councillors.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

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| 35 | Page 309 -<br>note 48 | It states certain amounts “under investigation”, however these amounts are not part of the current year additions to F&W expenditure. Please clarify? | Finance BU | The amounts referred hereunder are prior year matters that came in through an investigation report reported to Council. At the reporting date, these matters were at the disciplinary stage. The amounts were reported in the annual financial statements; however, they will be included in the 2023/24 Financial balances and the progress made. |
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| 36 | Page 310 - note 49 | It is concerning to note the increase in Irregular expenditure. It is particularly concerning to note R6m due to non-compliance with legislation. The council and MPAC should have a focus on there to be no Irregular expenditure. | MPAC / Speaker | <p>The increase of UIFW expenditure during the 2022/23 financial year is largely owing to the increase in electricity Bulk Purchases as opposed to non-compliance with SCM related regulations. The Bulk Purchases is billed to consumers, thereby minimising the negative impact on the financial health of the municipality however its still constitutes non-compliance with the MFMA hence disclosed as unauthorised expenditure.</p> <p>Various commitments and strategies have been adopted by Management to address incurrence of UIFW expenditure including the substantial increased in the bulk purchased expenditure. The strategies included but are not limited to the following : -</p> <ol style="list-style-type: none"> <li>1. Development of a procurement plan for all goods and services to be procured for the period 2023/24.</li> <li>2. Monitoring the adherence to the Procurement timelines as outlined in the procurement plan.</li> <li>3. Advertising of all Expired Contracts 1 year before expiry to avoid irregular expenditure for expired contracts.</li> <li>4. Appointment of a panel of contractors and services for ongoing projects and programs in order to minimise the delay in procurement process for critical goods and services thereby resorting to Sections 32 &amp; Regulation 36 appointments which more often than not leads to incurrence of UIFW expenditure.</li> <li>5. Incorporation of the timeous procurement plan implementation in the ED performance scorecard.</li> <li>6. Timeous payments for goods and services where there are no disputes to avoid penalties and interest being incurred resulting in wasteful expenditure.</li> <li>7. Ongoing monitoring and oversight by MPAC on the implementation of the Procurement plan.</li> <li>8. Improvement in revenue collection efforts to ensure adequate provision for bulk purchases expenditure.</li> </ol> |
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| 37 | Page 310 -<br>note 51                                              | <p>DOCRRA has for many years raised our concern regarding the insufficient focus on maintenance expenditure as being around 3%, whereas it should be 6-8%. It is therefore of concern that the total expenditure on maintenance has decreased from 2021/22.</p> <p>What prevents council from increasing expenditures to 8%, particularly in light of significant operational surpluses?</p> | Finance BU | <p>The matter of funding the Repairs &amp; Maintenance(R&amp;M) at 8% has been discussed at depth at MANCO and whilst is agreed that 8% is the norm and KDM should work towards increasing its R&amp;M spend the current allocation must be taken into context of the other expenditure priorities. I.e. Other Expenditures will need to be reduced or additional revenues generated. Further to the listed 3% it must be noted that a number of R&amp;M projects are undertaken internally which results in the use of internal officials (staff costs), the costs of which are not accounted for above. Therefore, in some instances the above % only recognizes the cost of materials.</p> <p>Furthermore, some materials such as Mini Sub's and Pole Mounted Transformers, although replaced under R&amp;M program are recognized under the capital expenditure due to the nature of the item. In addition, due to the condition of certain assets certain R&amp;M programmes are categorized as capital in accordance with GRAP. An example of this is the pothole patch programme which would fall under road rehab due to the extent of the project. The current Disaster projects also address a number of the existing R&amp;M back logs which will not appear on the 3% recorded.</p> <p>However, it must be stated that ensuring an 8% R&amp;M percentage is not always going to be possible as the growth in revenue is not commensurate to the increase in assets. For example, the implementation of the R 1.2 Bn disaster project will require an additional annual R&amp;M budget of R 96m whilst revenue has not increased accordingly. Based on the PPE balance at the reporting date, should the 8% recommendation be adhered to , a total additional budget of R237 million would need to be budgeted by the municipality, and this will require a further increase on tariffs, which could be unreasonable to the rate payers.</p> |
| 47 | <b>Page</b> KDM OVERSIGHT REPORT ON THE ANNUAL REPORT<br>2022/2023 |                                                                                                                                                                                                                                                                                                                                                                                              |            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

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| 38 | Page 311 - note 53 | Shouldn't Councillor V Govender be suspended from council activities due to this substantial amount owing?                                                         | Speaker / Finance BU               | No, there was a dispute on the matter.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 39 | Page 313 - note 58 | Original (first) budget for employee costs was for R544,882m and the final cost is R504, 174m. What is the main reason for the original budget not being achieved? | Finance BU / Corporate Services BU | Final budget was R517m Actual expenditure was R503m - variance was as a result of vacant posts.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 40 |                    | Does MPAC have any concerns regarding the capacity and competence of the Finance function?                                                                         | MPAC                               | <p>The concerns of MPAC regarding the capacity of both the Internal Audit and Finance Function has been raised at various platforms with Management .</p> <p>The MPAC has also noted the short, medium and long term progress made by the administration in addressing these staffing requirements. Short term interventions speaks to the filling in, of the existing budgeted vacancies within the different BU's, whilst medium term speak to the ongoing capacity building initiatives through training and development and the long term being the revision of the organizational structure which seeks to address the overall operational priorities of the organization as whole which of course includes the Finance and Internal Audit.</p> <p>The MPAC will continue to monitor progress through reports on the adoption of the organizational structure and filling in of budgeted vacancies. Time frames for the approval of the organizational structure are anticipated to be finalized before the end of the financial year which will hopefully assist in informing the budgetary provision for critical functions such as the ones raised in the enquiry.</p> |
| 41 | Page 329           | Headings of the two sub-committee meetings on this page duplicated.                                                                                                | Corporate Services BU              | Noted - this will be corrected to reflect Infrastructure & Technical Portfolio Committee.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

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| 42 | Page 346 | Contractors for high masts and street lighting rated as good yet residents continuously report street lights that have been repaired failing again (wards 6, 22 and 30). We would note these contractor's performance as poor and should be terminated.<br>On a general note, it is highly unlikely that every assessment would be noted as "Good" in this table. | Electrical BU | The high mast and streetlights contractors execute capital projects, and their performance is based on delivery of new infrastructure for public lighting. Their performance is based on delivery of new high masts and streetlights on time.<br>The public lighting that fail is an existing one that is being repaired or replaced by KDM under repairs and maintenance (operational budget). |
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| 43 | Page 376 | Rocky Park project has been a disaster for many years. In early calendar 2023 the Premier's office called for a special investigation into the project. Can MPAC please provide details of the investigation and the project? | MPAC/EDP & Human Settlements BU | <p>The Rocky Park Housing Project remains a huge concern for the municipality. KwaDukuza Council in 2020, rejected the reconciliation report that was commissioned by the Department because it was biased and it never investigated the role of the Department of Human Settlements, which was responsible for payment to the contractor (SIMSI). Council also took a decision to request the Office of the Premier and Provincial Treasury to do a forensic investigation on this project. The Office of the Premier after three years has agreed to do the investigation on this matter. The investigation is underway, and it started on the 4th of October 2023, and it is continuing.</p> <p>The following must be noted:</p> <ol style="list-style-type: none"> <li>1. KwaDukuza Municipality has never paid any money to SIMSI, but the paymaster was the Department of Human Settlements.</li> <li>2. KwaDukuza Municipality in terms of the law, cannot be held accountable for the money that they have never received or even paid; hence this project has never featured on the Auditor General Report or even as a declaration under wasteful and fruitless expenditure.</li> <li>3. The KwaZulu Natal Department of Human Settlements in terms of the Public Management Finance Act (PFMA) is accountable of this expenditure and its classifications in their AFS.</li> </ol> <p>We, therefore, want to make it clear that MPAC does not have any jurisdiction on the expenditure incurred on this project, as no municipal legislation was infringed. The MPAC will only act based on the outcome or recommendations of the Premier's Office investigation on this matter.</p> |
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| 44                                                     | Page 384 | Please advise the actual expenditure against the City Hall budget of R5m for 2022/23?<br>Please note that we still need to be convinced of the necessity and effectiveness of a development of a new city hall for KwaDukuza.                                                                                               | Community Services and Public Amenities BU | It be noted that there was no expenditure for City Hall Development in the 2022/2023 financial year on the basis that the R5 million was reprioritised to cater for the disaster projects.<br>Secondly, it be brought to your attention that the Business Unit had previously engaged with DOCCRA regarding the similar matter and provided a detailed information about the project. However, the request for further engagement is noted. |
| 45                                                     |          | The DOCCRA community consists of a number of active and retired residents including accountants, engineers, town planners and lawyers, as well as many other disciplines.<br>As a community we are willing to assist KDM in our collective efforts to make this an environment where all would love to live, work and play. | MM                                         | This is noted with thanks.                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>COMMENTS ON THE DRAFT ANNUAL REPORT FROM THE DA</b> |          |                                                                                                                                                                                                                                                                                                                             |                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 1                                                      | Page 15  | KPA 3 Basic Service Delivery - Poor public street lighting- there are over 2000 non-functional streetlights, IDP interventions are not addressing the poor public street lighting                                                                                                                                           | Electrical Engineering BU                  | In addressing the poor public lighting - provision of resources is required, and this has been stated on the report.                                                                                                                                                                                                                                                                                                                        |
| 2                                                      | Page 31  | Correction - should read 'She also performs duties as delegated to HER by Council                                                                                                                                                                                                                                           | MM                                         | Noted and will be updated to "her"                                                                                                                                                                                                                                                                                                                                                                                                          |
| 3                                                      | Page 44  | Correction - Mandundube Community Hall - ward 27                                                                                                                                                                                                                                                                            | COO BU                                     | Noted and will be updated to Ward 27.                                                                                                                                                                                                                                                                                                                                                                                                       |
| 4                                                      | Page 56  | Demand Management - Tenders. The SCM Processes are unnecessarily long. Information and responses from various business units delays tenders being awarded, hampering the spend of various council or MIG funded projects.                                                                                                   | Finance BU                                 | This matter is being addressed by Management.                                                                                                                                                                                                                                                                                                                                                                                               |
| 5                                                      | Page 65  | Bylaws - Many Bylaws are outdated and should be reviewed and updated. The Bylaws need to been policed more stringently.                                                                                                                                                                                                     | COO BU                                     | Bylaws are being reviewed per department. Community Services Bylaws will be reviewed and updated. New Fine structures will then be implemented.                                                                                                                                                                                                                                                                                             |



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| 6 | Page 72 | Electricity Capacity - The Capacity of each network must reflect the growth and development plans                                             | Electrical Engineering BU | Table 30 on page 72 gives the history of electricity capacity for the past eight years and for the current year. The development plans would be included if the table was showing expected capacity from 2023 onwards. The growth and development plans are found on our Electricity master plan up to 2040. |
| 7 | Page 77 | Energy loss strategies that have been developed have not all been implemented. It is imperative that all strategies developed are implemented | Electrical Engineering BU | The implementation of developed strategies is limited by the available budget. We can not implement all of them at once. The report of strategies does explain that implementation will be done over a period of five years.                                                                                 |

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| 8  | Page 85        | Illegal dumping - while programmes and awareness are being done, there needs to be continuous pressure to apprehend illegal dumping | Community Services and Public Amenities BU | <p>Illegal dumping leads to environmental pollution, exposes communities to an unhealthy environment, unhealthy odours and most often the decomposed material, toxic waste is carried to water streams by heavy rains thus polluting rivers and streams. It is against that background that the Municipal Council has mandated to Community Services and Public Amenities to come up with a robust and adequate solution referred as a “program for change”. The “Program for change” is a multi progged strategy underpinned by five key focus areas that will derive the change agenda when it comes to waste management.</p> <p>(i) As a rapid response (short-term) KDM needs to establish an Illegal Dumping Team constituted of the TLB Operator, Tipper Truck Driver and Five General Workers.</p> <p>(ii) Tabling of a feasibility report before Council regarding the extension of road-side refuse removal service to high populated areas that are currently serviced via skip.</p> <p>(iii) Establishment of the education and awareness sub-directorate to drive a rigorous/massive awareness campaign (Change Management).</p> <p>(iv) Establishment of Municipal bylaws enforcement unit that will ramp up the enforcement thereby harshly and decisively deal with those responsible for illegal dumping and litter. (Community Safety)</p> <p>(v) Establishment collaborative efforts with the stakeholders’ citizens, KDM EDP, KDM Civil Engineering, Ilembe District Municipality. NPO’s, Business, KZN Department of EDTEA, Taxi Association, Informal Traders, Chamber of Business, Ratepayers Associations &amp; Waste Recyclers.</p> <p>(vi) It be placed on record that the strategy has been implemented and its starting to yield results with exception of pillar roman figure (iv) Establishment of Municipal bylaws enforcement unit that will ramp up the enforcement thereby harshly and decisively deal with those responsible for illegal dumping and litter. Community Safety is spearheading the process of establishing a bylaw</p> |
| 53 | Page 2022/2023 | KDM OVERSIGHT REPORT ON THE ANNUAL REPORT                                                                                           |                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

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| 9  | Page 95 | Parks and gardens - some municipal facilities are not being maintained on a monthly basis - public open spaces have become dangerous                  | Community Services and Public Amenities BU | While a definition of maintained will have to be provided, the department does cut and clean all facilities on a monthly basis. Those that are more frequently used are maintained according to the need. Marking is done when requested by the user of the facility. The top dressing and levelling of fields is undertaken periodically where necessary. The municipal swimming pool is maintained on a daily basis in the swimming season. The associated budgets, which are minimal, also need to be considered noting that the area has a number of facilities. Due to the limited security budgets not, all facilities can be guarded. This further leaves the facility open to vandalism. |
| 10 | Page 98 | Ballito Licencing - reduction in revenue of R244478.42 from 21/22, but an increase of 19341 transactions in the 22/23. Please could this be clarified | Community Safety BU                        | Reduction in Revenue for 2021/2022 was due to COVID Impact. Revenue for 2022/2023 increased as COVID restrictions were eased off, thus requiring the vast influx of public to renew their Vehicle Licences.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

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| 11 | Page 105 | Disaster Management - The Disaster plan was adopted in 2016. Since then, we have had July 2019 rains, July unrest and April floods. The Disaster Plan that is to be reviewed in 23/24 financial year must be more proactive than reactive. | Community Safety BU                              | <p>There is a procurement plan in terms of the reviewal at the disaster risk management plan. The plan will contain a pro-active and re-active disaster management approach to ensure a comprehensive disaster risk management strategy for KDM.</p> <p>To ensure that the disaster management plan will focus on a pro-active disaster risk management approach. A thorough disaster risk assessment will be conducted in all 30 wards at KDM to develop an indication risk profile making it easy for the disaster management practitioner to know what disaster risks are at ward level so that disaster risk reduction strategies and programmes can be formulated.</p> <p>These disaster risk reduction initiatives will lessen the risk in wards and decrease the likeliness at disaster occurring/mitigate their severity and impact.</p> <p>They will also focus on developing coping capacity in various communities through education/outreach programmes. Mobilising all disaster management stakeholders and resources to contain disaster incidents and encouraging communities to build back better.</p> <p>The review should take place during the 2023/2024 financial year and when the budget has been provided.</p> |
| 12 | Page 113 | Bulk of the disaster incidents have been due to flooding - what measure will the unit do to prevent illegal building in within flood / high water marks?                                                                                   | Community Safety BU / EDP & Human Settlements BU | <p>The municipality will engage on community awareness of dangers on building on the flood plains or high-water marks. The property owners including the municipality need to take concrete steps in stopping people from building in these high risk areas.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

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| 13 | Page 124 | No improvement in the number of houses constructed in the 22/23 financial year. Where is the list of beneficiaries that are waiting for delivery of houses , and what is the backlog in the number of houses to be built in KwaDukuza | EDP & Human Settlements BU | <p>The municipality has acknowledged the challenges faced by Human Settlements Unit which resulted in Council, taking a decision to transfer the unit to the EDP BU. However, it will be important to put the matter of housing statistics into correct perspective as follows:</p> <ol style="list-style-type: none"> <li>1. During the 2022/2023 financial year the municipality was allocated 80 units to build by the Department of KZN Human Settlements. However, the municipality put a performance target of 90 units to be produced during the financial year, which considered the blocked projects which the municipality was confident they will be unblock and give the municipality extra 10 houses to be built over and above the 80 houses already with a confirmed budget allocation from the municipality. Eventually the municipality built 87 housing units during the financial year under review.</li> <li>2. Most of the projects that the municipality have been doing under Human Settlements have been stage 2 (installation of bulk infrastructure, stormwater, roads, site, water and sanitation connection), with more than 600 sites that were serviced during the financial review.</li> </ol> <p>The municipality has adopted a turnaround strategy and is extensively engaging the Department of Human Settlements, to unblock several projects and ensure that more housing/top structure units funding is allocated to KwaDukuza in the next financial year. The municipality is currently finalising its Human Settlements Plan, which was completed last year, prior to the release of the Census 2022 results. Therefore, the backlog will incorporate those statistics, including the National Housing Needs Register developed for KwaDukuza.</p> |
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| 14 | Page 131 | Number of plans approved increased in the financial year. What progress is there in communicating with other government departments regarding building schools, clinics, police stations and other facilities to support the growth? | EDP & Human Settlements BU | <p>The EDP BU working together with other BU's have been in constant communication with relevant departments including The Department of Public Works, Department of Health, Dept of Education and COGTA. This includes identifying and facilitating the availability of land for social facilities. Some of the facilities that are at planning and implementation stage include Madundube Clinic and Driefontein Clinic. The departments are at planning stage and construction is imminent.</p> <p>It must, however, be indicated that whilst there has been ongoing engagements and this will continue, the implementation of such facilities are dependent on available resources which are limited, as some of the sector departments have indicated. Working together with the IDP department, formal communication will be issued to relevant sector departments to outline the development trajectory of KwaDukuza in terms of increase in residents as per recently published Statistics (census), requesting them to plan for and implement such facilities to support the growth including attending to backlogs. This is aimed at ensuring that KwaDukuza needs are prioritised and included as part of the municipal IDP and Ilembe DDM plan.</p> <p>Furthermore, it must be noted that as part of approving residential estates, the EDP BU insists on allocation of recreational and social facilities to support such development - this includes gates estates. These are implemented by developers at their own costs, and this has proved to be successful. Thus, the allocation of sites for both private and public developments ensures that the implementation of facilities is not compromised in the future.</p> |
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| 15 | Page 140 | Enforcement in Gated Estates - Manor Estates has not been visited for check with illegal building and compliance, despite requests made at a Portfolio Level | EDP & Human Settlements BU | Manor Estate featured in many enforcement operations over the years when the estate was fast developing. The last inspection was on 30 <sup>th</sup> of March 2023 when there were complaints of illegal occupation on Blocks 6,7 and 8 of Erf 2374. This was reported to the Economic Development, Sport & Youth(ESY) Portfolio Committee on the 23 <sup>rd</sup> June 2023. We have not chosen Manor Estates in the last two quarters due to there being little building activity on this Estate, as we concentrated more on the newly established estates. We will however ensure that Manor Estate features in our next operation for Quarter 3 and will report to Council accordingly. |
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| 16 | Page 141 | Problem Building Bylaw and Illegal rating has seen revenue being generated, but there must be consistent application of this bylaw                                                      | EDP & Human Settlements BU   | There is consistent application of the Problem Building Bylaws and the application of the illegal rate coding. The enforcement/application for both are also done with careful consideration, so as to mitigate against any unnecessary litigation against Council or financial risks to Council. As the EDP BU, we are committed to protecting Council's revenue sources, and as such, are able to defend any action brought against the municipality resulting from these processes. We will be pleased to investigate any concern that the councillors may have regarding any specific property or cases. We also encourage Democratic Alliance to provide the list of properties that they believe, the municipality has not implemented or enforced the Problem Building Bylaw, and the unit will act, as EDP have attended to all the complaints coming from ward councillors. The EDP BU takes seriously the inferences that it does selective enforcement which is very concerning and might also discourage the staff that make sure that the rule of law is respected in KwaDukuza. This kind of inferences has been debunked in several of our legal cases by court judgements. The courts have made it clear that the municipal officials from EDP, apply the law without fear or favour. |
| 17 | Page 145 | The KwaDukuza beaches attract many tourists. There are many inland attractions such as the KwaDukuza Museum, Luthuli Museum etc. which could be highlighted more to drive local tourism | EDP & Human Settlements BU   | The annual report has been developed as per COGTA guidelines. There is a limited scope of using this process to market the area. Therefore, these comments might be relevant when we develop our tourism destination marketing material.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 18 | Page 171 | OPMS 32 Capital expenditure was 76%, below the target of 90%. Are measures being put in place to address the reasons for non-achievement                                                | Finance BU / All Departments | Yes. Where there is low spending each BU has a reason for the low spend and a corrective measure for each project.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

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| 19 | <b>Page 175</b> | Number of Indigent Consumers registered is 10971<br>- is the Indigent Register credible / accurate?                                       | Finance BU                                       | Yes, this number is credible and accurate as per the register.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 20 | <b>Page 200</b> | There has been an increase in IOD cases in the f22/23 financial year. What measures have been put in place to ensure the safety of works? | Corporate Services BU                            | - New Health & Safety representatives have been appointed and have been given appointment letters detailing their duties.<br>- Health & Safety Road shows have been conducted.                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 21 | <b>Page 201</b> | IOD - 31/1/23 No date given to WCA                                                                                                        | Corporate Services BU                            | It was submitted on the 06/02/2023                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 22 | <b>Page 212</b> | Performance Targets not met due to interruptions of Business Forum, Increasing energy losses                                              | Civil Engineering BU / Electrical Engineering BU | Energy Losses - On energy losses the strategies to deal with them is explained from page 76 to page 80.<br>Interruptions of Business Forums - The KDM community safety and SAPS response team has responded to incidents as and when reported, the contractors have sourced security companies to ensure that the sites are protected at all times and protection orders were issued to vigilantes disrupting projects.<br>Recognised business forums from ward level have been engaged during stakeholder engagements in the wards and where practical sub-contracting opportunities be implemented. |

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| 23                                                           | <b>Page 218</b> | AUDCOM raises concerns on high level vacancies, notable the vacancy for ED Civils and the CFO<br>Consequence Management must be implements as requested by AUDCOM and The AG | Corporate Services<br>BU / COO BU | Page 218 of the Annual Report does not indicate the vacant post of the ED Civil Engineering or CFO. The writer of this concern is to indicate what exactly is being asked with regards to the Annual Report. For information, the filing of the vacancy for the ED: Civil is currently at Council level for consideration. The position of the CFO is not vacant, there is an acting incumbent on this position due to the DT processes that are pending against the CFO. The existing framework on consequence management is inadequate to address consequence management relevantly. Management is in the process of reviewing the existing framework and commitment by management is that the process will be concluded at the end of March 2024. |
| 24                                                           | <b>Page 311</b> | Councillor in arrears - This has been brought to the attention of the Speaker frequently. What has the Speaker done to recover the costs? What is the dispute?               | Finance BU /<br>Legal             | The dispute is the land ownership. This matter is being investigated by COGTA. The Chief Operations Officer(COO) has indicated that Speaker of Council will be informed to deal with the issue of the amount owed by the Councillor.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>COMMENTS BY THE CHAIRPERSON : ESY PORTFOLIO COMMITTEE</b> |                 |                                                                                                                                                                              |                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

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| 1 | <b>Page 56<br/>2.4.3.2 :<br/>SCM<br/>Challenges<br/>and<br/>recommendation by the<br/>office of the<br/>AG</b> | the organisation should look at giving the office sufficient resources so as to avoid such challenges and make sure it implements the recommendations by the office .<br>the lack of specification which is clear by the internal departments must be looked at by the accounting officer , provide training to the feeder departments which has the responsibility to give the tender committees<br>Demand Management<br>Tenders are being extended to many times . This has a direct impact on service delivery and spending of the budget .<br>Let us adhere to 30 days which make the life of an ordinary citizen simple. | Finance BU /SCM                                  | The comments are noted and have been addressed constantly with the Business Units concerned.                                                                                                                                                              |
| 2 | <b>Page 58<br/>Tender<br/>appeals</b>                                                                          | The tender appeals committee must continue with the good work in solving tender appeals however there are so many which remain unresolved until now . the above does not only have impact on service delivery but also shows the lack of resources in the administration to solve issues before they get to appeals.                                                                                                                                                                                                                                                                                                          | Chairperson<br>Tender Appeals<br>Committee / SCM | The Tender Appeals Committee sits weekly to address outstanding appeals. However, it must be noted that we are receiving high volumes of appeals compared to the past. There is a dedicated Admin Officer which deals with appeals received only.         |
| 3 | <b>Page 1012<br/>Motor<br/>licencing ..</b>                                                                    | I have noted the increase on transactions R6699097.15 to R781040.44 which is a good effort from administration in that business unit however we will appreciate more effort this year .<br>There is a need to upgrade the internet in that office as it is correctly stated by the report of the AG .                                                                                                                                                                                                                                                                                                                         | Community Safety<br>BU                           | Extra effort is driven by economy of buying of more vehicles and are brought to the Licensing Office for new registration.<br>IT Department will be informed to boost Internet and Department of Transport (DoT) as the custodian of Licensing Equipment. |

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| 4 | <b>Page 111<br/>Disaster incidents</b> | <p>The number of disaster incident reported and attended to is increasing there is a need for the organisation to look at adding the resources so they can match the pressure which has been growing from previous years .</p> <p>The above should looked at which create an environment of having no means to respond on the third quoter because by then vote becomes dry of funds .</p> <p>The department must create more education working with external stake holders in creating awareness so that our people can stop building houses on flooding places and more education the fire management techniques</p> | Community safety BU | <p>Disaster Management unit is in a mission of implementing the policy - Disaster Management plan review.</p> <p>Disaster Management measures is to educate and prevent the severity of disaster. i.e. setting up evacuation plans in schools, training the teachers to lead the students towards safe structures in the events of floodings, fire etc...</p> <p>Disaster Management will require more equipment or resources to convey immediate relief, (immediate humanitarian assistance),</p> <ul style="list-style-type: none"> <li>-To distribute much better food parcels and other necessities.</li> <li>-To engage with other departments, municipalities and organisations for adopting conversation and restoration measures to improving infrastructure and preparing to how to deal with climate related risks.</li> <li>-To engage with councillors, ward committees and volunteers to be part of the awareness campaigns, so that they can be educated on how to respond to disaster when it occurs.</li> </ul> |
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**COMMENTS AND QUESTIONS FROM KWADUKUZA ORGANISED RESIDENTS, RATEPAYERS and CIVIC ASSOCIATIONS (KORA) which (includes DOCRRA, ZBRRA, Tinley Manor Ratepayers, Blythedale Ratepayers, KwaDukuza Residents Forum and iLembe Community Action Network)**

**to the MUNICIPAL PUBLIC ACCOUNTS COMMITTEE on the KWADUKUZA ANNUAL REPORT FOR THE 2022/2023 FINANCIAL YEAR**

| <b>NO</b> | <b>PAGE NUMBER AND SECTION OF THE ANNUAL REPORT</b>             | <b>COMMENT/CONCERN/QUESTION</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>RESPONSE</b> |
|-----------|-----------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| 1         | Page 14                                                         | Municipal challenges well documented but little evidence of action or effective results.<br>Does MPAC monitor these proposed actions (IDP Interventions) for effectiveness and timeliness?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                 |
| 2         | Page 15 - point 2                                               | Failing at fixing potholes timeously.<br>We suggest KDM employ small teams and do it themselves rather than employing contractors.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                 |
| 3         | Page 21<br>Revenue trend by source including borrowings section | The focus given here is on borrowings rather than revenue, except for a minor comment on “marginal” increases in rates. Besides rates having been increased by in excess of inflation for 2023/24, there is no comment on revenue earned from electricity sales, refuse or other sources.<br>Residents should be made aware and be informed of the deteriorating electricity sales volumes, due to load shedding and losses, which will have a significant impact on consumers in future years.<br>Page 76 reflects the continual and consistent decrease in electricity volumes sold annually. This negative will have a significant impact on the financial stability of KDM and ratepayers in future years.<br>How is KDM planning to supplement its income in light of reducing electricity income? |                 |
| 4         | Page 22                                                         | The report reflects that debtors have increased by over 19% at end FY23 compared to end FY22. While this is concerning, we                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                 |

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|    |                | don't understand how the collection rate of 95%, which is consistent with FY22 could still be correct?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |
| 5  | Page 26        | Census data is 8 years old! Little value                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |  |
| 6  | Page 39        | Is the ED Engineering post still vacant?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |  |
| 7  | Page 51        | Planned actions against top 10 risks achieved for FY23 is 46%, (13 of 28) whereas for FY 22 the achievement was 74%. This is unacceptable.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |  |
| 8  | Pages 57 to 59 | The table reflects that a number of appeals were upheld. We assume this means that the appellant was able to be added to a panel or have their exclusion from a contract overturned. This high number reflects some problematic issues in the tender committee. These could be related to lack of skills, favouritism by the appeals committee or some other factor which needs to be investigated and addressed.                                                                                                                                                                                                                                                                                                         |  |
| 9  | Page 67        | The report refers to a public satisfaction survey on municipal services undertaken in May and June 2023. Please could you refer us to the where the results of this survey were released and published.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |  |
| 10 | Page 77        | The increasing energy losses of 2023 of 25%, R263m, is a significant cause of concern to residents and ratepayers. The same proposed actions have been presented over various years with no improvements, as well as slow and poor implementation by Council. The status of implementation shown in the table on pages 77 and 78 is disappointing and certainly doesn't seem to be a focus of management or the council. We also see no consequence management against the various ED's responsible, being Electrical Engineering, Community Safety and Finance, together with the Municipal Manager. The Electrical Services BU incurred a loss of R83m (page 241) which a significant increase of the loss for 2021/22. |  |

|    |                    |                                                                                                                                                                                                                                                                                                                                                                                                   |  |
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|    |                    | <p>Can MPAC advise what consequence management it has directed to Council to take?</p> <p>Revenue Protection Unit – this unit was approved by Council in previous years but has not yet been staffed. Does this not mean that the Municipal Manager has not complied with a council resolution and should therefore be subject to appropriate disciplinary/consequence management processes?</p>  |  |
| 11 | Page 160           | The estimated completion date for the new museum was 31 July 2023. Is the museum open for business yet?                                                                                                                                                                                                                                                                                           |  |
| 12 | Page 161           | <p>You comment here about disruptions by Business Forums, otherwise known as business mafia, as a reason for not achieving completion of various bridges.</p> <p>What action has KDM, together with SAPS, taken against these organisations?</p>                                                                                                                                                  |  |
| 13 | Page 169 - OPMS26b | <p>This target is stated as achieved as 2 progress reports were submitted. However, only 10 of 31 AG findings were resolved (32%) which is poor. The target should rather be on the resolution of say, 90% of AG findings rather than the submission of progress reports.</p> <p>Even if no findings had been resolved KDM would have still achieved the target of 2 reports being submitted.</p> |  |
| 14 | Page 170 – OPMS27  | <p>Similarly, the target was “risk registers adopted by Council”.</p> <p>However, if you review the top 10 risks on pages 50 and 51, 54% of the risks were not addressed during 2023. The target should focus on the resolution of key risks, not the submission of reports.</p>                                                                                                                  |  |
| 15 | Page 171 – OPMS 34 | A 2% reduction of 60-day debtors target is very low. Credit control should be set a more realistic target of 10% or greater to ensure financial viability of KDM.                                                                                                                                                                                                                                 |  |

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|    |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                |  |
| 16 | Page 173 – OPMS 39      | <p>The target for outstanding (unpaid) service debtors is stated as 0,5:1. This would mean that 50% of billings for electricity and refuse services should be outstanding at year end?</p> <p>The achievement of 11% is a more accurate target of approximately 1,2 months which is a more accurate target to be set.</p> <p>If KDM reached 50% of service debtors outstanding it would result in a negative cash coverage</p> |  |
| 17 | Page 175 – OPMS 78      | <p>How can the number of registered indigents reduce from 10971 in FY 2022 to 8979 in FY 2023?</p> <p>Based on earlier statements in the Annual Report consumers are experiencing financial difficulties, loss of jobs and therefore more likely that the number of indigents will have increased.</p> <p>See similar inaccurate statistics in OPMS 94 (849 to 8979).</p>                                                      |  |
| 18 | Page 180 – OPMS 55      | <p>For transparency it would be appropriate to reflect where and how these 844 jobs were created through LED initiatives please.</p>                                                                                                                                                                                                                                                                                           |  |
| 19 | Page 186 OPMS 81 and 82 | <p>If you add the increase in access to basic electricity of 1299 to the closing number of households at end FY22 of 60963, the total at end FY23 should be 62262.</p> <p>Stated number of 61762 is 500 different?</p>                                                                                                                                                                                                         |  |
| 20 | Page 187                | <p>Why is the spending of the NDPG grant, relating to the renewal of KwaDukuza Central Business district not a specific performance target?</p>                                                                                                                                                                                                                                                                                |  |
| 21 | Page 207                | <p>Please clarify/explain the “2023 – restated” column?</p>                                                                                                                                                                                                                                                                                                                                                                    |  |
| 22 | Page 210                | <p>The Audit Committee has repeated its concern the lack of adequate resources for Internal Audit. We are aware that adverts were posted to recruit additional resources during 2023.</p>                                                                                                                                                                                                                                      |  |

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|    |                    | Have these resources been employed?<br>How many additional resources have been employed?                                                                                                                                                                                                                                                                                                                                |  |
| 23 | Page 211           | Regarding the incomplete audit of payroll to identify potential “ghost employees”, we suggest KDM suspend payment to those individuals until such time as they properly present themselves.                                                                                                                                                                                                                             |  |
| 24 |                    | No council approval for the challenge/appeal against the High Court ruling against KDM?                                                                                                                                                                                                                                                                                                                                 |  |
| 25 | Page 221           | The AG has repeated his previous finding of insufficient investigation of irregular expenditure by Council.<br>What is MPAC’s plan to address this finding?                                                                                                                                                                                                                                                             |  |
| 26 | Page 273 – note 4  | Please describe the nature of Intangible Assets – Under Development of R15,6m?                                                                                                                                                                                                                                                                                                                                          |  |
| 27 | Page 281 – note 9  | Consideration should be given to clearing and deleting balance of historical debtors over 1 year which are never likely to be collected.<br>All balances over R1000 should be written off.                                                                                                                                                                                                                              |  |
| 28 | Page 285 – note 10 | Consideration should be given to clearing and deleting balances of historical debtors over 1 year which are never likely to be collected.<br>All balances over R1000 should be written off.<br>KDM should provide disclosure on the number of properties attached and sold during the year for the recovery of unpaid rates.<br>Please advise the number of properties attached in 2021/22 and 2022/23 financial years? |  |

|    |                    |                                                                                                                                                                                                                                        |  |
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| 29 | Page 293 – note 23 | Please explain why no proceeds from insurance recorded on assets lost/damaged during the July 2021 riots or April 2022 floods?                                                                                                         |  |
| 30 | Page 299 – note 28 | Please advise the number of persons employed by KDM as at 30 June 2023?<br>Is it correct that the ED Community Safety has no pension amount as part of his remuneration?                                                               |  |
| 31 | Page 300 – note 29 | Please explain the reason for the R10m, 48% increase in councillor remuneration?                                                                                                                                                       |  |
| 32 | Page 302 – note 35 | Please explain the almost 3 times cost increase in Ballito Pro, from R3.6m to R11.8m?                                                                                                                                                  |  |
| 33 | Page 302 – note 38 | Did KDM have to settle the C M Mmwayo case, or explain reason for it not being on the list in 2023?                                                                                                                                    |  |
| 34 | Page 308 – note 44 | Please explain the reason for increase in Security services from R34.9m to R42.1m, 21%?                                                                                                                                                |  |
| 35 | Page 309 – note 48 | It states certain amounts “under investigation”, however these amounts are not part of the current year additions to F&W expenditure. Please clarify?                                                                                  |  |
| 36 | Page 310 – note 49 | It is concerning to note the increase in Irregular expenditure. It is particularly concerning to note R6m due to non-compliance with legislation.<br>The council and MPAC should have a focus on there to be no Irregular expenditure. |  |
| 37 | Page 310 – note 51 | DOCRRRA has for many years raised our concern regarding the insufficient focus on maintenance expenditure as being around                                                                                                              |  |



|    |                    |                                                                                                                                                                                                                                                                                                                                                                   |  |
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|    |                    | 3%, whereas it should be 6-8%. It is therefore of concern that the total expenditure on maintenance has decreased from 2021/22. What prevents council from increasing expenditures to 8%, particularly in light of significant operational surpluses?                                                                                                             |  |
| 38 | Page 311 – note 53 | Shouldn't Councillor V Govender be suspended from council activities due to this substantial amount owing?                                                                                                                                                                                                                                                        |  |
| 39 | Page 313 – note 58 | Original (first) budget for employee costs was for R544,882m and the final cost is R504, 174m.<br>What is the main reason for the original budget not being achieved?                                                                                                                                                                                             |  |
| 40 |                    | Does MPAC have any concerns regarding the capacity and competence of the Finance function?                                                                                                                                                                                                                                                                        |  |
| 41 | Page 329           | Headings of the two sub-committee meetings on this page duplicated.                                                                                                                                                                                                                                                                                               |  |
| 42 | Page 346           | Contractors for high masts and street lighting rated as good yet residents continuously report street lights that have been repaired failing again (wards 6, 22 and 30). We would note these contractor's performance as poor and should be terminated.<br>On a general note, it is highly unlikely that every assessment would be noted as "Good" in this table. |  |
| 43 | Page 376           | Rocky Park project has been a disaster for many years. In early calendar 2023 the Premier's office called for a special investigation into the project.<br>Can MPAC please provide details of the investigation and the project?                                                                                                                                  |  |
| 44 | Page 384           | Please advise the actual expenditure against the City Hall budget of R5m for 2022/23?                                                                                                                                                                                                                                                                             |  |

|    |  |                                                                                                                                                                                                                                                                                                                                        |  |
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|    |  | Please note that we still need to be convinced of the necessity and effectiveness of a development of a new city hall for KwaDukuza.                                                                                                                                                                                                   |  |
| 45 |  | <p>The DOCRRA community consists of a number of active and retired residents including accountants, engineers, town planners and lawyers, as well as many other disciplines.</p> <p>As a community we are willing to assist KDM in our collective efforts to make this an environment where all would love to live, work and play.</p> |  |



The Municipal Manager  
KwaDukuza Municipality

11.2.2024

Sir,

#### Comments on the Draft Annual Report 2022/2023

In line with recommendation 5 of C987, please find comments from the Democratic Alliance, with page numbers referenced.

| Page | Comment                                                                                                                                                                                                                                    |
|------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 15   | KPA 3 Basic Service Delivery – Poor public street lighting- there are over 2000 non-functional streetlights, IDP interventions are not addressing the poor public street lighting                                                          |
| 31   | Correction – should read 'She also performs duties as delegated to HER by Council                                                                                                                                                          |
| 44   | Correction – Mandundube Community Hall – ward 27                                                                                                                                                                                           |
| 56   | Demand Management – Tenders. The SCM Processes are unnecessarily long. Information and responses from various business units delays tenders being awarded, hampering the spend of various council or MIG funded projects.                  |
| 65   | Bylaws – Many Bylaws are outdated and should be reviewed and updated. The Bylaws need to be policed more stringently.                                                                                                                      |
| 72   | Electricity Capacity – The Capacity of each network must reflect the growth and development plans                                                                                                                                          |
| 77   | Energy loss strategies that have been developed have not all been implemented. It is imperative that all strategies developed are implemented                                                                                              |
| 85   | Illegal dumping – while programmes and awareness are being done, there needs to be continuous pressure to apprehend illegal dumping                                                                                                        |
| 95   | Parks and gardens – some municipal facilities are not being maintained on a monthly basis – public open spaces have become dangerous                                                                                                       |
| 98   | Ballito Licencing – reduction in revenue of R244478.42 from 21/22, but an increase of 19341 transactions in the 22/23. Please could this be clarified                                                                                      |
| 105  | Disaster Management – The Disaster plan was adopted in 2016. Since then, we have had July 2019 rains, July unrest and April floods. The Disaster Plan that is to be reviewed in 23/24 financial year must be more proactive than reactive. |
| 113  | Bulk of the disaster incidents have been due to flooding – what measure will the unit do to prevent illegal building in within flood / high water marks?                                                                                   |



**Democratic Alliance**

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- 124 No improvement in the number of houses constructed in the 22/23 financial year. Where is the list of beneficiaries that are waiting for delivery of houses , and what is the backlog in the number of houses to be built in KwaDukuza
- 131 Number of plans approved increased in the financial year. What progress is there in communicating with other government departments regarding building schools, clinics, police stations and other facilities to support the growth?
- 140 Enforcement in Gated Estates – Manor Estates has not been visited for check with illegal building and compliance, despite requests made at a Portfolio Level
- 141 Problem Building Bylaw and Illegal rating has seen revenue being generated, but there must be consistent application of this bylaw
- 145 The KwaDukuza beaches attract many tourists. There are many inland attractions such as the KwaDukuza Museum, Luthuli Museum etc. which could be highlighted more to drive local tourism
- 171 OPMS32 Capital expenditure was 76%, below the target of 90%. Are measures being put in place to address the reasons for non-achievement
- 175 Number of Indigent Consumers registered is 10971 – is the Indigent Register credible / accurate?
- 200 There has been an increase in IOD cases in the f22/23 financial year. What measures have been put in place to ensure the safety of works?
- 201 IOD – 31/1/23 No date given to WCA
- 212 Performance Targets not met due to interruptions of Business Forum, Increasing energy losses
- 218 AUDCOM raises concerns on high level vacancies, notable the vacancy for ED Civils and the CFO  
Consequence Management must be implements as requested by AUDCOM and The AG
- 311 Councillor in arrears – This has been brought to the attention of the Speaker frequently. What has the Speaker done to recover the costs? What is the dispute?

Your sincerely

Tammy Colley

DA Caucus Leader

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**FREEDOM. FAIRNESS. OPPORTUNITY. DIVERSITY.**

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**Telephone:** (032) 437 5000  
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**15 February 2024**

The Chairperson: MPAC  
 KwaDukuza Municipality  
 KWADUKUZA  
 4240

Dear Cllr Mkhize

**COMMENTS BY THE CHAIRPERSON: ESY PORTFOLIO COMMITTEE**

Revolutionary greetings hope it reaches you in a good state of health, I would like to apologize for the late submission of my input to the work of the Oversight Committee. The input will be based on my roles as the ward councillor, member of the Executive Committee and a Council representative on the performance evaluation committee of the managers who report directly to the Municipal Manager.

I put my emphasis in commending the improved annual report compilation, as it clear, concise, and avoided repetition of information. The issues which have been highlighted as the repeated findings This shows that there has been an effort on the side of those who compiled and edited this report to address our last year comments on the quality of information presented.

I will like to also congratulate the administration and the goals achieved and those that are work in progress.

Below are my comments on the annual report, which reads as follows:

| Page number and issue                                                        | Comments                                                                                                                                                                                                                                                                                                                                                                                                                              |
|------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Page 56 2.4.3.2<br>SCM Challenges and recommendation by the office of the AG | <p>the organisation should look at giving the office sufficient resources so as to avoid such challenges and make sure it implements the recommendations by the office .</p> <p>the lack of specification which is clear by the internal departments must be looked at by the accounting officer , provide training to the feeder departments which has the responsibility to give the tender committees</p> <p>Demand Management</p> |



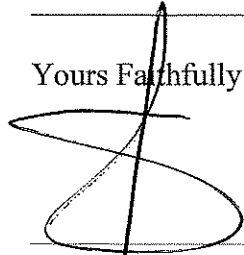
|                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|---------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                 | <p>Tenders are being extended to many times . This has a direct impact on service delivery and spending of the budget .</p> <p>Let us adhere to 30 days which make the life of an ordinary citizen simple.</p>                                                                                                                                                                                                                                                                                                                                                                                                         |
| Page 58<br>Tender appeals       | <p>The tender appeals committee must continue with the good work in solving tender appeals however there are so many which remain unresolved until now . the above does not only have impact on service delivery but also shows the lack of resources in the administration to solve issues before they get to appeals.</p>                                                                                                                                                                                                                                                                                            |
| Page 1012<br>Motor licencing .. | <p>I have noted the increase on transactions R6699097.15 to R781040.44 which is a good effort from administration in that business unit however we will appreciate more effort this year .</p> <p>There is a need to upgrade the internet in that office as it is correctly stated by the report of the AG .</p>                                                                                                                                                                                                                                                                                                       |
| Page 111 Disaster incidents     | <p>The number of disaster incident reported and attended to is increasing there is a need for the organisation to look at adding the resources so they can match the pressure which has been growing from previous years .</p> <p>The above should looked at which create an environment of having no means to respond on the third quoter because by then vote becomes dry of funds .</p> <p>The department must create more education working with external stake holders in creating awareness so that our people can stop building houses on flooding places and more education the fire management techniques</p> |

### **GENERAL COMMENTS:**

1. The above are just comments that the Chair and committee can look at when advising council so that we make our organization work easier.
2. The comments on companies that have colluded as per the report of the AG must be clearly or properly investigated.
3. Council to make sure that on grey areas highlighted by AG and when it has verified with platforms afforded to them it starts the process of consequence Management to avoid same questions next year.

I trust that the above is in order.

Yours Faithfully



Cllr. S Cele

**Councillor, Ward 29, KwaDukuza Local Municipality**

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## KWAZULU-NATAL PROVINCE

COOPERATIVE GOVERNANCE AND  
TRADITIONAL AFFAIRS  
REPUBLIC OF SOUTH AFRICA

### DIRECTORATE: MUNICIPAL FINANCE

Private Bag X9078, PIETERMARITZBURG, 3200  
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Enquiries : Dr HB Krishnan  
Reference : Annual Report

The Municipal Manager  
KwaDukuza Municipality  
P.O. Box 72  
**STANGER**  
4450

Dear Sir

#### **ANALYSIS OF ANNUAL REPORT : 22/23 FINANCIAL YEAR**

The Department of Co-operative Governance and Traditional Affairs (CoGTA) has analysed the 2022/23 Annual Report on the basis of section 121 of the MFMA. The MFMA requires that each municipality and municipal entity, must for each financial year, prepare an annual report which include all information (financial and non-financial) as illustrated in section 121 of the MFMA and section 46 of the Local Government Municipal Systems Act (No. 32 of 2000), including reports on aspects of performance against goals set by Council on how the Integrated Development Plan (IDP) and Budget were implemented for the year.

The Department analyzed your Annual Report and note that the following information was not included as per the requirements of section 121 of the MFMA:

- The annual report does not contain a response to the audit report on the AFS;
- The performance report that contains the development and service delivery priorities and performance targets set for the next financial year.

Furthermore, the Department has analysed your 2022/23 audited Annual Financial Statements (AFS) included in the annual report and noted that the AFS were prepared in compliance with s123, s124 and s125 of the MFMA.



**KWAZULU-NATAL PROVINCE**

**COOPERATIVE GOVERNANCE AND  
TRADITIONAL AFFAIRS**  
REPUBLIC OF SOUTH AFRICA

It is envisaged that the municipality will include the amendments in the Oversight Report. Upon Council approval you are kindly requested to submit a copy thereof to CoGTA together with the Council Resolution.

Yours faithfully,

**DR. HB KRISHNAN**

**CHIEF DIRECTOR: MUNICIPAL FINANCE**

**COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**

Date: 27 FEB 2024