



# **ABAQULUSI LOCAL MUNICIPALITY ANNUAL REPORT 2015/2016**



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## CHAPTER 1. MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

### BACKGROUND

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

### LEGAL FRAMEWORK

The Abaqulusi Local Municipality is, in accordance with the legislative requirements of the Local Government: Municipal Systems Act, (Act No. 32 of 2000) and the Municipal Finance Management Act (Act No. 56 of 2003), required to report on the performance of the Municipality. The annual performance report is a key performance report that is required in terms of section 46 of the Municipal Systems Act 32 of 2000.

The annual report is developed in line with National Treasury Circular 63 of the MFMA Act No 56 of 2003 as follows:

- (1) A municipality must prepare for each financial year an annual report consisting of –**
  - (a) a performance report reflecting –**
    - (i) the municipality's, and any service provider's, performance during that financial year, also in comparison with targets of and with performance in the previous financial year;
    - (ii) the development and service delivery priorities and the performance targets set by the municipality for the following financial year; and
    - (iii) measures that were or are to be taken to improve performance;
  - (b) the financial statements for that financial year prepared in accordance with the standards of generally recognised accounting practice referred to in section 89 of the Public Finance Management Act, 1999 (Act No. 1 of 1999);**
  - (c) an audit report on the financial statements and the report on the audit performed in terms of section 45(b); and**



(d) *any other reporting requirements in terms of other applicable legislation.*

(2) **A municipality must table its annual report within one month of receiving the audit report referred to in subsection (1)(c).**

In presenting this report for the financial year ended 30 June 2016, we acknowledge progress made during the 2015/2016 financial year and the challenges that lie ahead. A detailed account of all the challenges and remedial actions going forward have been provided within this report

## COMPONENT A: MAYOR'S FOREWORD

Honourable Mayor: Cllr PN Khaba



### **FOREWORD BY THE OFFICE OF THE MAYOR. ABAQULUSI MUNICIPALITY**

It is an honour and privilege to present to you the 2015/ 2016 Annual Report. It is important to remind our people that The Office of the Mayor has got as its central objective, the provision of good governance, integrated planning and sustainable growth. This is realized through ensuring that there is innovative and strategic leadership that is provided to departments and sections in the municipality and the community at large. In addition to our central coordination role, the Office of the Mayor, the Executive Committee and Council, are also required to implement all policies and laws within the functional areas listed in the Municipal Systems Act, Municipal Structures Act, Municipal Finance Management Act and many other pieces of Legislations as bestowed to us by the Constitution of the Republic. Central to this task is the harmonization and alignment of the Integrated Development Plans (IDP's) of the municipality and the Performance Management System and Budget. All these have all been drawn up to ensure that we are bringing quality service to the people of AbaQulusi through co-ordination and marshalling of the performance of the portfolio committees and municipal departments.

Ladies and Gentlemen, we as the Administration of AbaQulusi Municipality take pride from the previous year's audit opinion from the Auditor General's Office. We have received an unqualified audit opinion with no matters of emphasis. We

have said before and once again that today we want to commit ourselves to work towards obtaining clean audit opinions on a consistent basis. We are steadfast that the highpoint of the AbaQulusi Administration needs to be exemplary in this respect. We are confident that we have cut our cloth according to our size.

One of the major and groundbreaking steps we have undertaken in advancing the spirit of partnership with our communities since we have taken over the governance of this municipality in 2011, is that we have been able to form structures and forums, through Operation Sukuma Sakhe which is the country's most powerful service delivery models, we have been able to establish structures in partnership with sector departments and our communities, such as

- Ward Committees
- Local Aids Council,
- Wards Aids Committees,
- Local Drug Action Committees,
- Crime Prevention Committees,
- Men's Forum,
- Traditional Healers Forum
- Youth Forum
- Disaster Management Advisory Forum

These structures are now are now in existence, for the first time in history. The aim is to work together with communities, business and private sector in general to comprehensively address and confront the many social ills plaguing our communities. This goes to show that AbaQulusi municipality's commitment to fight against these social ills, and the partnership initiative is an unquestionable one. In the AbaQulusi Municipality, working together with all sectors of society will continue to gain momentum until the final victory against these pandemics has been achieved.

We are also working together with the Department of Cooperative Governance and Traditional Affairs as well as Public Works in empowering young people as a foundation towards youth empowerment. We have already enrolled 2500 young people in various forms of Expanded Public Works Programme (EPWP) and

Community Workers Programmes to ensure that unemployed young people are able to receive stipends, this has gone a long way in poverty alleviation and human empowerment.

Ladies and Gentlemen, our vision as the Office of the Mayor is “a safe, healthy and conducive municipal environment to do business, work and play for everyone.”. Our mission in support thereof highlights the view that we must provide strategic leadership and direction and coordinated planning, monitoring and evaluation of developmental programmes and services to improve the quality of life for all our people. This is at the centre of what the Office of the Mayor and the municipality at large has been driving and will continue to drive until; ideally, we achieve the goals of our mandate or, preferably, come close to achieving them.

I thank you.

## COMPONENT B: EXECUTIVE SUMMARY

### 1.1 MUNICIPAL MANAGERS' OVERVIEW



It is a great privilege opportunity for me to present this Annual Report for the year ending 30 June 2016.

This Council is almost nearing the end of its mandate since it was inaugurated in 2011. In this report we reflect on the progress that we have made and challenges we have faced.

As we address these matters, we cannot ignore the current economic situation because everything that we do at local level is to a large degree influenced by the balance of forces prevailing at Provincial and National level.

We are living through the most serious financial crisis in decades. The crisis has given rise to a synchronized recession which threatens livelihood, decent jobs and social cohesion across the province and the country at large. The current drought situation is not helping.

This current situation requires decisive leadership and partnership to create an enabling environment for business sector to provide decent work for people, poverty eradication and improved service delivery through infrastructural investment projects.

Let me turn to some of the matters we raised in our first inauguration in 2011 and progress that we have made in relation to the key IDP priorities that were identified.

This Annual Report is a continuation of the commitments we made at the inaugural address, informed by five local government strategic priorities.

These were:

- Infrastructure and service delivery;
- Financial viability and management
- Local economic development;
- Institutional transformation;
- Good governance;

When the current administration took over the running of AbaQulusi Municipality in 2011, we were confronted by huge challenge of reducing the unacceptable levels of water and sanitation backlogs, Electrification of households, Roads reconstruction, Ageing Infrastructure, theft of Electricity and Water, Debt Recovery, etc.

Accordingly, we took a decision that the provision of water and sanitation and eradication of backlogs will be given top priority and that all MIG funding be used to achieve this objective. Furthermore, we have committed ourselves to abiding by the Municipal Finance Management Act, Mscoa ( Municipal Standard Charter of Accounts) MPAC (Municipal Public Accounts Committee) policies.

Furthermore, the AbaQulusi Municipality through extensive strategic planning have formulated and prepared a “Turn Around” Strategy that relates to an Institutional Arrangement/Restructuring Strategy, overall Service Delivery (Basic Services) linked to detailed Action Plan setting out short, medium and long term strategies, etc. that

would ensure speedy service delivery and that we meet the targets of eradicating the backlogs by the end of our term.

I am pleased to announce that our financial management has improved, service delivery capacity and debt recovery has been tremendously enhanced, our Technical Services, Community Services and Corporate Services Departments has been given a push by appointing experienced Directors and Managers. We are currently filling all outstanding positions that are critical in providing quality service to our people, as a result, our municipality has received an unqualified Audit opinion from the Auditor General and we are currently working towards a clean audit.

In this Annual Report, we are pleased to announce the progress that has been made thus far in relation to service delivery.

**I thank you**

## 1.2 OVERVIEW OF THE MUNICIPALITY

### SPATIAL CONTEXT

AbaQulusi Local Municipality is located in the Northern part of KwaZulu-Natal Province and forms part of the Zululand District Municipality. It is named after the AbaQulusi, a Zulu clan whose descendants live in the vicinities of Vryheid, Utrecht, eDumbe and eNgoje. Abaqulusi Municipality comprises of many settlements, both rural and urban, with Vryheid being its main urban settlement/town. Other areas of interest that fall within the boundaries of Abaqulusi also include Louwsburg, eMondlo, Hlobane, Bhekuzulu, etc. It is estimated at 4185km<sup>2</sup> in extent.

### POPULATION

The population of Abaqulusi have been growing steadily since 2001. From 2001 (191 019) to 2011 (211 060) the population of the municipality increased by 20 041 as per Census 2011, with a 1% growth rate per annum. The population density of Abaqulusi Local Municipality as expressed in terms of households per hectare depicts that the population within the municipality is not evenly distributed, within a high population density clustered around the main centre of Vryheid. There is a lower population concentration in the smaller urban centres of Hlobane, Louwsburg, eMondlo and Gluckstadt, while the outlying areas of Dlomdlomo, Khambi, Bhukumthutu, Gwebu, Ezibombu, Ezidulini, and Mvuzini all have an even lower population density. The full breakdown of the Abaqulusi population distribution per ward is as follows:

Table 1 Population of Abaqulusi (2001 - 2011)

Ward	Population	Ward	Population
1	10006	12	12706
2	8552	13	14248
3	11176	14	8604
4	6977	15	8107
5	10757	16	9417
6	10335	17	11881
7	10947	18	8087
8	4840	19	7440
9	6353	20	11115
10	2707	21	12604
11	11360	22	12852



<i>Total</i>	<i>211 060</i>
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**Source: Census 2011**

The majority of people in the municipality currently reside in the peripheral rural settlements, mostly within tribal areas. The remaining population live in small towns while others are tenants on farms or in dormitory townships and illegal developments around towns.

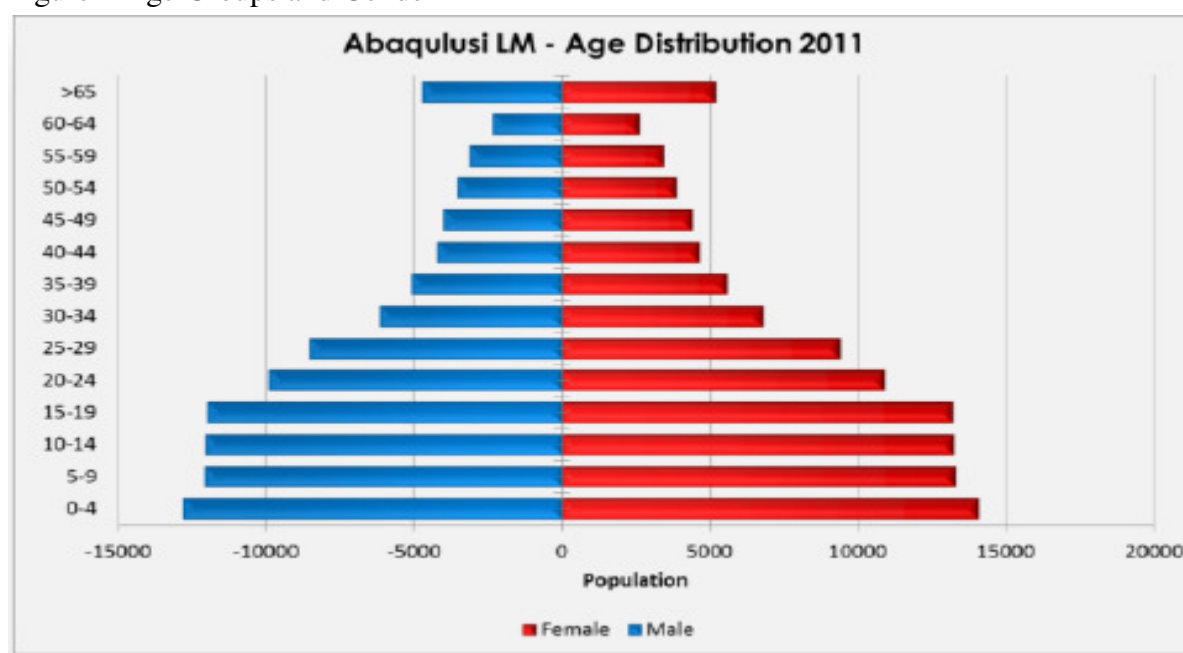
## AGE PROFILE

The Abaqulusi Municipality is characterised with a fairly young population based on the table below. However, this places an additional amount of pressure on the municipality in terms of providing employment, educational facilities, health care, etc. The characterisation of the Age Distribution is as follows:

Table 2 Age groups

Age	Characterisation	2001	2011
<b>0-14</b>	Youth	38%	36.7%
<b>15-64</b>	Working Age	58.6%	58.6%
<b>65+</b>	Elderly	4.6	4.7%
<b>Total</b>		100	100

Figure 1 Age Groups and Gender



Source: Census 2011

Abaqulusi is dominated by females as depicted on table\_ below. Although this is the case, the proportion of males to that of females still remains high and it could possibly be influenced by the mines in the area which employ local and migrant labourers. According to the latest Census 2011, the ratio of Males to Females is 90/100.

Table 3 Zululand population by gender from 2007 – 2010

	2007		2008		2009		2010	
Municipality	Male	Female	Male	Female	Male	Female	Male	Female
eDumbe	33722	42119	32964	41962	34013	43196	35815	43650
uPhongolo	62400	70091	63157	70833	65880	73269	67435	73047
<b>Abaqulusi</b>	<b>110612</b>	<b>121686</b>	<b>113023</b>	<b>124503</b>	<b>118194</b>	<b>129296</b>	<b>120029</b>	<b>127726</b>
Nongoma	104685	126188	106504	128288	111407	132697	112672	131599
Ulundi	90053	102761	90533	102633	94187	105554	96662	106501

Source: Quantec

## RACE COMPOSITION

The table above clearly indicates that the Black Population is the most dominant race in the municipal jurisdiction and the lowest being Indians. However, Abaqulusi does boast the highest number of white population in the district.

Table 4 Abaqulusi population by race 2010.

Local Municipality	Black	Coloured	White	Asian	Total Population
eDumbe	77,031	43	2,345	48	79,467
uPhongolo	138,064	341	1,743	334	140,482
Abaqulusi	239,607	589	6,937	622	247,755
Nongoma	243,969	163	95	44	244,272
Ulundi	201,960	464	550	189	203,163
Total	900,631	1,600	11,670	1,237	915,139

## 1.3 KEY OPPORTUNITIES FACING ABAQULUSI LOCAL MUNICIPALITY

**Tourism:** Eco-tourism has a prominent position in the KwaZulu-Natal market and foreign tourist indicated that the greatest attractions are the climate, wildlife and landscape. The study area has the ability to derive opportunity from this market and this should be investigated. The Ithala Game Reserve (30 000 ha in extent) is located just outside the Municipal area north of Louwsburg. It offers wildlife, scenery and accommodation, which include up market tourist facilities in a 240-bed camp with four bush camps of 4 – 12 beds each. The Ngome Forests include the Thendeka Wilderness area, which is claimed by locals to be ‘more spectacular than Tsitsikamma’ on the Eastern Cape Coastline. This area alone is host to 84 indigenous fern species and offers camping facilities and various trails of between 7 and 21 kilometres. Local farms in the area also include areas of magnificent natural beauty. Some

farmers are considering developing eco-tourism accommodation on their farms, but a major constraint is the terrible road conditions particularly during wet weather.

Private game farms are attracting a growing number of tourists – presently 20% internationally and 80% nationally. The marketing of farms often occurs through urban-based agents and increasingly targets the international tourist wanting to hunt African game and game farming is regarded as an ‘export commodity’ within the district. Accommodation on private game farms includes bush camps and up-market chalets. The relatively low labour intensity required for game farming compared to agricultural production is regarded as an advantage to farmers feeling the effects of the new Land and Labour Legislation (Louwsburg Local Development Plan). Cultural tourism includes exposing tourists to local customs, traditions, heritage, history and way of life. The development of the battlefields and so-called Rainbow Route in the late 80’s and early 90’s placed the area on the tourist map. Unfortunately, visitors tend to stay only for a few nights. There is a need to develop the concept of a destination that will encourage longer stays.

Opportunities through the provision of backpacking accommodation and links to surrounding areas such as coastal initiatives and game reserves should be exploited.

**Property Development:** The Vryheid town has not experienced massive new developments in the past 10 years despite the property boom, which has characterized other urban centres such as Richards Bay, Newcastle and Pietermaritzburg. As a result, Vryheid has not translated into new investments. AbaQulusi Municipality has taken cognizance of this investment, which it is critical for the survival of the Vryheid town and increase municipal tax base, however the major challenge facing the municipality is to provide support to the new investment in terms of infrastructure development. However, the municipality is experiencing an investment injection in order to ensure its sustainability and viability. Current Major Investment projects include:

- Mason Park Upgrade (Vryheid)
- High Street Bridge (Vryheid)
- Demonina Lane Upgrade- Informal Traders (Vryheid)
- Thusong Centre and Intermodal Taxi Facilities (eMondlo)
- Traditional Centre (Enyathi)
- Taxi Rank (Gluckstad)

**Agriculture:** Currently this sector provides the highest proportion of the Gross Geographic Product (GGP) of the area even though the area is classified as having low agricultural potential (Vryheid Economic Regeneration Study, 2001). According to a land potential analysis of the AbaQulusi area only 15,19% of agricultural land can be described as having high agricultural potential (Coronation Economic Regeneration Study, 2001). There is extensive, but not intensive agriculture. Very few farms are irrigated and this only favours the privileged groups due to South African history. Products produced are timber, field crops and

livestock. Most of the timber is exported out of the area and has experienced a rapid growth phase for the last five years. Current products farmed are maize, groundnuts, soya beans, sunflowers, fruits and sorghum.

Cattle farming have played a major role but this market is also strained due to rising input costs and stock theft. The Vryheid Economic Regeneration Study identified the development of agri-business as an opportunity for the area. Very little industrial activities currently exists that takes direct advantage of the strong agricultural base. The challenges that are facing the Agricultural sector are that nearly all processing takes place outside the region.

**Mining:** Coal mining historically provided a major force into the local economy of Northern KwaZulu Natal. However, over the past 15 years a number of mines in the area ceased operation impacting negatively on the regional economy. The AbaQulusi Municipality was particularly affected by the closure of the Coronation, Mnyathi, and Hlobane mines in 1997 and 1998 respectively (Zululand Coordination LED Framework: 2003). Recently, the Coal Mining sector seems to gain more momentum and it is coming back to dominate the economic sector. This is due to high demand of coal in the country and internationally for various reasons. The study done by KwaZulu Natal Trade Investment reflects that there are high volumes of coal available into coal reserves especially in the former mines of Vryheid. As a result, the applications for coal prospecting have increased in the region by interested investors. This initiative will boost AbaQulusi local economic regeneration.

**Regional Access:** The AbaQulusi geographical location plays a huge role in terms of regional access in the Northern KwaZulu Natal. The sub-region, within which AbaQulusi lies, has developed as a peripheral economy in the Provincial context, mainly because of its distance from the main greater markets and corridors such as N2 to Durban and Richards Bay, N3 to Pietermaritzburg and N11 to Gauteng. The AbaQulusi does however have a secondary corridor of national significance. The coal line corridor, which runs from Richards Bay, through Ulundi, Vryheid and Paulpietersburg and on to the mining areas of Mpumalanga, is an important route in the national rail and road network. The other secondary corridor of national significance is Vryheid town being located in the intersection of major transportation routes (R34 and R69), which transverse the region. These developments make Vryheid a catchment area for surrounding small towns such as Pongola, Paul Pietersburg, Nongoma, and Ulundi. This is further boosted by the development of P 700 road that will link Richards Bay and Gauteng via Ulundi and Vryheid.

**Consolidation and Expansion of Vryheid town:** Vryheid is Zululand's main commercial, industrial and business centre, with a reasonable well-developed physical, social and institutional infrastructure. It is well located at the intersection of the major transport routes, which traverse the region. The need for this type of development emanates from the concern that there is no place to do shopping from Richards Bay via Newcastle to Gauteng. This sector has enjoyed a good growth rate through the development of Vryheid as a regional

service centre with increased interaction with its hinterland. The smaller towns around Vryheid have developed a dependence on the economy of Vryheid. Many of the businesses are locally owned and the majority of clients are from within the AbaQulusi area. Vryheid has established itself as a superior provider of educational services in a wider catchment area, attracting learners and students from as far as Pongola, Ulundi, Nongoma, Paul Pietersburg and Dundee.

A debate regarding the establishment of a regional shopping centre in the town of Vryheid has been taking place for some time and it was suggested in the Economic Regeneration Study to put a municipal property out to tender to test the market. As a result, the municipality has reserved a piece of more than 10 hectares of land to interested commercial developers. This earmarked piece of land is unsurveyed town lands found in the intersection of R66 road to Dundee and R34 Melmoth road. The development of this land is seen as a catalytic move to attract more investments since the municipality treats this investment as an Anchor to attract more investments into the Zululand region. The other opportunities identified for the development of a commercial sector is at eMondlo taxi rank. eMondlo is another significant urban area. It is primarily a residential area with limited services and facilities, and few employment opportunities from the government and social services. But due to recent developments by identification of coal mining at eMondlo indicates some economic opportunities in the area in the near future.

## **1.4 FINANCIAL HEALTH OVERVIEW**

### **Capability of the Municipality to execute Capital Projects**

The municipality has allocated funding from own revenue for projects in water, electricity and sewerage

### **Indigent Support (Including Free Basic Services)**

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

- Free 50kwh of electricity a month
- Free rates up to the value of R80, 000
- Free 6kl of water per month
- Free refuse
- These allocations are per the national government policy guidelines
- The total cost for these Free Basic Services amounts to R13, 9 million

### **Revenue Enhancement and Protection Strategies**

The following strategies are to be implemented:

- Review and implementation of the credit control policy
- Strict management of the indigent register.

- Access to electricity through third party vendors.
- Customer awareness on illegal electricity connections.
- Increase collection rate from 92% to 96%.

### **Municipal Consumer Debt**

The increased number of indigents is negatively affecting the municipality's ability to collect all service revenue billed; there has been a considerable increase in the debtor's balances over 90 days as a result of this. These outstanding balances have been adequately provided for as doubtful debts.

### **Current and Planned Borrowings**

The municipality has no current or planned borrowings.

### **Municipality's Credit Rating**

The municipality does not have a credit rating currently.

### **Employee Related Costs (Incl. Councillor Allowances)**

The employee related costs account for 25% of the total expenditure.

### **Supply Chain Management**

The municipality has a fully functional Supply Chain Management Unit which operates in terms of the Supply Chain Regulations and Policy.

### **SWOT Analysis: Financial Viability and Management**

Table 5 Financial Viability and Management

<b>Strengths/Opportunities</b>	<b>Weaknesses/Threats</b>
Municipal Financial Policies in place	High level of indigent dependency
Updated asset register	Loss of income due to illegal water and electricity connections
Updated Indigent register	Loss of income due to illegal development
Opportunities to receive a clean audit – received an unqualified report for 2013/2014	Delay in SCM processes risks municipal progress and development
High staff compliment with very few vacancies	

## **1.5 STATUTORY ANNUAL REPORT PROCESS**

Table 6 Statutory Annual report process

No	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring l seamlessly into the Annual Report process at the end of the Budget/IDP implementation period.	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise 4 <sup>th</sup> quarter Report for previous financial year	
4	Submit draft 08/09 Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General.	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General assesses draft Annual Report including consolidated Annual Financial Statements and Performance data	
12	Municipalities receive and start to address the Auditor General's comments	September - October
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Council adopts Oversight report	
17	Oversight report is made public	November
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input.	December
<b>T1.7.1</b>		

## CHAPTER 2 GOVERNANCE

### COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

#### 2.1 POLITICAL STRUCTURE











The Abaqulusi Municipality Executive Committee comprises of 9 members of Council and is chaired by the Honourable Mayor, Cllr P.N. Khaba. The structure is as follows:



#### 2.2 COUNCIL

The Abaqulusi Municipality comprises of 22 Wards, making it one of the largest local municipalities (geographical context) within KZN. It consists of 22 Ward Councillors and 22 Party Representative Councillors, totalling 44 Councillors.



<b>WARD 1</b> Louwsburg	<b>WARD 2</b> Dlomodlomo	<b>WARD 3</b> Nqenetsheni/Khambi	<b>WARD 4</b> Gluckstadt/Swart Umfolozi	<b>WARD 5</b> Kwamnyathi
				
Clr G M Dlamini cell: 076 424 4448	Clr H D Ntshangase cell: 084 530 2762	Clr A M Nkosi cell: 082 817 4294	Clr M B Khumalo cell: 082 504 0264	Clr B Ntombela cell: 083 722 2166
<b>WARD 6</b> Coronation	<b>WARD 7</b> Hlobane	<b>WARD 8</b> Vryheid	<b>WARD 9</b> Vryheid	<b>WARD 10</b> Bhekuzulu 1
				
Clr A M Masondo cell: 072 517 0748	Clr T M Ndlovu cell: 084 529 9508	Clr H E Heyns tel: 034 982 2281/ cell: 082 800 3030	Clr B Hancke cell: 083 440 7226	Clr D P Mazibuko cell: 073 840 2101
<b>WARD 11</b> Bhekuzulu/Vryheid	<b>WARD 12</b> Kwaqwebu/ Eerstepunt	<b>WARD 13</b> Lakeside/ Bhekuzulu	<b>WARD 14</b> eMvunyanane	<b>WARD 15</b> eMvunyanane
				
Clr B S Zwane cell: 073 795 7100	Clr M M Kunene cell: 082 718 0698	Clr G Nkholha cell: 079 161 3203	Clr J W Mthembu cell: 082 052 3077	Clr J S Mncube cell: 072 228 3605
<b>WARD 16</b> eMondlo/ Emadresini	<b>WARD 17</b> Mvuzini/ Machanca	<b>WARD 18</b> eMondlo A & B	<b>WARD 19</b> Bhekumthetho	<b>WARD 20</b> eMondlo/ Emadresini
				
Clr H V Khumalo cell: 073 265 0935	Clr C N Molefe cell: 084 252 2043	Clr P N Khaba cell: 083 986 3582	Clr M A Mazibuko cell: 084 837 1671	Clr D J Mahlase tel: 034 933 1684 cell: 083 206 3541

Ward 21	Ward 22	PR COUNCILLOR	PR COUNCILLOR	PR COUNCILLOR
EMondlo	Lakeside/ Stilwater			
				
Cir A M Masondo cell: 072 517 0748	Cir B.A. Mthsali cell: 083 524 1034	Cir M.P. Williams cell: 083 756 3930	Cir B.L. Zwane cell: 073 468 3895	Cir M.M. Mavuso cell: 072 683 3666
PR COUNCILLOR	PR COUNCILLOR	PR COUNCILLOR	PR COUNCILLOR	PR COUNCILLOR
				
Cir R.B. Mhlungu cell: 072 900 7521	Cir F.V. Nsibande cell: 084 529 9508	Cir H.A. Hlela cell: 073 278 4759	Cir S.N. Khumalo cell: 083 440 7226	Cir M.S. Ntshangase cell: 076 456 5101
				
Cir S.R. Nkosi cell: 073 691 73544	Cir I.S.M. Hadebe cell: 078 554 4807	Cir P.P. Mkhwanazi cell: 078 187 1064	Cir M. Mdialose cell: 082 570 3164	Cir T.E. Vilakazi cell: 072 900 7521
PR COUNCILLOR	PR COUNCILLOR	PR COUNCILLOR	PR COUNCILLOR	PR COUNCILLOR
				
Cir T.V. Radebe cell: 072 683 3666	Cir S.E. Qwabe cell: 072 417 9554	Cir P.M. Mthali cell: 083 619 2074	Cir E.M. Zungu cell: 073 203 4950	Cir S.M. Vilakazi cell: 073 679 2648
PR COOUNCILLOR	PR COUNCILLOR	PR COUNCILLOR	PR COUNCILLOR	
				
Cir A.D. Mkhulise cell: 079 186 9114	Cir J.M. Sibiba cell: 082 954 2220	Cir S.B. Zwane cell: 073 318 9052	Cir Z.S. Buthelezi cell: 078 050 5007	

## 2.3 ADMINISTRATIVE GOVERNANCE

The Administrative Pillar comprises the roles of The Municipal Manager, Heads of Departments and all employees of the municipality. Community pays tax monies to council on a regular basis and therefore all the stakeholders within a municipality is accountable and responsible to serve the community in an effective, efficient manner. The approved Performance Management System of the Abaqulusi Local Municipality required that roles and responsibilities as outlined in the planning documents of the council (IDP, Budget & SDBIP) were cascaded down between accountable and responsible councillors for implementation. The implementation thereof was monitored and reviewed on a quarterly



basis. The performance outcome against pre-determined targets reflects in the two (2) six-month-cycle Performance Reports that was approved by council and submitted to provincial government.

Figure 2 Organogram of the Administration of Abaqulusi



Table 7 Administration of Abaqulusi

Photos	Titles & names	Function
	<b>EXECUTIVE DIRECTOR : Community</b> <b>Ms A.B.Mnikathi</b>	<b>Acting Municipal Manager</b>
	<b>EXECUTIVE DIRECTOR: Corporate Services</b> <b>Ms N.N. Sibisi</b>	<b>Director</b>
	<b>EXECUTIVE DIRECTOR: Budget and Treasury</b> <b>Mr. H. Mahomed</b>	<b>CFO</b>
	<b>EXECUTIVE DIRECTOR: Community Services</b> <b>Ms A. Mnikathi</b>	<b>Director</b>

	<b>EXECUTIVE DIRECTOR:</b> Technical Services <b>Mr S. Chetty</b>	<b>Director</b>
	<b>EXECUTIVE DIRECTOR:</b> Planning & Development <b>Mr D.H. Zulu</b>	<b>Director</b>
Note: * denotes officials on fixed term performance contracts reporting to the Municipal Manager under the Municipal Systems Act Section 57.		T2.2.2

## 2.4 MUNICIPAL OVERSIGHT COMMITTEE

The units established at a lower level that report directly to the Municipal Manager are as follows:

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

## COMPONENT B: INTERGOVERNMENTAL RELATIONS

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

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

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

Table 8 IGR National and Provincial Structures

Sphere of Government	IGR Structure
<b>National</b>	-Presidents co-ordinating Council -MinMECs/Budget Forum/Local Government Budget Council
<b>Provincial</b>	-Premiers co-ordinating Forums -MuniMECs

<b>Local</b>	District Inter-Governmental Forums: - The District Technical Forum -Mayoral Forum -Municipal Manager’s Forum -Sub Technical Forums (CFOs Forum, Planning Forum, Infrastructure Forum, Corporate Services Forum)
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It must be noted that the Abaqulusi LM is fully committed and active in the Provincial and Local IGR Structures.

### ***Municipal Structures***

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

Table 9 IGR Municipal Structure

<b>Department</b>	<b>Structure</b>
<b>Office of the Municipal Manager</b>	<input type="checkbox"/> IDP Rep Forum
<b>Corporate Services</b>	<input type="checkbox"/> Local Labour Forum
<b>Special Projects</b>	<input type="checkbox"/> Local AIDS Forum <input type="checkbox"/> Women’s Forum <input type="checkbox"/> Abaqulusi Disability Forum <input type="checkbox"/> Youth Council
<b>Community Services</b>	<input type="checkbox"/> Disaster Management Forum <input type="checkbox"/> Sports Forum
<b>Development Planning</b>	<input type="checkbox"/> Tourism Forum <input type="checkbox"/> Business Forum <input type="checkbox"/> Housing Forum

## **COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION**

### **2.5 PUBLIC MEETINGS**

The Abqulusi Municipality prides itself on public participation within its municipality. It is imperative that the public is in involved in all municipal processes and decision making, achieving transparency and an all-inclusive society. The municipality’s IDP Process Plan sets out the public participation structures and schedules that are usually implemented by the municipality for a specific year. It must be noted that although structures and schedules are in



place, it does not always go to plan due the constant demands within local government. Structure used to involve the public of municipal affairs include:

- Council Meetings (Public is invited)
- IDP Representative Forums
- IDP/Budget Roadshows/Izimbizo's
- Ward Committee Meetings
- Media Releases
- Website Releases

The Abaqulusi Municipality embarked on its 2015/2016 IDP/Budget Roadshows as per the schedule below:

Table 10 Public Participation Schedule

Date	Day	Ward Number	Venue	Time
10 May 2016	Tuesday	10,11,13,22	Bhekuzulu Hall	17:00pm
11 May 2016	Wednesday	1,2 and 3	Ngoje Hall	10:00am
14 May 2016	Saturday	4,5,6 and 7	Coronation Hall	10:00am
15 May 2016	Sunday	12,14,15,16,17,18,19,20,21	eMondlo Stadium	13:00pm
17 May 2016	Tuesday	8 and 9	Vryheid Library	17:00pm

Communication dissemination methods include the following:

Internal communication flow:

- Communication between internal departments through an internal weekly or bi-monthly email newsletter.
- Communication between committees, entities, affiliates, partners and staff.
- Cost reduction efforts by using notice boards, Skype/Google etc.
- Ensuring quality standards of municipal documents.
- Customer service training.

External communication flow:

- Traditional media: newspapers, radio, establishment of local newspaper.
- Electronic media: Abaqulusi website
- Social media: Email newsletter, Business Registry, SMS marketing.

## 2.6 IDP PARTICIPATION AND ALIGNMENT

Table 11 IDP Application and Alignment

IDP Participation and Alignment Criteria*	Yes/No
---	--------

Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
* Section 26 Municipal Systems Act 2000	T2.5.1

## COMPONENT D: CORPORATE GOVERNANCE

### 2.7 RISK MANAGEMENT

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

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

AbaQulusi Municipality strives, so far, successfully to be amongst the leaders in local government. In our continuously changing governance environment it is imperative that Council remains updated on key changes and challenges and how these affect the operation of business in today's environment. This will not be achieved without an effective, efficient, soundly funded and managed risk strategy that seeks to maximize its impact on the

organization with minimum resources at its disposal. National Treasury Public Sector Risk Management Framework affirms that —no organization has a luxury of functioning in a risk-free environment and public institutions are especially vulnerable to risk associated with fulfilling their mandates

.

In 2015/2016 financial year, the Abaqulusi Local Municipality had faced numerous challenges such as quarterly reporting on the implementation of mitigation measures, non-establishment of risk management committee and embedding risk management activities to become a standard item to all MANCO meetings. The table below indicates the top five risks within the Municipality:

Table 12 Municipal Top Five Risks

Top five municipal risks			
Risk No	Risk Category	Risk Description	Risk Background
01	Service delivery	Inability to distribute purified water and provide sanitation services	Ageing infrastructure, illegal connection of water and unmetered water supply
02	Service delivery risk	Inability to provide safe effective and reliable electricity provision.	Ageing infrastructure. Illegal connections. Tampering. Theft of equipment.
03	Service delivery risk	Poor management of projects.	Delays in the appointment of service providers and Poor performance by contractors.
04	Financial risk	Inability to bill, collect and enhance revenue.	High rate of indigent. Low industrials.  Zululand District Municipality is not forwarding grants due to the municipality.  Illegal and tampered electricity meters.  Theft of water meters. Incorrect land use management leading to illegal connections.
05	Health and Safety risk	Inability to ensure public safety and respond timeously in the event of disaster	Lack of disaster awareness from the community and Lack of capacity and skills on disaster management.

Further, Abaqulusi M has currently developed the following Plans and Policies that are subject to review and adoption:

- Risk Management Policy,



- Anti-Fraud and Corruption Policy,
- Whistle-blower policy,
- Risk Management Strategy,
- Fraud Prevention Plan
- Employees and Councils Code of Conduct

The abovementioned policies will be workshopped and adopted before the end of the current financial year.

## **2.8 ANTI-CORRUPTION AND FRAUD**

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

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

The Abaqulusi Internal Audit unit through the assistance of KZN Provincial Treasury have developed Anti-Fraud and Anti-Corruption Policy, Risk management policy, fraud risk assessment register, whistle-blower policy and fraud management strategy which were adopted by Council on the 29 October 2015. The aforementioned documents is/must be read in collaboration with numerous other legislative provisions in the combat against corrupt and/or fraudulent conduct and/or related practices. The Anti-Fraud and Corruption Policy applies to all Councilors and municipal staff, which encompasses that the aforementioned must at all times act honestly, with integrity and safeguard the municipal resources for which they may be responsible and/or accountable.

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

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

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

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

## 2.9 SUPPLY CHAIN MANAGEMENT

The municipality has a fully functional Supply Chain Management Unit which operates in terms of the Supply Chain Regulations and Policy.

Table 13 SCM SWOT

Strengths/Opportunities	Weaknesses/Threats
Financial Municipal Policies in place	High levels of indigent dependency
Updated Assets Register	Loss of income due to illegal water and electricity connections
Updated indigent register	Loss of income due to illegal developments
Opportunities to receive a clean audit-received an unqualified report for 2013/2014	Delay in SCM Processes risks municipal progress and development
High staff compliment with very few vacancies	

## 2.10 BY-LAWS

The status of municipal by-laws is presented in the following table.

Table 14 Status of the Municipal Bylaws

Bylaw	Approved	Year Approved
Property Rates	Yes	2009
Pollution Control	Yes	2009
Pounds	Yes	2009
Public Roads	Yes	2009
Public Amenities	Yes	2009
Tariff Policy	Yes	2009

Street Trading	Yes	2009
Storm Water Management	Yes	2009
Property Encroachment	Yes	2009
Keeping of Animals	Yes	2009
Water Bylaw	Yes	2009
Environmental	Yes	2009
Cemetery and Crematoria	Yes	2009
Financial	Yes	2009
Fire Fighting	Yes	2009
Traffic Bylaw	Yes	2009
Fire Fighting	Yes	2009
Outdoor Advertising	Yes	2009
Electricity	Yes	2009

## 2.11 WEBSITES

Table 15 Municipal Website Inputs

Documents published on the Municipality's / Entity's Website	Yes/No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	
All current budget-related policies	Yes	
The previous annual report (Year -1)	Yes	
The annual report (Year 0) published/	Yes	
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards	Yes	
All supply chain management contracts above a prescribed value (give value)	Yes	
All quarterly reports tabled in the council in terms of section 52 (d)	Yes	
Annual Reports	Yes	
Bi-Annual Reports	Yes	
Quarterly Reports	Yes	
Monthly Reports	Yes	
Draft Budgets	Yes	
Final Budget	Yes	
Draft Reports	Yes	
IDP	Yes	
SDBIP	Yes	
SDF	Yes	
Policies	Yes	

Documents published on the Municipality's / Entity's Website	Yes/No	Publishing Date
By-Laws	Yes	
Valuation Roll	Yes	
Performance Management	Yes	
Employment Application	Yes	
Assets Disposal	Yes	
Tenders & Quotations	Yes	
Public Notices	Yes	
Vacancies	Yes	
Procurement Documents	Yes	
Public Agreements	Yes	

## 2.12 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

From the community survey undertaken in respect of the community's satisfaction with the municipality, the results indicate that majority of the community is satisfied with the municipality.

## **CHAPTER 3: SERVICE DELIVERY PERFORMANCE**

The Municipal Services Directorate is charged with the responsibility of ensuring that we provide for a clean and safe environment to live, work and play. This department is in the forefront of delivering sustainable services in an integrated approach. We contribute to the protection of our public health, safety and environment. The Municipal Services Directorate comprise of the community services and community safety unit.

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

### **COMPONENT A: BASIC SERVICES**

This component includes: water services, sanitation services, electricity, roads, transportation planning, storm water, fleet management and waste management – landfill site.

#### **3.1 WATER SUPPLY**

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

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

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

Table 16 Access to water

Access to water	Census	CS	Census
	2001	2007	2011
Inside the dwelling	7 166 (10%)	13 385 (33,6%)	17237
Inside the yard	9 035 (12%)	7 527 (18,9%)	14020
From access point outside the yard	7 636 (10%)	5 800 (14,5%)	
Boreholes	7 200 (10%)	1 676 (4,2%)	5053
Spring	3 340 (5%)	2 190 (5,5%)	1162
Dam/pool	1 359 (2%)	1 915 (4,8%)	1632
River/stream	5 528 (7%)	5 415 (13,6%)	3553
Water vendor	1 358 (2%)	469 (1,2%)	507
Rainwater tank	336 (0,5%)	1 377 (3,5%)	297
<b>Total</b>	<b>43 141 (100%)</b>	<b>39 867 (100%)</b>	

The responsibility for the delivery of water in AbaQulusi is shared between Zululand District and AbaQulusi Municipality. Zululand district provides water in the rural areas while AbaQulusi is in charge of water in the urban areas. AbaQulusi draws water from various sources including Bloemveld, Grootgewacht, Klipfontein, Louwsburg, Boulder, Hlobane and Mvunyane Dams. The municipality is responsible for six water treatment plants, which are all located within the urban areas. There is minimal capacity left in most of the bulk water supply systems with the situation fast reaching critical level in eMondlo. The capacity for the above six municipal plants are as follows:

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

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

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

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

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

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## WATER DELIVERY

This section comprises of the Manager, Foreman, Supervisors, Plumbers, Artisan Assistants and General Workers. The main responsibility of this section is to ensure that the residents of AbaQulusi receive purified water, and areas that are not serviced with piped water are supplied with water via tankers. They are also tasked to repair burst water pipes, water meters and replace old asbestos pipes. The municipality is striving to achieve the blue drop requirements as regulated by the Department of Water Affairs.

### Challenges

Due to aging infrastructure the department is faced with the following challenges:

- Burst pipes that required to be repaired on a regular basis straining the current maintenance budget.
- Substantial water losses due to leaking and burst water pipes and meters
- Loss of income due to incorrect reading on aged water meters
- 60 % of asbestos pipes in the AbaQulusi area is constantly failing
- Insufficient funds to upgrade water purification plants
- Staff shortages (in terms of the approved organogram vacancies such as plant operators, tractor driver, plumbers, artisan assistance, general workers and water tanker driver still require to be filled)
- Shortage of skilled staff
- Training of staff

### Remedial Actions

- To reduce the pressure in the network by installing pressure reducing valves and reducing the pressure in the system.
- To identify all water meters which are older than 10 years for residential and 5 years for businesses properties.
- To workshop residents and install individual water meters in the areas that they are non- existent.
- To hire two additional water tankers to assist with meeting the requirements
- To ensure that all warm body positions are filled with skilled staff.

### 3.2 SANITATION

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

Table 17 Access to Sanitation

Access to Sanitation	Census	Census	Census
	2001	2007	2011
Flush toilet (connected to sewerage system)	13 479 (36%)	14 078 (35%)	17723(41%)
Flush toilet (with septic tank)	759 (2%)	1 334 (3%)	1226(3%)
Dry toilet facility	0 (0%)	2 119 (5%)	
Chemical toilet	1526 (4%)	4913 (12%)	2241(5%)
Pit latrine with ventilation (VIP)	2002 (5%)	8920 (22%)	4399(10%)
Pit latrine without ventilation	9343 (26%)	54 (0,1%)	10219(24%)
Bucket Latrine	223 (1%)	54 (0,1%)	200
None	9728 (26%)	8396 (21%)	5512(13%)
<b>Total</b>	<b>37 060 (100%)</b>	<b>39 868 (100%)</b>	<b>41520(100%)</b>

### 3.3 SOLID WASTE MANAGEMENT

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

Table 18 Access to Refuse Service

Access to Refuse Service	Census	Census	Census
	2001	2007	2011
Removed by local authority/private company at least once a week	13 264 (36%)	12 921 (32%)	17985 (42%)



Access to Refuse Service	Census	Census	Census
	2001	2007	2011
Removed by local authority/private company less often	345 (1%)	2 657 (7%)	434(1%)
Communal refuse dump	171 (0%)	799 (2%)	511(1%)
Own refuse	18 218 (49%)	14 821 (37%)	20764 (48%)
No rubbish disposal	5062 (14%)	8 668 (22%)	2728(6%)
Other	1 (0%)	0 (0%)	878(2%)
Total	37 061	39 866	43290

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

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

In rural areas individuals tend to dispose of waste in pits in their yard and in some areas communal dumping areas are utilized. This can however lead to associated health problems for individuals living in these areas. The Municipality needs to extend the refuse removal services to the rural areas as well. The Municipality should have transfer stations in areas where illegal dumpsites have been closed.

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## SANITATION DELIVERY

This section comprises of the Manager, Foreman, Supervisors, Special Workers, Artisan Assistants and General Workers. The main objective of this section is to ensure that sewer is transverse from properties to the waste water treatment plant with the least health hazard. To ensure that all the blockages on the network are attended to within the acceptable turnaround time to reduce hazardous risks.

The municipality is striving to achieve the green drop requirements as regulated by the Department of Water Affairs. (The department is presently upgrading 3 water plants in order to achieve the blue drop status)

### Challenges

- Ageing infrastructure

- Insufficient funds to upgrade waste water treatment plants
- Shortage of skilled staff.
- Absenteeism
- Ignorance of the residents with regards to disposal to the sanitary system
- There are no recommendations for tests carried out by WSSA

#### Remedial Actions

- To work hand in hand with ZDM to upgrade old infrastructure
- To keep applying for more funding so as to improve our Plants and pump stations
- To review and amend the current contract which WSSA has with ZDM.

Water and sanitation delivery presented in the table below

IDP REF	NATIONAL VDA	OBJECTIVE	FOCUS AREA	PROJECT	WARD	BASELINE	ANNUAL KPI: OUTPUT	UNIT MEASURE	OF ANNUAL TARGET	ACTUAL	TARGET MET /TARGET NOT ACHIEVED	REASON (IF TARGET NOT ACHIEVED)	MEASURES TAKEN TO IMPROVE PERFORMANCE	ANNUAL POE
							<b>R750 000 Expenditure</b>	R	<b>R750 000 expenditure</b>					Program, Photos
<b>TECH 14</b>			New Water Line Construction	Detection and repairs to leaking water lines per household by June 2016	18	0	100% of construction	%	100	R 273 392.55	No	Project did not commence due to social challenges	CLO has been appointed who will introduce the project to the community before commencement	Monthly progress reports and payment certificates
							R2 m Expenditure	R	2 mil					Monthly progress reports and payment certificates
<b>TECH15</b>		To deliver safe and reliable water networks within Abaqulusi by June 2017	Construction of new water stations/ jo-jo tanks	Number of water stations constructed	Rural Wards	0	To install 24 5000L Jo Jo tanks in rural areas by June 2016	number of tanks	24 tanks	76	Yes	n/a	n/a	Proof of payments/ invoices, photos
<b>TECH16</b>			Upgrading of Asbestos Pipes	200 meters of asbestos pipes upgraded	1678910111318	0	To replace 200 meters of old asbestos pipes in AbaQulusi by June 2016	meters  42	200	542	Yes	n/a	n/a	Job cards, orders and photos

				22		R100 000 Expenditure	R	100 00					Job cards, orders and photos
TECH17		Repairs to water lines	Repairs to burst or leaking water lines	Urban Areas	75%	80% of call log on burst pipes attended to within 48hrs	%	80	100%	Yes	n/a	n/a	Job cards, orders and photos
TECH18		Replacing water valves	Valve replacement	Urban Areas	0	8 valves replaced	numbers	8	8	Yes	n/a	n/a	Job cards, orders and photos
TECH19		Fire hydrants repairs	Repairs & maintenance to existing fire hydrants	8 9	0	24 fire hydrants repaired	number	24	24	Yes	n/a	n/a	Job cards, orders and photos
TECH20		Water pump repairs	Repairs & maintenance to existing water pumps	Urban Areas	0	12 pumps repaired	number	12	12	Yes	n/a	n/a	Job cards, orders and photos
TECH21		To have a sanitation system that is reliable and efficient by 2017	Installation of new sewer lines	Emondlo sanitation project	18	0	300 households benefitting	number of house holds	300	R216 473.30	No	Project did not commence due to social challenges	CLO has been appointed who will introduce the project to the community before commencement
	550 meters of new sewer lines						meters	550 meters					
	R1.5m expenditure on new sewer lines						Expenditure in R value	R1.5m					

TECH22			Draining of sewer tanks	Drainage of old septic tanks in coronation, drainage of raw sewer in pump stations on break downs	Urban Areas	0	80% of complaints received resolved within 24hrs	%	80%	50%	No	Most service provider are not paid thus causing delays to those tanks requiring to be drained	Finance/SCM has been informed of the delays and meeting are held continuously to resolve it.	Invoices, progress reports and photos
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### 3.4 ENERGY AND ELECTRICITY

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

Table 19 Access to Electricity

Access to Electricity	2001	2007	2011
Electricity	16183 (44%)	19 345 (49%)	31223(72%)
Gas	72 (0%)	0 (0%)	89(0%)
Paraffin	872 (2%)	586 (1%)	246(1%)
Candles	19689 (53%)	19 590 (49%)	11426(26%)
Solar	89 (0%)	0 (0%)	125(0%)
Other	155 (0%)	346 (0%)	
Total	37 060 (100%)	39 867 (100%)	43109(100%)

#### Challenges

There is a high backlog on maintenance of the primary network, secondary substations, overhead lines and cables.

#### Primary Network

The Contract for maintenance needs to be advertised.

#### Secondary Maintenance

regular maintenance is needed as there is huge backlog in this regard

#### Cables

Many of the cables are old and overloaded. The network need a refurbishment and modifications with installation of distributor substations. The process is long and capital dependent.

#### Street Lighting

In as much as there is a lot of maintenance work carried out to ensure that the City is well lit, sections of street lights are off due to the continuous excavation by the various Contractors who damage and then cover the cable. Theft of cables and MCB's, steel covers housing the electrical mains are contributing to the ongoing street light problems.

### Blown Switchgear

Due to limited funding, it is not possible to purchase the required switchgear and this further places burden on the network. Ring circuits are not existent because of the blown switchgear.

### Pole Transformers

Circuits that were designed based on the size of the transformer are now overloaded and blowing up because of the theft of electricity with illegal connections

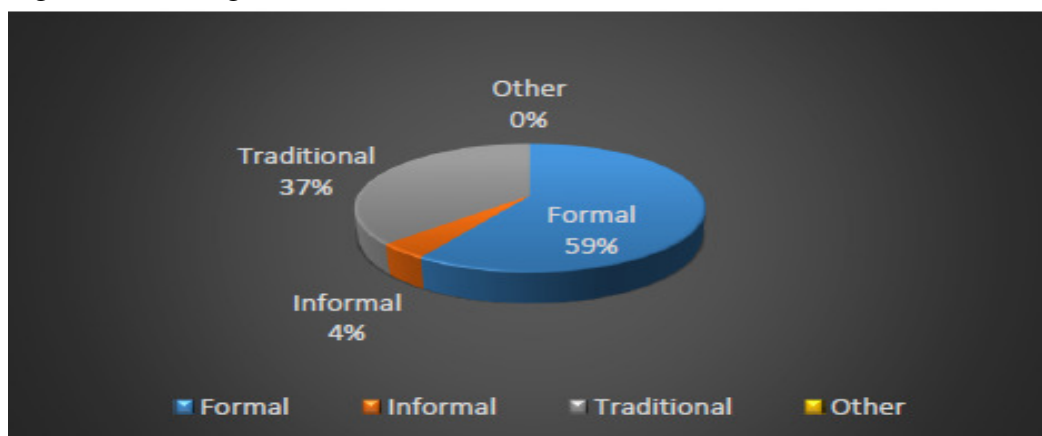
## **3.5 HUMAN SETTLEMENTS**

The town of Vryheid is strategically located and considered the economic and social hub of the AbaQulusi area. The physical segregation and distortion of the municipal area is, however, a prominent feature and evident as follows:

- eMondlo was originally developed as a dormitory black township fifty years ago and is not located on any transportation corridor. Its physical distance from Vryheid is such that physical intergraded with Vryheid is near impossible. A large concentration of people from the Hlahlindlela Tribal area has settled around eMondlo, placing enormous pressure on eMondlo for the delivery of services.
- During the prosperous days of the coal-mining sector the mining communities of Hlobane and Coronation settled in the area. These areas are too distant from Vryheid to be physically integrated and they will remain as separate communities in the foreseeable future.
- Louwsburg, an area to the north east of Vryheid, has a weak economic base and developed mainly as a local service center to the agricultural sector.

To the south of Louwsburg lies a large concentration of people in the Tribal area of Khambi. This area is removed from other urban areas and depends on Louwsburg and Vryheid for all its social and economic services.

Figure 3 Dwellings and Human Settlement



Housing real demands is defined as the number of households requiring formal housing and can afford to acquire such housing from the market. Latent housing demand is need based housing demand.

Meaning that although people in this category of demand need housing they cannot afford to participate in the market to acquire such housing.

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## A. HOUSING TYPOLOGIES

- ***Traditional Housing:*** This is the housing traditionally built by native people long before the introduction of building regulations and standards. This form of housing is legal and therefore protected but yet considered informal as it is not build in line with the national building regulations and standards.

This form of housing is mostly common and allowed within the traditional areas and although it is allowed there are some remnants of this form of housing within the formalised townships.

In these Traditional Areas, traditional households usually include the clustering of a number of thatched roofed huts lacking basic infrastructure.

- ***Formal dwellings units*** are houses developed in line with the national building standards and regulations and are developed on the bases of those standards and so approved. There are two types of formal dwellings, these are legally developed formal housing and illegally developed formal housing.

The difference between the two is that those which are legally developed are approved buildings in line with the national building standards and regulations and those that are illegal are not approved.

- ***Informal dwellings*** are dwellings not constructed with materials proper for the construction of a dwelling unit as per the building standards and regulations.

A large number of the people in the municipal area reside in traditional houses with formal and informal houses concentrated mainly in urban areas.

However, should the delivery of formal housing be required as the preferred replacement of traditional housing, the Tribal areas already has a backlog of 13221 units. It is critical that the issue of formal housing versus traditional housing and community preferences be confirmed as an important determinant of housing demands within the context of the AbaQulusi Housing Sector Plan.



There is a high concentration of people in the Hlahlindlela Tribal area with up to 11 persons per household, indicating a great need for housing. While most of the rural areas have top structures, the population density and distance from basic services necessitate upgrading and formalization of these areas as part of a phased approach.

Higher population concentration around the town Vryheid and other urban settlement in rural areas are evident. The population densities in these areas are on the increase, placing strain on existing infrastructure and social services.

These areas have been classified as merging urban settlements in terms of population density and settlement character. The uncontrolled granting of land through the Tribal Authority system hampers the development of housing in the formal urban areas.

This form of tenure competes with formal housing market, placing strain on the municipal infrastructure and service delivery, with informal occupant not contributing to the revenue basic of the municipality.

The demand for housing for middle and higher income level in the towns of Vryheid and eMondlo is considered as a critical issue and are subject to prevailing market economies. The demand for housing remains in the emerging settlement around these urban areas and in the emerging settlements of eMondlo.

The Coronation/Hlobane area is also considered within this context and specific attention to upgrading and the provision of services are required. Housing initiative will focus on the consolidation of this area within the perspective of its relationship with Vryheid. The current economic development within the Municipal areas and its future growth potential may generate a greater financial housing delivery.

At the same time this economic growth would produce far greater financial resources and increase the ability for the public and private sector to support the housing delivery process in a sustainable manner. Careful management of the housing delivery process within this context is critical and pro-active planning the key to the success of this process.

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## B. CURRENT HOUSING PROJECTS

The Housing Unit is the smallest unit within the Development Planning Department but it runs the biggest and the most significant capital projects. The unit has total staff establishment of five which includes the following personnel:

Table 20 Housing Unit Personnel

HOUSING UNIT:		
Responsibility:	Approved Staff:	
<b>Housing Planning</b>	Manager	filled
<b>Project Management</b>	Snr Administrator	filled
<b>Forum Management</b>	Admin Clerk X 3	filled

### Projects

The Housing Section implemented the following projects for 2015/16

Table 21 Housing Projects

PROJECT	STATUS	COMMENT
<b>Vryheid Ext 16</b>	There are 102 units to be built.	There was a stormwater problem that needed to be resolved before the 102 houses were built. The houses should complete in the next financial year
<b>Bhekumthetho Rural Housing Project</b>	There are 30 units outstanding from the 1000 units for the project. There is a project to plaster 700 units and approximately 50 have been completed	The 30 units were for beneficiaries who could not be located. The houses should be complete in the next financial year. Concurrent to the Housing construction there is a plastering project ongoing
<b>Enyathi Housing Project</b>	The project is still at Planning Stage. The draft township layout and EIA is being finalized.	There were delays caused by the Surveying of the area.
<b>Glucksdardt/Swart Mfolozi Rural Housing Project</b>	The Project is still at Planning Stage. The Implementing Agent is finalizing land issues.	There has been a delay caused by the fact that land was not secured. The project area has 19 land owners and coordinating all 19 to get the necessary documentation caused delays.
<b>Vumani Housing Project</b>	The project is still at Planning Stage.	There is water shortage in the area, so water sources are still being sought. An application for Implementation will then be finalised with the Department of Human Settlements.
<b>Emondlo A&amp;B</b>	The Project is still at	The beneficiary administration exercise is

PROJECT	STATUS	COMMENT
<b>and Bhekuzulu 3B Consolidation Housing Project</b>	Planning Stage.	still being finalised

#### Successes:

The Housing unit within difficult circumstances has managed to achieve a lot ensuring that

- We held 9 Housing Forums out of the scheduled 10 for the financial year
- The Stormwater problems in the Extension 16 project were eventually resolved which will enable the remaining 102 houses to be completed.
- Most projects had stalled at Planning Stage and we were able to overcome the operational bottlenecks. The projects are now slowly progressing.
- The Housing Section was able to secure a budget to review the Housing Sector Plan in the 2016/ 17 financial year.

#### Challenges:

There were a number of challenges within the section and these include

- Implementing Agents not understanding the Housing Delivery process leading to the slow implementation of projects.
- The non-approval of new Housing projects by the Municipal Council.
- No understanding of the Housing Delivery Process in Council and the general public.

#### Remedial Actions:

- We are in the process of engaging the Consumer Education Section of the Department of Human Settlements to undertake education on the Housing process for Council and Communities in project areas.
- Resubmit an item for Council approval of the new Housing Projects.
- Constantly engage Implementing Agents on their projects to ensure effective and efficient project implementation.

### **3.7 INDIGENT SUPPORT (INCLUDING FREE BASIC SERVICES)**

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

- Free 50kwh of electricity a month,
- Free rates up to the value of R80, 000,

- Free 6kl of water per month,
- Free refuse,
- These allocations are per the national government policy guidelines,
- The total cost for these Free Basic Services amounts to R13, 9 million.

## **COMPONENT B: ROAD TRANSPORT**

This component includes: roads; transport; and waste water (storm-water drainage).

### **3.8 INTRODUCTION TO ROAD**

The section is responsible for the construction and maintenance of roads infrastructure, laying and cleaning of storm-water drainage, construction and maintenance of walk ways, kerbing and drive-ways.

Abaqulusi Municipality consists of rural areas which are far behind in terms of roads infrastructure and the main aim of the municipality is to provide roads to all households of Abaqulusi Municipality.

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

The municipality managed to provide access to number of households by construction of gravel roads thus providing access to public transport to those communities. During the construction of these roads there were job opportunities provided to the community members where projects took place thus alleviating poverty.

Most of service providers completed their projects within the specified period resulted to spending 100% on the municipal infrastructure grant allocation.

The most of our roads infrastructure has passed their life span. Heavy trucks driving in town and bursting of water pipes underneath roads are contributing to the deteriorating of roads infrastructure, despite the situation there was only one pothole patching team responsible for the pothole patching in the whole municipality, and it is clear that the team was not coping with the rate at which potholes are developing.

Appointment of the annual cold mix supplier has helped the section to deal with the potholes immediately without the issue of material shortage.

Extra team at coronation responsible for concrete work was trained to assist with potholes, two extra team as well as equipment is budgeted for the financial year starting July 2013 in order to increase the number of pothole patching teams to three teams.

The section suffered drastically due to employee's embarking on strikes action and most of activities in the section were affected. The status of the gravel roads within the Municipality as per June 2016 is presented below.

Table 22 Status of the gravel road

<b>Gravel Road Infrastructure</b>				
	<b>TOTAL Gravel roads</b>	<b>New Gravel Roads constructed</b>	<b>Gravel roads upgraded to Tar/paving</b>	<b>Gravel roads maintained</b>
<b>Year end June 2016</b>	1000 km	29.4km	2.6	71 km

The status of the tarred roads within the Municipality as per June 2016 is presented in the following table.

Table 23 Status of the tarred road

<b>Tar Road Infrastructure</b>					
	<b>TOTAL Tar roads</b>	<b>New Tar Roads constructed</b>	<b>Existing tar roads re- tarred</b>	<b>Existing tar roads re- sheeted</b>	<b>Tar roads maintained (Pothole patched)</b>
<b>Year end June 2016</b>	1000 km	0	1.1km	1.3km	2300 m <sup>2</sup>

The status of the employment from road infrastructure within the Municipality as per June 2016 is presented in the following table.

Table 24 Road Infrastructure Employments

<b>Employees: Roads Services</b>				
<b>Job Level</b>	<b>Year 2015</b>	<b>Year 2016</b>		
	<b>Employees No.</b>	<b>Posts No.</b>	<b>Employees No.</b>	<b>Vacancies (as a % of total posts) %</b>
<b>0-3</b>	1	1	1	0
<b>4-6</b>	3	3	3	0
<b>7-9</b>	5	6	5	80%
<b>10-12</b>	10	14	10	70 %

<b>13-15</b>	0	0	0	0
<b>16-18</b>	33	40	33	83%
<b>19-20</b>	0	0	0	0
<b>Total</b>	52	64	52	47%

### 3.9 WASTE WATER (STORMWATER DRAINAGE)

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

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

Table 25 Status of Storm water in Abaqulusi Municipality

Storm-water Infrastructure (meters)				
	Total Storm-water measures	New storm-water measures	Storm-water measure upgraded	Storm-water measures maintained
<b>Year end 2016</b>	15000	300	0	600

### CURRENT PROJECTS

Capital project carried over Projects to 2015/16 financial year.

#### **a. External grant funding ( MIG )**

Consultants : DLV Engineers Contractor: Wonder Dream Projects cc Awarded Amount: R7 770 705.69 Expenditure to date: R7 574 867.41 Completed : 100% Completion date (original): 09/12/2014 Revised Completion date: 30/09/ 2015 The project is the tarring of 1.6km Louwsburg road in Ward 01 <b>Project is 100% complete</b>	<b>2. Ngwelu/Mnunse gravel road – ward 02</b>  Consultants : DLV Engineers Contractor: Amavovokamkhize Civils Awarded Amount: R3 475 461.00 Expenditure to date: R3 020 894.66 Completed : 100% Completion date: 17 July 2015 The project is the gravelling of 5km Mnunse Gravel road in Ward 02 <b>Project is 100% complete</b>
<b>3 . East-mine gravel road – ward 03</b>	<b>4. Mooihoek gravel road – ward 07</b>

<p>Consultants : DLV Engineers</p> <p>Contractor: Wosa Nawe Trading 16</p> <p>Awarded Amount: R2 924 843.4</p> <p>Expenditure to date: R2 772 315.01</p> <p>Completed : 100%</p> <p>Completion date: 28 May 2015</p> <p>The project is the gravelling of 4,7km East-mine Gravel road in Ward 03</p> <p><b>Project is 100% complete</b></p>	<p>Consultants : DLV Engineers</p> <p>Contractor: Siva Pillay Construction cc</p> <p>Awarded Amount: R3 152 854.45</p> <p>Expenditure to date: R2 924 158.43</p> <p>Completed : 100%</p> <p>Completion date: 28 August 2015</p> <p>The project is the gravelling of 3,7km Mooihoek Gravel road in Ward 07</p> <p><b>Project is 100% complete</b></p>
<p><b>5. eMadresini gravel road – ward 017</b></p> <p>Consultants: Isimo Engineers</p> <p>Contractor: Uhlanga Trading Enterprise</p> <p>Awarded Amount: R3 218 499.20</p> <p>Expenditure to date: R1 941 182.94</p> <p>Completed : 98%</p> <p>Completion date : 17 July 2015</p> <p>Contractor is busy with the construction of headwalls, fixing the damaged layer works and the site clearance</p>	<p><b>6. Lakeside Paving road – ward 22</b></p> <p>Consultants: DLV Engineers</p> <p>Contractor: Sikoti Investments cc</p> <p>Awarded Amount: R5 190 000.00</p> <p>Expenditure to date: R4 006 323.83</p> <p>Completed : 85%</p> <p>Completion date: 30 January 2016</p> <p>Contractor is busy putting the segmented paving blocks, kerbs and channels and putting gravel material in other surrounding gravel roads.</p>
<p><b>7. Bhekuzulu Tar Roads Expansion – ward 10 &amp; 11</b></p> <p>Consultants: DLV Engineers</p> <p>Contractor: Sikoti Investments cc</p> <p>Awarded Amount: R6 500 000.00</p> <p>Expenditure to date: R6 498 282.91</p> <p>Completed : 98%</p> <p>Completion date: 30 March 2016</p> <p>Contractor is busy putting slurry seal, road signs, road marking and site clearance.</p>	<p><b>8. Construction of Storm-water Measures --- ward 11</b></p> <p>Consultants: Siyamthanda Projects</p> <p>Contractor: Uhlanga Trading Enterprise</p> <p>Awarded Amount: R6 419 163.51</p> <p>Expenditure to date: R4 780 850.57</p> <p>Completed : 80%</p> <p>Completion date: 30 October 2015</p> <p>Contractor is busy finishing the excavations of trenches, constructing concrete channels and laying storm-water pipes</p>
<p><b>9. Ntabankulu Gravel Road --- ward 05</b></p> <p>Consultants : Delca Systems</p> <p>Contractor: Sikoti Investments cc</p> <p>Awarded Amount: R5 231 794.16</p> <p>Expenditure to date: R4 330 763.04</p> <p>Completed : 100%</p> <p>Completion date: 30 December 2015</p>	<p><b>10. Alpha Gravel Road --- ward 06</b></p> <p>Consultants: Delca Systems</p> <p>Contractor: Konke –Civil and Surveying</p> <p>Awarded Amount: R5 871 450.08</p> <p>Expenditure to date: R5 230 065.61</p> <p>Completed : 100%</p> <p>Completion date: 31 August 2015</p>

The project is the gravelling of 2.0km Ntabankulu Gravel road in Ward 05 <b>Project is 100% complete</b>	The project is the gravelling of 3,2km Alpha Gravel road in Ward 06 <b>Project is 100% complete</b>
<b>11. Jimane Gravel Road --- ward 12</b> Consultants : Delca Systems Contractor : PZL Projects Awarded Amount: R11 050 645.52 Expenditure to date: R8 511 356.43 Completed : 98% Completion date: 30 December 2015 Contractor is busy fixing snags.	<b>12.MJ Mbuli Gravel Road --- ward 14</b> Consultants: Delca Systems Contractor: Mfiso Contractors Awarded Amount: R4 338 537.16 Expenditure to date: R4 081 691.47 Completed : 100% Completion date: 31 August 2015 <b>Project is 100% complete</b>
<b>13. St Paul Gravel Road --- ward 15</b> Consultants : Delca Systems Contractor: Siva Pillay Construction Awarded Amount: R8 673 697.30 Expenditure to date: R8 672 838.48 Completed : 100% Completion date: 30 November 2015 The project is the gravelling of 5.5km St Paul Gravel road in Ward 15 <b>Project is 100% complete</b>	
<b>2015/16 MIG Allocation</b>	<b>R39 566 000.00</b>
<b>Expenditure to-date</b>	<b>R 39 566 000.00</b>
<b>Exp %</b>	<b>100%</b>

**b. External Grant Funding ( COGTA )**

<b>2. Demonia Lane Upgrade</b> Consultant : Contractor : Uhlanga Trading Awarded Amount : R3 837 987.50 Expenditure to date : R5 413 427.39 Completed : 90% Contractor has to remove the old street lights, to construct the speed humps and do road markings.	<b>1. CONSTRUCTION OF HIGH STREET BRIDGE</b> Consultant : Delca System Contractor : Masefane Trading cc Awarded Amount : R12 495 360.70 Expenditure to date : R11 915 189.35 Completed : 90% Contractor is busy constructing bridge approach on the upper section of the bridge and concrete wall.
<b>3. Mason Park Upgrade</b> Consultant :	<b>4. Upgrade of Informal Trade Space in Mason Street</b>



Contractor : Brainwave Projects	Consultant :
Awarded Amount : R4 615 079.00	Contractor : Ziqoqe Construction
Expenditure to date : R5 722 647.51	Awarded Amount : R3 450 000.00
Completed : 90%	Expenditure to date : R5 887 201.42
Contractor still has to clear the site and attend to all defects and snags list.	Completed : 70%
	Contractor has to fix paving, stalls and road paving.

#### Challenges Faced

- Contractors lack of capacity
- EIA approval
- Availability of road build materials
- Weather condition
- Contractors cash-flow problems.

#### Proposed Remedies

- Monthly and weekly meetings
- Write a report to Department of Agriculture and Environmental Affairs
- Use the alternative design
- Contractors be paid within 30 days after claim

### **3.10 WASTE MANAGEMENT**

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

- 1) Bulk containers - AbaQulusi Municipality is currently using bulk containers (Mobiterners/Skips) distributed in varies location in Vryheid town, industrial areas, business areas, townships, schools and community centres.
- 2) Collection vehicles - The collection of waste is private.
- 3) Health and Safety – All waste is properly stored in the plastic which prevent the odour as waste is collected once a week in residential areas and daily in town.
- 4) Communication – Monthly meetings are conducted with the Service providers, National and provincial Department: Environmental Affairs, and internal stakeholders. Weekly meeting with the street sweepers. A adopt a spot programme have been introduce to AbaQulusi community and there is a decrease in illegal dumps which indicate that there is communication between the Municipality and community.

- 5) Awareness – Education and clean-ups are an on-going programme in partnership with Khabokade (Environmental Affairs) in all wards. Environmental and special days are celebrated.
- 6) Recycling station – (Drop-off, transfer station and collection of recyclable waste) is currently not in operational as the Landfill site is under construction/rehabilitation.

#### Street Cleaning

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

#### Waste collection

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

#### Recycling

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

#### Disposal

Waste is disposed at a register landfill site in Vryheid.

#### Landfill site

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

#### Education and awareness programmes

Awareness – Education and clean-ups are an on-going programme in partnership with Khabokade (Environmental Affairs) in all wards. Environmental and special days are celebrated.

#### Greening

Trees are planted in municipal spaces, community centers. Environmental Affairs is helpful with greening.

#### Environmental Impact Assessment

##### Ablution facilities

The municipality own two ablution facilities in town which are well looked after by the trained employees.

##### Regulated environmental documents

- IWMP
- By-laws
- Draft environmental policy
- Landfill site operation plan

#### Impacts / challenges

- Shortage of staff which makes it difficult to render the services
- Illegal dumps around the townships
- Lack of education and awareness in the community
- Unfinished Rehabilitation Landfill site
- Lack of landfill site equipment
- Shortage of wheel bins
- Drought affecting the function of ablution facilities

#### Service delivery priorities

- To provide the sustainable and clean environment for all AbaQulusi Township affected by illegal dumps – Positive and negative Impact: Illegal dumps are removed successfully however, our communities still lack capacity building.
- To develop a monitoring plan for the landfill site – Positive impact: The plan has been developed
- Conducting awareness campaigns in the community on refuse collection – Positive and negative: Communities are educated but still litter, takeout their refuse on wrong days and create illegal dumps.

#### Measures taken to improve performance

- IWMP has been approved
- Engagement with the Stakeholders (Environmental Affairs)
- The landfill is under construction which comprises of the recycling centre
- Education awareness
- Clean-up campaigns
- Weekly meetings with the staff
- Monthly meetings with Services providers
- More bulk containers have been distributed in varies locations

### **3.11 RAIL**

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

### **3.12 AIR TRANSPORT**

Although Vryheid is a district regional centre, it does not have a well-established air transport system. A small airport/landing strip is located in Vryheid. It is built to the standard set by the Civil Aviation Authority but is no longer licensed due to budgetary constraints. It is capable of carrying limited cargo. This facility should be seen as an opportunity for the development of the agricultural and tourism sectors. This is particularly important since the area has been identified at a Provincial level as having potential for agricultural development (PSEDP, 2007), and the potential link with Dube Trade Port. The Map below indicates the Transport Network that exist within the Abaqulusi Municipality.

## **COMPONENT C: PLANNING AND DEVELOPMENT**

### **3.13 PLANNING**

The Town Planning Section falls under the Department of Development Planning and comprises of the following units:

- Planning
- Building Control
- GIS

#### **SPATIAL PLANNING AND LAND USE MANAGEMENT ACT (16 OF 2013) (SPLUMA)**

In terms of section 61 of the Spatial Planning and Land Use management Act, 2013 (Act No. 16 of 2013) ("SPLUMA"), it has been determined 1 July 2015 as the date on which the Act shall come into operation. Applications will no longer be approved in terms of the KwaZulu-Natal Planning and Development Act (Act no. 6 of 2008) (PDA) and the Town Planning Ordinance 1949. COGTA and DRDLR are currently are having training sessions to ensure that the Municipalities are ready for the implementation of the Act.

In readiness for SPLUMA all Municipalities are to adopt and gazette Municipal By-laws to guide land use management and development. DRDLR has prepared generic by-laws to assist municipalities. The Draft Abaqulusi Municipal Spatial Planning and Land Use Management By-law was work-shopped to the Councillors on 19<sup>th</sup> May 2016. The Draft By-law was forwarded to DRDLR for comment. The Final Abaqulusi Municipal Spatial Planning and Land Use Management By-law was approved by Council on 26<sup>th</sup> May 2016. Once the Municipal Planning Tribunal members have been appointed and comments have been received from DRDLR the Abaqulusi Municipal Spatial Planning and Land Use Management By-law will be gazetted.

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## ABAQULUSI SPATIAL DEVELOPMENT FRAMEWORK

The Municipality has received Grant Funding in an amount of R 350 000.00 from the Department of Co-operative Governance and Traditional Affairs to review the current Spatial Development Framework (SDF) that was approved in 2008. Tshani Consulting CC was appointed as the Service Provider at a tender price of R260 000.

The SDF conducted its public participation process during the IDP Roadshows from 10<sup>th</sup> – 17<sup>th</sup> May 2016. The Draft SDF was work-shopped to Councillors on 19<sup>th</sup> May 2016. The final SDF was approved and adopted by Council on 26<sup>th</sup> May 2016. Final payment to Tshani Consulting CC was made on 28<sup>th</sup> June 2016.

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## LUMS

The Department of Co-operative Governance and Traditional Affairs are assisting with a roll-out work plan programme for the implementation of the wall-to-wall scheme as part of the back to basics support. The Work plan for the preparation of the wall-to-wall scheme was approved by Council on 27<sup>th</sup> August 2015. As per the 2015/2016 municipal budget R500 000.00 has been allocated for the preparation of the wall-to-wall scheme. Application for further funding has been submitted to the DRDLR, COGTA and SALGA as an amount of R 2 500 000.00 is required to complete the total project.

The tender document with the terms of reference for the urban component of the scheme was forwarded to Supply Chain Management (SCM). SCM is to finalize the tender documents and co-ordinate the appointment of the service provider. The tender document was presented at the Bid Specification Committee and is to be advertised.

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## OUT-DOOR ADVERTISING AND SIGNAGE

This remains a challenge in the department and signage inspector needs to be appointed to manage the out-door advertising and signage applications. At present the department does not have adequate staff to manage these applications.

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## STATISTICS

The following is a list of the number of applications received by the Town Planning Section:  
Table 26 Application List

	Submitted	Approved	Not supported	Pending
<b>44 Building Plans assessed</b>	5	3	-	2

<b>Relaxation</b>	8	5	1	2
<b>Granny flat</b>	9	7	1	1
<b>SPLUMA PDA Applications</b>	9	3	1	5
<b>Signage</b>	0	0	-	2

### **Challenges:**

- Non-appointment of Vacant positions such the Senior Town Planner, Technical Planner and Registrar has hindered performance and growth in the department. In terms of readiness for SPLUMA these positions need to be filled
- Contravention of Land Uses and illegal developments. No legal Representative to assist the department with charging members of the public who are in contravention.
- Peace officer training required to address illegal developments
- Non-compliance from members of the public
- Lack of equipment (telephones, photo-copying machine, computers). Not all staff members have computers and access to emails.
- Delays in the comments received from Municipal Departments.
- Operating hours to the public

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## **BUILDING INSPECTORATE**

The Building Inspectorate Office operates in line with the National Building Regulations and Building Standards Act, 103 of 1977 and SAN10400 to ensure compliance with the submissions of building plans. In terms of section 18 of the Architectural Profession Act (Act no. 44 of 2000) a person who is registered in the category of a professional is permitted to submit building plans. A Candidate cannot submit plans under his own credentials; a registered professional will need to submit plans.

Building Inspector Workshop was held for Professionals in the built environment on 20<sup>th</sup> June 2016. The Workshop was facilitated by Mr Frans Dekker, President of SAIAT.

A memo was prepared to the Acting Municipal Manager for the appointment of Director: Technical Services as the Acting Building Control Officer until the position has been filled.

The following can be reported on building control:

- Building Plans submitted : - 29
- Building plans approved : - 11
- Building Plans referred : - 08
- Building Plans pending : - 10

**Challenges:**

- Resignation of Senior Building Inspector on November and resignation of Building Inspection with DPSS.
- The unit does not have a permanent Building Control Officer and the Technical Director is acting in the position as an interim measure.
- An Admin Intern and Building Inspectorate Intern are assisting in the department in processing and assessing the plans due to no permanent staff in the unit.
- Illegal developments without the submission of building plans
- Non-compliance from members of the public
- Outdated Filing system and circulation of plans
- Outdated plan fees
- Unstructured circulation of the building plans
- Plan drawers who are not registered as a Professional in terms of SACAP Lodging Plans
- Turn-around time of Municipal Departments assessing plans

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**GIS SECTION**

The following can be reported on GIS:

Table 27 GIS Report

The following can be reported on GIS:	
Maps generated on A4 printer (General Public enquiries)	857
Maps generated on A4 printer (Dev. Plan & Technical Ser.)	809
Maps generated on A0 printer	25
Special maps on A0 (zoning)	0
Annotation of maps SG diagrams	77
Annotation of maps GIS data	253
Support maps down load from SG	347

**Challenges:**

- Shortage of ink cartridges
- Short life span of printers
- Consultants do not provide information on the correct GIS data in order to be captured and updated on the Municipal GIS system
- GIS is not fully capable, dependent on DPSS GIS and Zul Map in producing certain maps

- GIS Office needs to be fully air-conditioned to avoid over heating of the computers and printers.

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## SHARED SERVICES

The contribution of the Senior Town Planner, Development Administrator, and GIS Staff has been significant in the operation and functions of the Department especially due to the lack of staff. The Business Plan for the renewal of the Shared Services Staff for 3 years has been submitted to the Municipality for the Acting Municipal Manager to sign.

### Challenges:

- The Resignation of the Building Inspector Shared Services has left the department incapacitated with regards to the assessment and approval of building plans.
- It must be mentioned that support and reporting from the Chief Planner remains a problem.
- Due to the DPSS staff being shared between Abaqulusi ALM and Edumbe ALM, staff is not present on a full-time basis.

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## CONCLUSION

The Department will endeavour to provide good service to the public and maintain a high quality development within the boundaries of Abaqulusi.

### 3.14 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

**LED** is composed of Economic Development Tourism, SMME development, Informal trader's development and Skill development. Local Economic Development support economic development growth and building Partnership with other stakeholders.

**ECONOMIC DEVELOPMENT** at Abaqulusi Municipality focused in Agricultural sector, Informal Economy, Commercial, SMMEs , Co operatives , Business licensing, Mining sector, Project Management, Poverty alleviation and Skill Development . Economic Development is the most important ways of decreasing Poverty. It aims to create jobs by making the economic grow; it means more businesses should be developed within the Municipality. The relevant stakeholders should make economy grow and create income opportunities for the people.

### **JOB CREATION**

To provide support to the Local SMMEs, coordinate workshops and training aiming at empowering them into Business initiatives. Looking for funding to undertake identified projects s



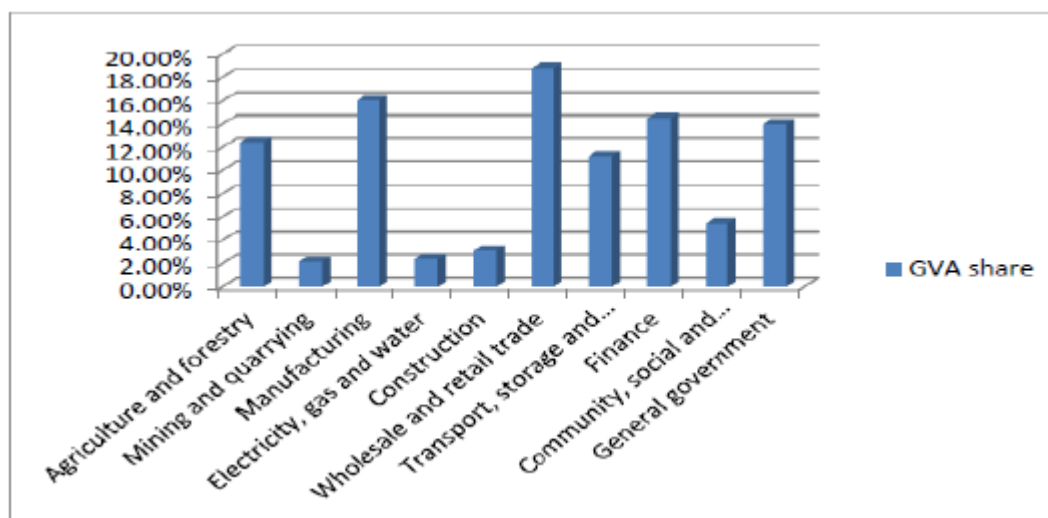
## PROJECTS

Poverty alleviation projects had been distributed for 22 Wards in the Municipality, aiming to boost the employment which the major problem in all areas, SMME also got an opportunity of employment. Each wards had a budget of R100 000 which is the total of R2,2M for the whole Municipality. Sewing projects, vegetable gardens, broiler projects catering projects goats' production had been established for the people to generate income

## MAIN ECONOMIC GVA CONTRIBUTORS

Abaqulusi's economic structure is more diversified than the smaller economies in the Zululand District. Wholesale and Retail trade (which includes catering and accommodation) was the biggest contributor to municipal GVA in 2010, followed by (2) manufacturing, (3) finance and (4) general government and (5) agriculture and then (6) transport. The relatively small share of General Government in economic output, attests to the strength of the private sector within the local economy. Mining and quarrying is now the smallest economic sector in Abaqulusi.

Figure 4 Sectoral Contribution to GVA



Source: Quantec 2011

Total GVA for Zululand in 2010 was estimated at R10.9 billion. As table 13 below indicates, the Abaqulusi municipal area at R 3,9 Billion in 2010 accounted for 35,7% of the Zululand District's GVA.

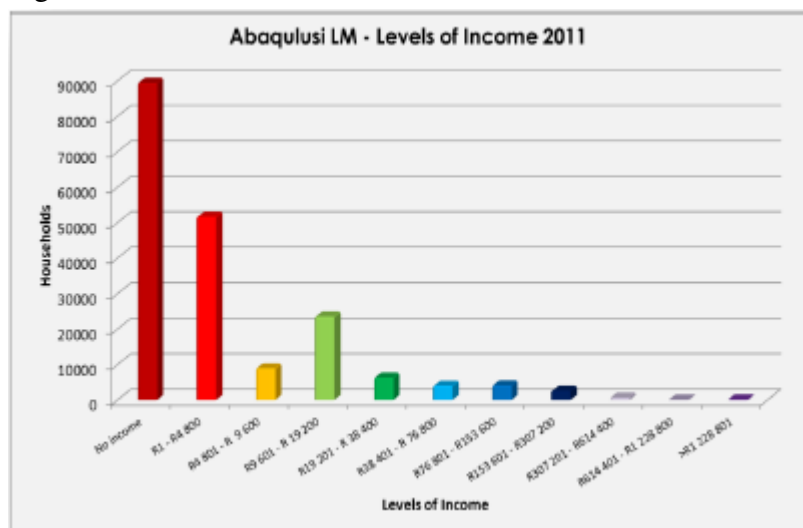
Table 28 District GVA

Municipality	2003	2004	2005	2006	2007	2008	2009	2010	Share in 2010
eDumbe	653	655	662	661	674	691	675	684	6.3%
uPhongolo	1,487	1,533	1,561	1,668	1,786	1,879	1,848	1,890	17.3%
Abaqulusi	2,561	2,709	2,931	3,126	3,401	3,680	3,819	3,901	35.7%
Nongoma	732	796	883	1,002	1,160	1,321	1,455	1,489	13.6%
Ulundi	1,804	1,905	2,041	2,204	2,431	2,644	2,933	2,974	27.2%
Zululand	7,237	7,598	8,078	8,661	9,452	10,215	10,729	10,939	100.0%

## EMPLOYMENT AND INCOME LEVELS

According to the Census 2011, Abaqulusi's official unemployment rate of 35.4% is lower than the other municipal areas in Zululand but this relative position holds little comfort for the local economy as there is a youth unemployment rate of 45.1%. These figures are one that certainly indicates that the issue of job creation is a primary concern for the municipality and will be prioritised over the coming years. In view of the low levels of unemployment, the graph below depicts that a great percentage of the population receives no income. The percentage of households receive incomes, are in the ranges of R4,800-00 and R9,600-00 per month, which is still very low, and in line with the occupation types depicted in the previous graphs.

Figure 5 income Level



## AGRICULTURE

Currently this sector provides the highest proportion of the Gross Geographic Product (GGP) of the area even though the area is classified as having low agricultural potential (Vryheid Economic Regeneration Study, 2001). According to a land potential analysis of the Abaqulusi area only 15.19% of agricultural land can be described as having high agricultural potential (Coronation Economic Regeneration Study, 2001). This is due to poor soils, irregular rainfall and significant areas of degradation. There is extensive, but not intensive

agriculture. Very few farms are irrigated and this only favours a few people due to the allocation of irrigation rights from some of the water systems in the area on a permit basis. According to 1997 figures agriculture contributed 7, 45% to the GGP of AbaQulusi, but employed 22, 2% of the workforce. Farms can be divided into two distinct categories:

- Larger mostly white owned commercial farms; and
- Smaller mostly black owned traditional farms.

Products produced are timber, field crops and livestock. Most of the timber is exported out of the area and has experienced a rapid growth phase for the last five years. It is however experiencing a number of constraints that will impact on further growth. The timber industry uses migrant's work-teams and very few local workers are employed. No secondary activities have developed because of the timber industry.

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

### **Agricultural Sector Support**

AbaQulusi Municipality has an agricultural potential which currently contribute the highest in poverty alleviation and also employment especially in rural areas of AbaQulusi The Municipality need to have an Agricultural Master Plan for the purpose of addressing the future of agriculture in the Municipality and the strategies needed to enables the future to be realised. As it the need of the Municipality to involve the farmers and community, the Farmers Associations and Co-operatives are being trained on capacity building for the the promotion of agricultural sector as the Economic drive of the Municipality.

LED UNIT coordinate Farmers Association meetings, trainings, workshops empowering Farmers in Agric business. Identify potential agricultural land to produce, identify relevant co-operatives and farmers who are farming around AbaQulusi Municipality develop Business Plans. Three meetings had been conducted with farmers in different commodities organizing farmers to participate in Agric Business producing for Agric Park. The meeting was on the AUGUST 2015 , February 2016 and May 2016.

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### **TOURISM**

TOURISM is the activities of people travelling to and staying in places outside their usual environment for leisure, businesses or other purposes.

AbaQulusi's main tourism potential lies in its relatively well-developed infrastructure, close links with the Battlefields Route, its conference potential, eco-tourism and outdoor adventure

events. Major tourism products found in close proximity to AbaQulusi area includes the following:

- The Ithala Game Reserve (30 000 ha in extent) is located just outside the Municipal area north of Louwsburg. It offers wildlife, scenery and accommodation, which include up market tourist facilities in a 240-bed camp with four bush camps of 4 – 12 beds each.
- The Ngome Forests include the Thendeka Wilderness area, which is claimed by locals to be ‘more spectacular than Tsitsikamma’ on the Eastern Cape Coastline. This area alone is host to 84 indigenous fern species and offers camping facilities and various trails of between 7 and 21 kilometres. Local farms in the area also include areas of magnificent natural beauty. Some farmers are considering developing eco-tourism accommodation on their farms, but a major constraint is the terrible road conditions particularly during wet seasons.
- Private game farms are attracting a growing number of tourists – presently 20% internationally and 80% nationally. The marketing of farms often occurs through urban-based agents and increasingly targets the international tourist wanting to hunt African game and game farming is regarded as an ‘export commodity’ within the district. Accommodation on private game farms includes bush camps and up-market chalets. The relatively low labour intensity required for game farming compared to agricultural production is regarded as an advantage to farmers feeling the effects of the new Land and Labour Legislation.

Cultural tourism includes exposing tourists to local customs, traditions, heritage, history and way of life. The development of the battlefields and so-called Rainbow Route in the late 80’s and early 90’s placed the area on the tourist map. Unfortunately, visitors tend to stay only for a few nights. There is a need to develop the concept of a destination that will encourage longer stays. One of them is the development of tourism signage and tourism route in order to put AbaQulusi on the Provincial map. Opportunities through the provision of backpacking accommodation and links to surrounding areas such as coastal initiatives and game reserves should be explored. The following opportunities in the tourism sector were identified in the Regeneration Study 2001:

- Living mine museum;
- Cultural village;
- Avi-tourism;
- Thaka-Zulu Game Reserve;
- Coal Train Tourist Trips;
- Ntendeka Wilderness Area.
- King DiniZulu at Coronation
- Princes Mkabayi Grave and
- Prince Imperial Louis Napoleon

### **Support for tourism sector in Abaqulusi**

Tourism at abaqulusi municipality is composed of

- Accommodations Establishment
- Battlefield
- Arts and Culture

There is a tourism association which meets monthly. The aim of Tourism association is to promote the Battlefields Region as a tourism development project to the benefit of everyone living in the region, create awareness, tourism education and tourism development. The Battlefields workshop has been done at Talana Museum.

### **Projects**

- Brochures distributions
- Education to schools
- Vryheid tourism AGM
- Road safety
- Mayfair

### **Tourism Budget**

Grant funding from ZDM was not approved, No budget from Local Municipality

### **Market Tourism Within Abaqulusi**

Hosting and participating in tourism events. Distribution of the Vryheid tourism brochures. Educational Tours throughout the AbaQulusi Municipality and surrounding areas. Participation of the Municipality at May fair to market the Municipality to the Investors. Conduct Road Safety and Tourism awareness campaign

### **Review Tourism Plan**

Set up tourism committee, tourism plan allows people to comment. Conduct tourism marketing campaigns annually.

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## **MANUFACTURING**

Over 80% of manufacturing in the Zululand Region takes place in Vryheid. However, this sector has a low impact on the local economy. It has developed mainly as a service industry for local needs and not as an exporter of goods. There is a need to develop manufacturing capabilities around the benefaction of primary products. Manufacturing in the Municipal area includes food and beverages, clothing and textiles, leather products, paper and paper products, printing and publishing, metal products, machinery and equipment. Some Agri-processing manufacturing has been proposed in the Economic Regeneration Study and include:

- Oil extraction plant to cold press a combination of seed types;
- Animal feeds factory;
- Organic vegetable packing and freezing plant;

- Maize mill;
- Tannin extraction plant;
- Leather tannery;
- Meat processing unit;
- Furniture production;
- Wrought iron, basket and weaving;
- Traditional craft centre;
- Leatherwork centre; and
- Eco-block manufacturing

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## MINING

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

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

The effects of the closure of the mines can still be seen today, with many hostels (former mining housing) and developments within these areas left to deteriorate resulting in high levels of poverty and additional pressure on the municipality to provide services. The Abaqulusi Local Economic Development unit will however embark on a study to try and revitalise former mining towns/settlements considering the fact the President, Mr Jacob Zuma did prioritise current and former mining towns in his State of the Nation Address. It must be also noted that not all mines within the region have shut down, as there are a few that are operating on a very small scale.

### **Mining Sector Support**

To implement the regeneration Strategy for mining town and supporting economic development growth and building partnership

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## INFORMAL ECONOMY

Informal Traders are composed of

- Survivalist –street markets

- Operating in the informal sector of the economy
- Wont employ others in the running of the business
- Income generation is below the poverty
- No training

Developing informal traders is aiming at empowering them to play a role in the Local economic growth. Co ordinate meetings with Informal Traders establishing their structures like Informal Economy Chamber which is the wing which is accepting all the requirements and needs to the right channels. The Chamber meets quarterly. To co ordinate the tariffs that is being imposed to the informal traders for trading licenses and rental fees as the investment for the Municipality towards the upgrade of the facilities and sustainability of the operations of the facilities. As from January 2016 Informal traders has been registered to the database preparing them to be allocated to their space of operation. The painting of spaces started on the in May 2016 and all the traders will be given permits which will cost R25 and will be renewed yearly. that's give them authority to run their businesses in the places allocated to them by the Municipality. There are by-laws which have been approved by Council to guide their operations, the informal Economy Chamber meet quarterly. Three trainings had been conducted for the Informal traders to assist them to run their businesses. Three trainings had been conducted for the SMMEs and one Business Seminar where different Government Department and NGO were giving Presentations to empower the SMMEs. The Municipality had funded these workshops, trainings and Seminar from LED budget.

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## COMMERCIAL SECTOR

Developing concept, securing stakeholder support and looking for funding to undertake a detailed feasibility designs, identify catalytic projects and develop Business Plan and investigating the appropriate management Model. Presentations of the identified catalic projects has been done on the February 2016 to different stakeholders requiring for the funding and also on the 16<sup>th</sup> and 17<sup>th</sup> of March 2017 to the Department of Trade and Industry. In July 2016 the advert requiring for the specialist to Review the LED Strategy had been tabled.

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## BUSINESS LICENCING

The constitution of South Africa section 22 addresses the freedom of trade and profession, and states that every Citizen has a right to choose trade, occupation, profession freely. The practice of trade occupation may be regulated by law. The Municipality has to ensure to an environment that has no harmful to the health or wellbeing, to prevent pollution and ecological degradation, promote conservation and secure ecologically sustainable development and use of natural resources while justifiable economic and social development Business Act 71 of 1991 has been enacted to regulate and control the carrying on of business and business premises with the purpose of safeguarding the safety and health of the public. 40

application of business license had been done and 26 business licenses had been issued this year 2015/2016.

#### CHALLENGES OF THE LED UNIT

The major challenge of this sector is that it is short staffed. More Human Resource is required as the Economic Development has only one person performing duties and also one doing Tourism there is one person focusing only in Vryheid other sides like Louwsburg and Mondlo areas are neglected. LED Unit lack of resources needed to function effectively and make meaningful contribution in the LED Programmes of the Municipality Organizationally, HR and Financial resources are the biggest challenges

### COMPONENT D: COMMUNITY & SOCIAL SERVICES

#### 3.15 CEMETERIES

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

The Abaqulusi Municipality currently has 6 cemeteries, located in Vryheid, Hlobane, Coronation, Mondlo, Louwsburg and Nkongolwane. However, according to municipal statistics, some of these cemeteries have now reached their life-span and have run out of space while the others are also in danger of reaching their life-span and is fast becoming a top priority for the municipality. The municipality is constantly working on establishing new sites for cemeteries and exploring the opportunities of expanding the current existing cemeteries. Poor maintenance and budget constraints have also hindered and compounded to the issues surrounding the cemeteries. According to the Zululand District Cemetery Plan, the status of cemeteries within Abaqulusi is as follows:

- Vryheid Cemetery: The potential extension of the existing cemetery to the south should be investigated, or a new site will be identified. An area of about 6 ha would be required up to 2020.
- Bhekuzulu Cemetery: The existing cemetery is full and a new cemetery site has been identified to the Northeast of the existing cemetery, between the bypass road and the railway line. The new site has an approximate area of about 10 ha which should be sufficient for about 15 years. A further 5 ha would be required up to 2020 (refer graphs below). The municipality reported that trial pits in the new site indicated a perched water table and the extent of the water table must be investigated.
- Emondlo Cemetery: The original cemetery is full and has been extended into the open veld surrounding the cemetery. The municipality has acquired the new 27 hectares for extension and planning principles are essential for the cemetery to be registered. The



obtainable land suggests that the lifespan of this cemetery will reach 2020 and beyond considering the current death rate

- Louwsburg: The existing cemetery has an estimated lifespan of more than 10 years. The potential extension of the cemetery to the east or west should be investigated. An area of 1 ha should be sufficient up to 2020.
- Nkongolwane: The existing cemetery has an estimated lifespan of approximately 5 years, with extension possibilities to the south and southwest.
- Coronation: The cemetery at the Coronation mine has space available for approximately 3 000 graves, and a life expectancy greater than 10 years. Potential for expansion exists to the east of the existing cemetery.
- Gluckstadt: The cemetery is situated behind the Lutheran Church in Gluckstadt and has space for approximately 500 graves. The life expectancy of this cemetery is in excess of 5 years. The cemetery can be extended to the north, east and south.
- Hlahlindlela: A total area of about 75 ha will be required for the development of cemeteries up to 2020 in this tribal area. The cemeteries should be positioned, taking in consideration the development nodes as identified in the IDP in consultation with the traditional leaders.
- Khambi: The land area required for the development of cemeteries in Khambi and Khambi extension up to 2020 is 3, 5 ha and 2, 5 ha respectively. The cemeteries should be positioned, taking into consideration the development nodes as identified in the ZDM IDP in consultation with the traditional leaders.
- A need for a new sub-regional cemetery has been identified, and a search for appropriate land has been initiated. Other critical issues in respect of cemeteries include the following:
  - Need to investigate feasibility of cremation and recycling of graves taking into account religious and cultural differences.
  - All existing cemeteries need fencing.
  - Need to provide water and sanitation in all cemeteries.

#### Measures taken to improve performance

Electronic register

#### Crematoriums

No crematorium facility

#### Challenges

- Shortage of staff
- Limited resources

#### Service delivery priorities

To draft a cemetery maintenance plan – positive impact: the plan has been drafted and sent Environmental affairs for review.

### **3.16 HALLS AND PARKS**

Due to the large geographic extent of the Abaqulusi municipal jurisdiction, and the spread of its people over 22 wards, the municipality is constantly trying to ensure that its people have access to community halls and parks. These facilities are considered to be very important in order assist communities in promoting social development. The community halls and parks serve the people of Abaqulusi for various reasons, including weddings, funerals, war rooms, place for prayer, etc. The following 10 municipal community halls and 14 parks exist within the Abaqulusi Municipality:

Table 29 Municipal Community Halls

Name	Location
1. Library hall	Vryheid
2. King Zwelithini hall	Bhekuzulu Location
3. Lakeside hall	Lakeside
4. Cecil Emmett hall	Vryheid CBD
5. Ntinginono hall	
6. eMondlo hall	Section A Mondlo
7. Coronation hall	Coronation
8. Hlobane hall	Hlobane
9. Mzamo hall	Louwsburg
10. Nkongolwane hall	

Table 30 Municipal Parks and Open Spaces

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

## **COMPONENT E: ENVIRONMENTAL PROTECTION**

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

## **COMPONENT F: HEALTH**

### **3.17 CLINICS**

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

The HIV/AIDS pandemic is major concern in all municipalities around the country. In order to reduce the levels of HIV/AIDS in the Abaqulusi region, the Municipality has set-up a fully functional Local AIDS Council, which are well represented by various stakeholders. The OSS Task Team Members also play a very active role in ensuring that the fight is won at local levels under the collaborative strategies like establishing War-rooms at Ward levels. Not all Wards have War-rooms, but it is hoped that in the year 2015/16 more War-rooms would be established.

## **COMPONENT G: SECURITY AND SAFETY**

Public Safety and Security Section is part Community Services Department. This Section consists of the following functions, Traffic Management and Bylaws, Licensing (DLTC, VTS and Motor Licensing), Fire and Disaster, Crime Prevention and Security. These functions are regulated by the Department of Transport through Service Level Agreement, National Road Traffic Act 93 of 1996, Fire and Disaster Management Act 57 of 2002, SAPS Act 68 of 1995, including the Criminal Procedure Act 51 of 1977.

### **3.18 POLICE**

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

- Vryheid
- eMondlo
- Gluckstadt
- Louwsburg

- Driefontein
- Ngome

The need to improve police visibility and strengthen community based policing initiatives was identified in the Representative Forum meeting as one of the key issues that requires immediate attention. Although statistical information pertaining to the crime rate within the area could not be obtained, it is certain that crime is a major concern within the area. However, there is a fully functional neighbourhood watch that operates in the Vryheid Area as well as Community Policing Forums that take place in various wards in order to combat crime.

The Abqulusi Traffic management unit which forms part of the Community Services Directorate is also responsible for traffic law enforcement, including road blocks, speed control, attending to road accidents and testing and licensing. Its additional functions include enforcement of by-laws, crime prevention, and participation in Community Policing Forums (CPF). It also assists in disaster management, however, the operations of this unit are limited by the shortage of both financial and human resources.

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## CRIME PREVENTION

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

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## SECURITY

The co-function of security services is to provide proper security for all Municipal buildings, equipment, staff and consumers to reduce theft and risks. The Municipal had appointed two service providers (ADM Security Group and Sharks Protection Services). These service providers were expected to provide complete security solutions to the Municipality.

### Challenges

- Poor monitoring of security (systems)
- Inexperienced security officials and management

### Remedial actions

- Due to the vast area of Abaqulusi Municipality, a security structure to be put on to the organogram
- To continue regular meetings with Service Providers

### Conclusion

Public Safety Section mentioned above has important functions which are regulated to provide professional and effective services to its community at large. As many institutions have learned, it is impossible to prevent all threats from occurring in a dynamic environment with a diverse population within Abaqulusi Area. By quickly identifying behavioural and threats issues, it will diminish threats before it happens.

### **3.18 FIRE AND DISASTER MANAGEMENT**

The co-function of this unit is to establish and maintain disaster management capacity and to implement effective risks reduction activities, prepare for and respond to disasters and co-ordinate disaster recovery and to provide a fire brigade function.

The dominant vegetation type in the municipality is grassland. The grassland consists of tall grass species predominantly *Hyparrhenia hirta* and other species of *Hyparrhenia* in lesser prevalence. Woody vegetation is found on dolerite hill sides where the dominant tree species are *Acacia caffra*, and *Acacia kerroo* mainly along the water courses. As such, the area is prone to veld fires, flooding and drought.

Grassland is probably the primary fuel base of most bushfires. Although bushfires could occur anywhere, areas with dense grassy vegetation are likely to be more susceptible to bushfires, and the intensity of such fires is more likely to be greater than fires in areas of other vegetation types. It is also note-worthy that the denser the grass and the taller it is, the higher the potential/latent energy of the grass and therefore the more hazardous the bushfire will be if started. In the Abaqulusi Municipality where the dominant vegetation is 'Tall Grassland' the potential for bushfires to be attaining disastrous proportions is very high.

The secondary agent (but which is the principal factor) of the hazardous effect of bush fires is forests. When fires start in grassland their intensity is lower and the control of such fires is easier. However, when grassland fires occur in forest areas (especially plantation), such fires rapidly assume highly uncontrollable magnitudes with severe environmental consequences. The relevance of this issue to the Abaqulusi Municipality is that there is large-scale forestry activity in the municipality as well as some extensive areas of indigenous forests. The occurrence of timber plantations in association with the tall grass land vegetation supplies sufficient biomass for the disastrous bushfires. The issue of a high potential for Abaqulusi to be a fire prone municipality becomes even more significant considering the fact that climatic conditions favours the development and spread of uncontrollable bush fires.

At present, the municipality is not well-equipped to deal with disasters such a fire, floods, etc. Existing equipment is old and inadequate for the purpose. Staff is also insufficient and requires training on a range of disaster related functions. Traffic officers end-up dealing with disaster management without any formal and proper training on this field. Additional

personnel are required to undertake inspections, monitor accidents and man customer service centre. There is no well-established disaster management centre within AbaQulusi. The call centre is outsourced and has limited functions.

AbaQulusi Municipality Fire extinguishing services are rendered in the Vryheid and Bhekuzulu areas only, due to limited availability of water and fire engines. Other emergency services are provided to the remainder of the area, but only one rescue vehicle is available. In short, there is a need for the municipality to develop a Disaster Management Plan and establish as Disaster Management Centre.

### 3.19 OTERS

#### TRAFFIC MANAGEMENT AND BYLAWS

This is the key branch that concerns planning, control and monitoring with co-ordinated strategic planning, regulation, facilitation and Law Enforcement in respect of road traffic matters to reduce traffic conflicts and fatalities. Logistics plays an important role with important equipment such as cameras, alcohol testing system and Traffic Officers equipment. Local Contravention System and eNatis meeting regularly with all stakeholders such as RTI, SAPS and Courts.

#### Staff compliments

Public Safety has a staff compliment of 18 Traffic Officers, 5 Traffic Wardens and 2 Data Processing Officials.

#### SDBIP 2015/2016 TARGETS

Six (6) of eight (8) targets regarding revenue was achieved. Target of R1.7 million of revenue to be collected was not achieved.

#### Challenges

- Shortage of Examiners - Driving Licences and Vehicle Testing Grade A. Presently Traffic Officers with qualifications are assisting
- Office space
- Re-instatement of the VTS
- Data Processing Supervisor

#### Remedial actions

- Approved organogram to be reviewed
- To appoint examiners
- To budget for an independent Public Safety building
- To complete Service Level Agreement required for VTS re-instatement

## DRIVING LICENCE TESTING CENTRE, VEHICLE TESTING STATION AND MOTOR LICENSING BUREAU

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

### MOTOR LICENSING BUREAU (MLB)

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

#### Challenges

- Management staff capacity (no Supervisor, no Senior Clerk), this section is run by the Acting Supervisor only which hampers proper monitoring
- Damage to building by termite invasion

#### Remedial actions

- Implementation of the approved organogram
- Renovation of the building

## COMPONENT H: SPORT AND RECREATION

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

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

1. Sports and Recreation
2. Arts and culture
3. Historical, Heritage & Museum Services
4. Educational Programmes and Library Services
5. Thusong centres (Community Service Centre)

### 3.20 SPORTS AND RECREATION:

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

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

All programmes and projects for sports and recreation are implemented in joint venture with KZN department of sports and recreation (KZN DSR), Zululand District Municipality and Abaqulusi Municipality Sport Council. The provision of recreational facilities is sheltered by the availability of sport fields, sport stadiums and community halls. Parks and halls are managed by the Municipality and they are available for hire to the community.

#### Challenges:

Vandalism of halls by irresponsible citizens

Very low tariffs affect revenue generation, thus hinder developments within our facilities

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#### ARTS AND CULTURE

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

1. Umbele wethu local competition
2. Umbele wethu district competition
3. Operation siyaya Emhlangeni
4. Umkhosi Womhlanga ( Reed Dance)

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#### MUSEUM SERVICES

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

The main role of the museum is to promote and advance awareness about the character and the importance of the museum in social development of the community of Abaqulusi. Lucas



Meijer museum manages collections of artefacts or works of art. This includes dealing with the acquisition, care and display of items with the aim of informing and educating the public. It's essential for museums, galleries, heritage and tourism attractions to develop collaborative relationships, share collections and disseminate information with the aim to construct innovative and creative exhibitions that appeal to a wide cross-section of the general public. Developmental programmes and projects implemented by the museum are as follows:

1. Exhibition – daily visit by tourist, researchers and scholars.
2. History lessons / sessions
3. Donation of historical precious items
4. Research- Local history
5. Lucas Meijer Museum Day Celebration – 14 June 2016

#### Challenges:

Lucas Meijer museum still needs a transformation in order to incorporate the history of the Nguni linguistic groups. Abaqulusi municipality museum service endures the challenge of the extension and expansion in other clusters since the museum serves as the educational facility, it needs to be easily accessible by everyone.

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#### LIBRARY SERVICES

AbaQulusi Municipality is enriched with three operational libraries based at Vryheid town, emondlo and eBhekuzulu. The libraries serve as the core- centre of empowerment and educational venture for adults, youth and children. The current membership and circulation indicates the importance and the role played by the library services within the community. Developmental programmes offered by the libraries are:

1. Training of patrons- computer literacy
2. Access to internet
3. SLIMS programme
4. Study & information surfing
5. Promotion of writing and reading sessions

Abaqulusi municipality endure the challenge of the extension and expansion of library services in other clusters.

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#### THUSONG CENTRE (COMMUNITY SERVICE CENTRES)

AbaQulusi Municipality has two operational centres based in ward 5 (Mnyathi area) and in ward 18 (Emondlo).

The community service centres serve as the enclave socio-economic centre for the community with the benefits of having full access to the following services.

Siyafunda programme

- Mthintle communications services
- Internet café
- One centre- one garden project
- SASSA operational office
- Department of Home Affairs operational office
- Department of labour operational office

One major challenge is that the capacity of the community service centres is inadequate to meet the all the needs of the community within Abaqulusi Municipality.

## COMPONENT I: MISCELLANEOUS

## COMPONENT J: CORPORATE POLICY OFFICES AND OTHER SERVICES

### **Departments**

The Municipality has the following four administrative departments namely the Office of the Municipal Manager, Social and Economic Services, Technical Services and the Financial Services.

### **Administration**

The administration of the municipality is headed by the Municipal Manager. The municipality has four administrative departments; each being headed by a Director.

### **Office of the Municipal Manager**

The Office of the Municipal Manager is responsible for the Internal Audit as well as the IDP/PMS/ and Communication.

### **Social and Economic Services**

Responsibilities for this department include Community Facilities, Library, Thusong Centres Management, Museum, Tourism, Local Economic Development, Traffic/ Law Enforcement and Town Planning.

### **Technical Services**

This department is responsible for the implementation of all MIG projects (Housing/Roads/ etc), community services which includes Waste/Landfilled sites, Parks/Cemeteries, Pounding as well as Building Infrastructure.

### **Financial Services (Treasury)**

The primarily responsible for ensuring transparency, accountability and sound financial management. This means ensuring that:- all statutory requirements are adhered to monthly management reports, National Treasury in-year monitoring reports and annual financial statements are prepared and submitted on time, financial resources are effectively and efficiently utilised, and there is efficient implementation of the Supply Chain Management Policy.

### **Corporate Services**

Derives its mandate from Council's key development objective (institutional development). It is largely an internally focused department with its primary objective on employee recruitment, skills development and enhanced administrative systems. It is the responsibility of this department to ensure that the Municipality addresses human resources related issues and to amplify technological applications within the municipality. Records Management, Receptionist, Committee/ Secretary, Messenger, Cleaning of the municipal buildings, Information Technology and legal.

## **COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD**

### **2015/2016 INTEGRATED DEVELOPMENT PLAN REVIEW (IDP)**

According to Chapter 5 of the Municipal Structures Act 2000, Act No. 32 of 2000, all municipalities must prepare and review their IDP's on an annual basis.

The Abaqulusi local municipality's 2015/2016 IDP Review was tabled for adoption on 28 May 2015 before full Council. This IDP was adopted and served as the blueprint document in guiding development, budgeting and management decisions within the municipality.

Section D of the 2015/2016 IDP represented the Strategic Plan of the municipality and clearly identified what the municipality's vision and goals were for the 2015/2016 financial year. This section provided the basis as to what the municipality wanted to achieve, how it was going to achieve it and who was responsible for undertaking such a task.

Further to this, a municipal scorecard (Section I: Performance Management) was then developed once all objectives and strategies were identified, which indicated in detail the actual projects and their cost implications for that financial year. This scorecard was the primary tool used to monitor and report on the performance of the municipality.

### **2015/2016 BUDGET**

According to the Municipal Finance Management Act 2003, Act No. 53 of 2003, all municipalities must prepare an annual budget whilst reviewing the Municipal IDP.

The Abaqulusi Local Municipality's 2015/2016 - 2017/2018 Medium Term Revenue and Expenditure Framework (MTREF) was tabled and adopted before full Council with the Municipal IDP on 28 May 2015.

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#### 2015/2016 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP)

According to Circular 13 of the Municipal Finance Management Act 2003, Act No. 53 of 2003, the Municipal SDBIP is a contract that exists between the Administration and Council of a Municipality, and between the Council and its community it serves.

The plan basically holds administration accountable for its performance for that given year considering it serves as a 1 year implementation plan.

The SDBIP of a municipality must be approved by the Mayor of a municipality within 28 days after the adoption of the municipal IDP and Budget. The Abaqulusi Local Municipality's SDBIP was signed off and approved by the Mayor on 26 June 2015.

The SDBIP and Budget adjustment was completed in February 2016 and was tabled and approved in Council on 25 February 2016.

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#### 2015/2016 MUNICIPAL SCORECARD

The Abaqulusi Municipality's 2015/2016 was the primary tool utilised for implementing the performance management system within the municipality for that year. The scorecard highlighted all 6 Key Performance Areas and covered all departments within the municipality in terms of their actual performance against the targets set for the entire 2015/2016 financial year as shown below.

The scorecard below is in order of the following Key Performance Area:

Reference	Key Performance Area
	Good Governance and Community Participation
	LED and Social Development
	Basic Service Delivery
	Cross Cutting
	Municipal Transformation
	Financial Viability

## ANNUAL PERFORMANCE SCORECARD REPORT FOR THE CURRENT YEAR

IDP REF	NATIONAL KPA	STRATEGIC OBJECTIVE	STRATEGIC FOCUS AREA	PROJECT	WARD	BASELINE	ANNUAL KPI: OUTPUT	UNIT OF MEASURE	ANNUAL TARGET	ACTUAL	TARGET MET /TARGET NOT ACHIEVED	REASON (IF TARGET NOT ACHIEVED)
OMM1	GOOD GOVERNANCE AND COMMUNITY PARTICIPATION	Eradicate fraud and corruption by June 2017	Fraud & corruption	Fraud and corruption policy	-	Adopted In 2014	Adopted Fraud & Corruption Policy by 31/12/2015	Date	31/12/2015	29/10/2015	Target Met	None
OMM2		Improve Communications between Abaqulusi municipality and its stakeholders by June 2017	Communication and relationship building	Communication strategy	-	Draft in Place	Adopted Communication Strategy by 30 September 2015	Date	30/9/15	Draft Communication Strategy in Place	Target Not achieved	Securing a date to workshop C Strategy posed a challenge
OMM3		Improve current customer satisfaction by June 2017	Customer care and satisfaction	Customer care services centre	-	No Customer Service Centre	Development of a customer service centre by deadline: 30/6/16	Date	30/6/16	none	Target not achieved	Budget constraints posed a challenge a customer care centre
OMM4		Promote integrated development planning by June 2017	Integrated development planning	IDP process plan	-	31/8/14 Previous Process Plan	Adoption of IDP process plan by 31/08/2015	Date	31/8/15	27/08/2015	Target Met	None
OMM5		Integrated development plan		Integrated development plan	-	31/5/14 Previous IDP Adopted	Review and adoption of IDP by 31/5/16	Date	31/5/16	26/05/2016	Target Met	None
OMM6		To be a municipality that primarily focuses on the basics when rendering services	Back to basics	National back to basics programme	-	Non Existent	Regular reporting on the status of the municipality	Number	12	12	Target Met	None

IDP REF	NATIONAL KPA	STRATEGIC OBJECTIVE	STRATEGIC FOCUS AREA	PROJECT	WARD	BASELINE	ANNUAL KPI: OUTPUT	UNIT OF MEASURE	ANNUAL TARGET	ACTUAL	TARGET MET /TARGET NOT ACHIEVED	REASON (IF TARGET NOT ACHIEVED)
							to national COGTA					
OMM7				Provincial back to basics programme	-	Non Existent	Regular reporting on the status of the municipality to provincial COGTA	Number	4	4	Target Met	None
OMM8		To ensure effective monitoring and evaluation of service delivery	PMS	Annual performance report	-	31/8/14	Tabled annual performance report by 31/8/15	Date	31/8/15	27/08/2015	Target Met	None
OMM9				Quarterly Reviews	-		Number of quarterly reviews conducted	Number	4	2	Target Not Achieved	4 Reports were submitted however could not provide a date for the other 2 reviews to take place
OMM10				Half year performance report		25/1/15	Tabled half year report to council by 25/1/16	Date	25/1/2016	02/02/2016	Target Not Achieved	Item was originally tabled for Council in 2016, however Council was then postponed due to labour related issues. Item then tabled on 02/02/2016
OMM11		Provide assurance on effectiveness of governance, risk management and internal control	Internal audit	Annual internal audit plan	-		Implementation of annual internal audit plan	Number of Monthly reports	12	12	Target Met	None
OMM12		To ensure the effectiveness of Audit Committee	Audit Committee	Audit Committee meetings	-	3	Number of Audit Committee meetings held	Number	4	4	Target Met	None

IDP REF	NATIONAL KPA	STRATEGIC OBJECTIVE	STRATEGIC FOCUS AREA	PROJECT	WARD	BASELINE	ANNUAL KPI: OUTPUT	UNIT OF MEASURE	ANNUAL TARGET	ACTUAL	TARGET MET /TARGET NOT ACHIEVED	REASON (IF TARGET NOT ACHIEVED)
OMM13		Improve the effectiveness of risk management within the institution	Risk Management Committee	Risk management meetings	-	0	Number of risk management meetings held.	Number	4	0	Target Not Achieved	Non- functionality of Risk management

IDP REF	NATIONAL KPA	STRATEGIC OBJECTIVE	STRATEGIC FOCUS AREA	PROJECT	WARD	BASELINE	ANNUAL KPI: OUTPUT	UNIT OF MEASURE	ANNUAL TARGET	ACTUAL	TARGET MET /TARGET NOT ACHIEVED	REASON (IF TARGET NOT ACHIEVED)
DP3	LOCAL ECONOMIC & SOCIAL DEVELOPMENT	To increase employment opportunities in the municipality by June 2017	Job Creation	Providing support to local SMME's	All	0 SMME's Workshops Coordinated	Number of SMME's workshops coordinated	Number (accumulative)	3	3	Target Met	None
DP4		Unleashing agricultural potential by June 2017	Natural Resources	Providing support for local farmers	All	0 Agricultural Forum Meetings Held	Number of agricultural forum meetings held	Number (accumulative)	2	2	Target Met	None
DP5		To promote sustainability & ensure protection of municipal natural resources and heritage sites by June 2017	Natural resources	Rehabilitating heritage sites	All	0 Heritage Sites Rehabilitated	Number of heritage sites rehabilitated	Number	1	0	Target Not Achieved	No heritage sites rehabilitated due to constraints
DP6		To promote tourism opportunities in the municipality by June 2017	Tourism	Marketing the municipality	-	1 Tourism Event Organised	Tourism event organised by 30/5/16	30/5/16	30/5/16	1	Target Met	None
DP7				Tourism awareness campaigns	-	1 Tourism Awareness Campaign Conducted	Tourism awareness campaigns by 30/12/15	30/12/15	30/12/15	1	Target Met	None
DP8		To ensure functionality of informal traders within Abaqulusi by June 2017	Informal Economy	Capacity building for informal traders	All	0 Informal Traders Trainings Conducted	Number of informal traders' trainings conducted	Number (accumulative)	4	2	Target Not Achieved	No trainings had been conducted in quarters



IDP REF	NATIONAL KPA	STRATEGIC OBJECTIVE	STRATEGIC FOCUS AREA	PROJECT	WARD	BASELINE	ANNUAL KPI: OUTPUT	UNIT OF MEASURE	ANNUAL TARGET	ACTUAL	TARGET MET /TARGET NOT ACHIEVED	REASON (IF TARGET NOT ACHIEVED)
DP9				Informal traders stalls site demarcation in Vryheid town	8	0 Informal Traders Stalls Demarcated	Number of informal traders stall demarcated	Number	100	80	Target Not Achieved	Demarcations has been completed awaiting painting
DP10		To alleviate poverty levels in all municipal wards by June 2017	Poverty Alleviation	Ward Support for Poverty Alleviation	All	22 Wards	Number of wards supported with poverty alleviation projects	Number	22	22	Target Met	None
DP11		To promote youth, elderly, women and disabled development by June 2017	Special Groups	Special Group Programme	All	0 Events Organised For Youth, Elderly, Women And Disabled	Number of youth, elderly, women and disabled events conducted	Number (accumulative)	3	1	Target Not Achieved	1 Disability Awareness Function held in 2015, but no others were planned for 2016 due to budget cuts.
DP12		To reduce the impact of HIV/aids by June 2017	HIV/aids	HIV/aids awareness campaign	All	0 HIV/Aids Awareness Campaigns organised	Number of HIV/aids awareness campaign organised	Number (accumulative)	2	1	Target Not Achieved	Financial constraints

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COM12		To provide a fully functional public safety unit in Abaqulusi by June 2017	Law enforcement	Roadblocks		100	120 roadblocks	Number	120	254	Target Met	None
COM13				Enforcement compliance by road users	All	2000	2400 section 56 and 341 notices issued	Number	2400	Sec 341 and 56 <b>7305</b> to the value of R7 178 130	Target Met	None
COM14			Revenue	Traffic fine revenue	-	R888,034	R1.7m Revenue collected through traffic enforcement	R value	R1 700 000	<b>R942 630.00</b> with a shortfall of <b>R 757 370.00</b>	Target Not Achieved	Lack of equipment (Traf M Camera, Robot Cameras)
COM15				Motor licence and driver licence revenue	-	R2 085 528	Revenue collected through motor and driver licence	R value	R2 221 800	R 2 241 558.95	Target Met	None
COM16				To purchase laser portable	-	1 Camera In Existence	Purchased laser camera by 30/9/15	Date	30/09/15		Target Not Achieved	Budget Constraints

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				camera						None		
COM17		Enhancing safety and security by June 2017	Safety security and	Supporting the Community policing forum	-	Currently Active	12 meetings attended	Numbers	12 Meetings	12 Meetings	Target Met	None
COM18				Safety Campaigns	-	No Programme In Place	4 safety campaigns conducted	Numbers	4 Campaign	4 Safety campaigns was done	Target Met	None
COM19		To promote sports development by June 2017	Sports	Management of sports facilities	8	Swimming Pool Closed	Re-opening of the swimming pool by deadline: 30/9/15	Date	30/09/15	None	Target Not Achieved	Insufficient budget for the swimming pool to be repaired
COM20							48 chemical treatment of the pool	Number	48	0	Target Not Achieved	The facility/ swimming pool not repaired
COM21					8	Existing Cecil Emmet Sports Grounds	Upgraded Cecil Emmet sports grounds by deadline: 30/6/16	Date	30/06/16	None	Target Not Achieved	Delay in appointment of Contractor
COM22		To promote arts & culture within Abaqulusi by June 2017	Arts and culture	Arts and culture Committee	All	No Existing Committee	Established Committee by deadline: 31/3/16	Date	31/03/16	01/09/2015	Target Met	None
COM23				Facilitate arts and culture	All	Annual Events	Number of annual events	Number	9	9	Target Met	None

IDP REF	NATIONAL KPA	STRATEGIC OBJECTIVE	STRATEGIC FOCUS AREA	PROJECT	WARD	BASELINE	ANNUAL KPI: OUTPUT	UNIT OF MEASURE	ANNUAL TARGET	ACTUAL	TARGET MET /TARGET NOT ACHIEVED	REASON (IF TARGET NOT ACHIEVED)
				events								

IDP REF	NATIONAL KPA	STRATEGIC OBJECTIVE	STRATEGIC FOCUS AREA	PROJECT	WARD	BASELINE	ANNUAL KPI: OUTPUT	UNIT OF MEASURE	ANNUAL TARGET	ACTUAL	TARGET MET /TARGET NOT ACHIEVED	REASON (IF TARGET NOT ACHIEVED)
TECH1	SERVICE DELIVERY & BASIC INFRASTRUCTURE DEVELOPMENT	To provide easy access and safe roads to the people of Abaqulusi by June 2017	New Roads Gravel	Alpha Gravel road	6	0	km of new roads gravelled	Km	2.5km	3.2km	Target Met	n/a
							% of construction	%	100%	100%	Target Met	n/a
							Expenditure	R/c	R5.5m	R5.2m	Target Met	Savings
TECH2				MJ Mbuli	14	0	km of new roads gravelled	km	2.5km	2.5km	Target Met	n/a
							% of construction	%	100%	100%	Target Met	n/a
							Expenditure in R value	R/c	R2.8 mil	R2.1m	Target Met	Retention outstanding

IDP REF	NATIONAL KPA	STRATEGIC OBJECTIVE	STRATEGIC FOCUS AREA	PROJECT	WARD	BASELINE	ANNUAL KPI: OUTPUT	UNIT OF MEASURE	ANNUAL TARGET	ACTUAL	TARGET MET /TARGET NOT ACHIEVED	REASON (IF TARGET NOT ACHIEVED)
TECH3				St Paul Gravel Road	15	0	km of new roads gravelled	km	5.5km	5.7kn	Target Met	n/a
							100% of construction completed	%	100%	100%	Target Met	n/a
							Expenditure in R Value	R/c	R 6.5 mil	R7.35m	Target Met	n/a
TECH4			New Roads Gravel	Jimani Gravel Road	12	0	km of new roads gravelled	km	7 km	8km	Target Met	n/a
							% of construction	%	100%	98%	Target Not Achieved	Contractor cash-flow challenge
							Expenditure	R/c	R9.4 m	R8.5m	Target Not Achieved	Contractor cash-flow challenge

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TECH5			New Roads Gravel	Ntabankulu Gravel road	5	0	km of new roads gravelled	km	2.5km	2.5km	Target Met	n/a
							% of construction	% of construction	100%	100%	Target Met	n/a
							Expenditure	R/c	R4.2 m	R4.2m	Target Met	n/a
TECH6			Construct new paved roads	Lakeside internal road	22	0	km of new roads gravelled	km	1.3km	0.9km	Target Not Achieved	Delays in SCM Process, shortage of m
							% of construction	% of construction	100%	85%	Target Not Achieved	Delays in SCM Process, shortage of m
							R 2.5m Expenditure	R/c	R2.5m	R2.2m	Target Not Achieved	Delays in SCM Process, shortage of m
TECH7			Rehabilitation of roads	Rehabilitate Utrecht	8	0	km of new roads	km	1.18km	1.1km	Target Met	n/a

IDP REF	NATIONAL KPA	STRATEGIC OBJECTIVE	STRATEGIC FOCUS AREA	PROJECT	WARD	BASELINE	ANNUAL KPI: OUTPUT	UNIT OF MEASURE	ANNUAL TARGET	ACTUAL	TARGET MET /TARGET NOT ACHIEVED	REASON (IF TARGET NOT ACHIEVED)
				street			gravelled					
							100% construction completed	% completed	100%	100%	Target Met	n/a
							R5 m Expenditure	Expenditure in R value	R5m	R5m	Target Met	n/a
TECH8			Grading of Roads	Number of km of roads graded	All rural wards	0	1800 km of roads graded	km	1800	4540.46km	Target Met	n/a
TECH9			Re-graveling of roads	Number of km of roads re-gravelled	All rural wards	0	12km of roads re-gravelled	km	12	71.89km	Target Met	n/a
TECH10			Pothole Repairs	Repairing Potholes	168910111322	0	4000m2 of pothole repairs done	m²	4000	26670.79m2	Target Met	n/a
							R2 m Expenditure	R	R2 m expenditure			

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TECH11			Pavement Repairs	Repairing Pavements	1 6 8 9 10 11 13 22	0	100 m2 of pavement/ sidewalks repairs done	m²	100	63.83m2	Target Not Achieved	The concrete team had to assist patching and pipe lying.
							R1 045 000 Expenditure	R/c	R 1 045 000 expenditure	n/a		
TECH12		To have a storm water system that is safe and reliable by June 2017	Storm Water	Storm Water Construction	1 6 8 9 10 11 13 22	0	Number of meters of new storm water drains installed	m	2700	8663.5	Target Met	n/a
							100% of construction	%	100			
							R4.5m Expenditure	R	R4.5 m expenditure			
TECH13			Cleaning of storm water drains	Storm water drains cleaning	1 6 8 9 10	0	600 meters of storm water drains cleaned	meters	600	9128m	Target Met	n/a



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					11 13 22		R750 000 Expenditure	R	R750 000 expenditure			
TECH 14		To deliver safe and reliable water networks within Abaqulusi by June 2017	New Water Line Construction	Detection and repairs to leaking water lines per household by June 2016	18	0	100% of construction	%	100	R 273 392.55 (Professional Fees)	Target Not Achieved	Project did not commence due to social
							R2 m Expenditure	R	2 mil			
TECH15			Construction of new water stations/ jo-jo tanks	Number of water stations constructed	Rural Wards	0	To install 24 5000L Jo Jo tanks in rural areas by June 2016	number of tanks	24 tanks	76	Target Met	n/a
TECH16			Upgrading of Asbestos Pipes	200 meters of asbestos pipes upgraded	1 6 7 8 9 10 11 13 18 22	0	To replace 200 meters of old asbestos pipes in Abaqulusi by June 2016	meters	200	542	Target Met	n/a
							R100 000 Expenditure	R	100 00			

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TECH17			Repairs to water lines	Repairs to burst or leaking water lines	Urban Areas	75%	80% of call log on burst pipes attended to within 48hrs	%	80	100%	Target Met	n/a
TECH18			Replacing water valves	Valve replacement	Urban Areas	0	8 valves replaced	numbers	8	8	Target Met	n/a
TECH19			Fire hydrants repairs	Repairs & maintenance to existing fire hydrants	89	0	24 fire hydrants repaired	number	24	24	Target Met	n/a
TECH20			Water pump repairs	Repairs & maintenance to existing water pumps	Urban Areas	0	12 pumps repaired	number	12	12	Target Met	n/a
TECH21		To have a sanitation system that is reliable and efficient by 2017	Installation of new sewer lines	Emondlo sanitation project	18	0	300 households benefitting	number of households	300	R216 473.30	Target Not Achieved	Project did not commence due to social
							550 meters of new sewer lines	meters	550 meters			

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							R1.5m expenditure on new sewer lines	Expenditure in R value	R1.5m			
TECH22			Draining of sewer tanks	Drainage of old septic tanks in coronation, drainage of raw sewer in pump stations on break downs	Urban Areas	0	80% of complaints received resolved within 24hrs	%	80%	50%	Target Not Achieved	Inadequate documentation often cause
TECH23		To deliver safe and reliable electricity networks within Abaqulusi by June 2017	New electrical connections/installations done	Number of new electrical connection	11	0	1000 households with new electrical installations by June 2016	Number of houses	803	80.03%	Target Not Met	n/a
							100% of construction	%	100			
							Expenditure	R value expenditure	R18 mil			

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TECH24				Installation of electrical meters in Coronation by June 2015	6	0	To install 650 electrical meters	meters installed	650	0%	Target Not Achieved	Tender re advertised for the 3 <sup>rd</sup> appointment done
							100 % construction completed	%	100			
							R1.5m Expenditure	R	R1.5 m			
TECH25				Installation of high mast lighting by June 2015	Various	0	Installation of high mast lights to the total of 10	Number of lights installed	10	100% 15 done	Target Met	n/a
							100 % of construction completed	%	100			
							R2 m Expenditure	R/c	2 m expenditure			

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TECH26			Public lighting repairs	Pole/light repair	8,9 10 11 13 18 20 22	75%	80% of complaints received resolved	%	100 % of pole lights repaired	Total of 883 repaired for the year	Target Met	n/a
TECH27					18		Repairs 6 high mast lighting in Emondlo	Number	6	Total of 4 were repaired	Target Not Met	2 Fittings could not be lowered
TECH28			Electricity Mains	Replacement of bare overhead conductor to aerial bundle conductor	8 9 18	0	10 km of bare overhead conductor replaced	km	10	1.3 km were replaced	Target Not Achieved	Due to continuous strike and major sta planned maintenance could not be ac full Crane truck was assisting the water dis
TECH29			General Infrastructure	Maintenanc e to mini substation	6 7 8 9 10 11 13 18	0	8 mini substation maintained	number	8	Total of 6 mini were done	Target Not Achieved	Due to continuous strike and major sta planned maintenance could not be ac full Crane truck was assisting the water dis

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TECH30			Upgrade transformers	Upgrading of existing transformer infrastructure	6 7 8 9 10 11 13 18	0	24 transformers upgraded	number	24	Total of 19 transformers were done	Target Not Achieved	Due to continuous strike and major planned maintenance could not be achieved full Crane truck was assisting the water dis
TECH31			Major Substations	Maintenance on Major substations	6 7 8 9 10 11 13 18	0	4 major substations repaired	number	4	Total of 4 major substation were done	Target Met	n/a
TECH32			Overhead lines	To repair HT overhead lines	6 7 8 9 10 11 13 18	0	4 kilometres of overhead lines repaired	kms	4	Total of 6.4 km were done	Target Met	n/a
TECH33			Repairs to Robots	Maintain robots	8 9	0	7 robots repaired	number	7	Total of 12 were done	Target Met	n/a
DP 1		To provide sustainable human settlements to the people of Abaqulusi by 2017	Housing	Review housing sector plan	All	August 2012	Reviewed Housing Sector Plan Adopted	Date	30/6/16	None	Target Not Achieved	-All processes were followed by official -Councillors could not agree on House Proposed

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DP 2				Hosting and participating in housing forums	All	8 Housing Forum Meetings Held	Number of housing forum meetings held	Number (accumulative)	8 Meetings	9	Target Met	None
COM1		To have a refuse removal system that is reliable and efficient by 2017	Refuse management	Refuse removal	8,9 10 11 13 18 20 22 1,6 7 12	15 421 sites serviced	15 421 sites serviced	Number	15 421	16355	Target Met	None
COM2				Maintenance of the landfill site	22	Rehabilitation	Number of environmental management (em) site inspection reports favourable	Number	4	4	Target Met	None
COM3		To ensure that there is sufficient burial space available at Abaqulusi by 2017	Cemeteries	Expansion of current cemeteries	1 6 5 11 13 18	Existing Cemeteries	Submission of the basic assessment report for the environmental authorisation by due date	Date	31/01/2016	Letter to competent authority was done however advised that there was no need for an EIA to be lodged.	Target Met	Application was withdrawn based on competent authority

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COM4		To promote green building/structures for Abaqulusi municipality 2017	Gate-ways	Building plans for gate ways at the entrance of church and east Str	8, 9	0	Submission of building plans by due date : 31/8/15	Date	31/08/2015	31/08/2015	Target Met	none
COM5				Erect gate ways at the entrance of east and church Str		0	100 % of project complete	%	100%	0%	Target Not Achieved	Budget Constraints
COM6		To provide fully functioning libraries within Abaqulusi by June 2017	Libraries	Expansion of library services		Libraries Existing But Services Need To Be Extended	Submission of business plan for funding by deadline	Date	31/12/2015	15/12/2015	Target Met	N/A
COM7		To ensure promotion of Abaqulusi history within the municipal jurisdiction and Zululand district by	Museum	Municipal history promotion plan		Insufficient Promotion For Available History	Promotional plan by dead line: 30/9/15	Date	30/09/15	26/09/2015	Target Met	None



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COM8		June 2017		Promotion plan implementation		0	12 displays	Number	12	12	Target Met	None
COM9				Promotion plan implementation		0	24 school visits	Number	24	24	Target Met	None
COM10		To ensure well maintained community facilities.	Parks & Halls	Maintenance of existing parks		11	Maintained 11 municipal parks	Frequency of maintenance per park: number	66	66	Target Met	None
COM11				Maintenance of municipal halls		Halls Not Properly Maintained	96 favourable councillor hall inspection reports	Number	96	96	Target Met	None

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DP13	CROSS CUTTING, SPATIAL, ENVIR, DISASTER	To promote harmonious & co-ordinated land uses to achieve a sustainable environment by June 2017	LUMS	Development applications	All	90%	Percentage of total no. of dev. applications received that are processed	Percentage	92%	100%	Target Met	None
DP14				Town planning scheme	8,9 11 22	1984	Draft urban component of a scheme adopted by 30/6/16	Date	30/6/16	Work Plan Programme adopted by Council in March 2016. TOR forwarded to SCM and presented to BSC. Tender to be advertised	Target Not Achieved	Administration Challenges
DP15		To ensure effective management of current & desirable land uses by June 2017	SDF	Review SDF	All	2009	SDF Framework Adopted by 30/3/16	Date	30/3/16	SDF Adopted by Council in May 2016	Target Not Achieved	Challenges in arranging Council meetings due to clashes with other stakeholders. Delays in deliverables from service providers.
DP16				Precinct Plans	1 6 7 8 17 19	Draft Precinct Plans	Louwsburg Hlobane/Coronation and Emondlo precinct plans adopted by 30/3/16	Date	30/3/16	Draft Precinct Plans were adopted by Council.	Target Not Achieved	Administration Challenges
DP17		To ensure compliance with the SA National Building Regulations and SANS 10400 by June 2017	Building inspectorate	Assessment of building plans	All	90%	Percentage of total no. Of building plans received that are processed	Percentage	92%	88%	Target Not Achieved	Building Inspectorate positions vacant at the Municipality. Building Inspector resigned end of 01/16.
DP18				Workshop professionals	All	1 Profession	Number of workshops	Number (accumulative)	2	2	Target Met	None

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				Is in the built environment		als Workshop Conducted	conducted	ve)				
COM24		To establish a fully functional fire and disaster management unit in Abaqulusi by jun2017	Fire and disaster	Fire and disaster management unit	All	0-2Hours	1 hour Turnaround time to arrive at the disaster scene	Hours	0-1 Hour	0-1 hour	Target Met	None
COM25						0-24 Hours	8 hours Turnaround time to provide relief	Hours	0-8 hours	1 Hour arrival time at the scene of the incident	Target Met	None
COM26				Inter-governmental relations with provincial and district disaster management units	All	Currently Active	12 meetings attended	Number	12 Meetings	12	Target Met	None

STRATEGIC FOCUS AREA	PROJECT	WARD	BASELINE	ANNUAL KPI: OUTPUT	UNIT OF MEASURE	ANNUAL TARGET	ACTUAL	TARGET MET /TARGET NOT ACHIEVED	REASON (IF TARGET NOT ACHIEVED)	MEASURES TAKEN TO IMPROVE PERFORMANCE
HRM	HR policies	-	Draft Policy	Adoption of HR policies by 10 December 2015	Date	10 December 2015	10/12/15	Target Met	none	none
	Employment equity plan	-	Plan	Submission of EE Plan 30/8/15 to Dept of Labour.	Submission Date	30/8/15	An item was tabled before Council and was referred to Unions for comments	Target not achieved	Non-sitting of Local Labour Forum	To be tabled in Local Labour Forum 2016 and then reported to Council by 30/8/16 and submitted to Department of Labour by 30/8/16 and submitted to Department of Labour by 30/8/16
	Implementation of organizational structure	-	Draft	Adopted Recruitment Plan by 27/8/15	Adoption date	27 August 2015	(Copy of Recruitment Plan as this is an administrative issue)	Target Met	none	none
		-	Draft	Adopted Retention Strategy by 27/8/15	Adoption date	27 August 2015	HR Policy Manual was workshopped to Cllrs, Unions and Management. It must be tabled to relevant Committees	Target Met	none	none
		-	0	Review and adopt organizational structure by 31/3/16	Adoption date	31 March 2016	None	Target not achieved	Delays in correspondence from SLAGA as the municipality constantly requested feedback and assistance.	Fast track correspondence from SAL Begin by 1 October 2016.
	Employee benefits	-	Monthly Reports	Monthly reports by	Number of Reports	12	12	Target Met	none	none

				deadline date	done by Date					
	Staff Relations	-	0	1 Staff newsletter per quarter provided to Communications.	Number	4	3	Target not achieved	There was no new information was cascaded to employees	None.
	Labour relations	-	1	4 Workshops	Number of workshops	4	0	Target not achieved	Non sitting of LLF Meetings makes it impossible to conduct workshops as it first needs to be approved by the LLF	Item to be tabled in Local Labour October 2016
		-	2	LLF meetings	Number of LLF meetings	12	2	Target not achieved	Non sitting of L.L.F Meeting because of differences between Cllrs and organized labour members on the appointment of the Chairperson.	New LLF Committee and Chair established by 31 October 2016
Human resource development	Workplace skills plan.	-	2014/15 WSP Adopted In June 2015	Adoption of WSP by deadline: 30/9/15	Date	30 September 2015	30/05/15	Target Met	Submitted to LGSETA by end of May.	Assistance from LGSETA is required
	Induction	-	Old Policy	Adopted Reviewed Induction Policy and Plan by 30/9/15	Date	30/9/15	10/12/15	Target Met	none	none
	OHS	-	Needing Improvement	Adopted Programme (including policy, plan, structures TOR) by 30/12/15	Date	30/12/15	None	Target not achieved	OHS Committee was not elected.	OHS Committee to be established 2016. OHS Plan to be work shopped by 2016. OHS Plan to be tabled for adoption by 31 December 2016.
	Training Policy	-	Needing Review	Adopted Training Policy by 30/12/15	Date	30/12/15	10/12/15	Target Met	none	none
	Wellness programme	-	0	Adopted Wellness Policy and Programme	Date	30/12/15	None	Target not achieved	Wellness Committee was not elected.	Wellness Committee to be established October 2016. Wellness Plan to be work shopped by

				by 30/12/15						2016.  Wellness Plan to be tabled for a Council by 31 December 2016.
Council support	Review and adopt Rules of Order and Order of delegation	-	Draft Document Developed	Adoption by deadline: 30/6/16	Date	30/6/16	None	Target not achieved	-Rules of Order was work shopped. -Could not secure the date for workshop for Order of Delegations. -All actions from administrative point of view was however complete.	Order of Delegations to be work s Council by 31 October 2016 and November 2016
	Annual Council Calendar/Schedule of Meetings	-	30/6/15	Adoption by deadline: 30/6/16	Date	30/6/16	None	Target not achieved	Currently awaiting appointment of the new Council to adopt the new Annual Council Calendar	To be adopted by 31 August 2016
	Implementa tion of the annual council programme	-	34	Number of portfolio Committee Meetings held	Number	60	42	Target not achieved	According to the annual programme no Portfolio Meetings are scheduled for January. In February no portfolios sat & in March there was no quorum	AMM and Speaker intervention is req
			13 (Including Special EXCO)	Number of Exco meetings held	Number	11	29	Target Met	none	none
			15 (including Special Councils)	Number of council meetings held	Number	6	37	Target Met	none	none
			5	Number of MPAC meetings held	Number	5	12	Target Met	none	none
	Implementa tion of the records manageme nt policy & procedures	-	Draft Document Developed	Adoption by deadline: 30/09/2015	Date	30/09/2015	None	Not Achieved	Could not secure the date for workshop	To be work shopped with new Council 2016
Implementa	-	Draft	Adoption by	Date	30/09/2015	None				

		tion of the fleet policy		Document Developed	deadline: 30/09/2015				Target not achieved	Could not secure the date for workshop	To be work shopped with new Council 2016
ICT		Website	-	Implementa tion Of ICT Policy	100% compliant website	%	100%	100%	Target Met	none	none
		Computer replacement program	-	23	Number of computers replaced.	Numbers	20	20	Target Met	none	none
		Server upgrades	-	0	3 Servers Upgraded	Number	3	3	Target Met	none	none
		Annual IT related agreement reviews	-	0	9 agreements reviewed	Number	9	9	Target Met	none	none

IDP REF	NATIONAL KPA	STRATEGIC OBJECTIVE	STRATEGIC FOCUS AREA	PROJECT	WARD	BASELINE	ANNUAL KPI: OUTPUT	UNIT OF MEASURE	ANNUAL TARGET	ACTUAL	TARGET MET /TARGET NOT ACHIEVED	REASON (IF TARGET NOT ACHIEVED)	MEASURES TAKEN TO IMPROVE PERFORMANCE	ANNUAL POE
Fd1	FINANCIAL VIABILITY & MANAGEMENT	To improve and protect revenue collection of the municipality by June 2017	Revenue	Revenue collection	All	90% payment received for billing sent	Percentage of payment received vs billing	%	92	96.51%	Target met	none	none	Billing and payment spreadsheet
Fd2			Indigent Information Mgt	Indigent register	All	12 updates of Indigent Register	12 updates conducted	Number (accumulative)	12	12	Target met	none	none	Up to date Indigent Reg
Fd3		To ensure full compliance with the MFMA and municipal policies/procedures by June 2017	Expenditure	Expenditure payments to service providers	All	12 reports	12 reports prepared - creditors age analysis	Number	12	12	Target met	none	none	Monthly Section 71 Report
Fd4				Creditor reconciliations	All	12 reports	12 reports prepared - creditors age analysis	Number	12	12	Target met	none	none	Monthly section 71 report
Fd5		To ensure full compliance of the MFMA SCM regulations and municipal policies/procedures by June 2017		Procurement plan	All	Not Adopted	Date of adopting procurement plan	Date	30 September 2016	Only certain departments submitted procurement plan	Target not achieved	Not all departments submitted their plans to SCM	To be Submitted by 31 August 2016	Procurement plan Approved/Adopted
Fd6				IUFW register and s36/32 register	All	12	Number of report on IUFW register and S36/32 register	Number	12	12	Target met	none	none	Monthly section 71 report
Fd7				SCM Policy	All	May 2015	Date of adoption of SCM policy	Date	31 May 2016	31 May 2016	Target met	none	none	Council Resolution



IDP REF	NATIONAL KPA	STRATEGIC OBJECTIVE	STRATEGIC FOCUS AREA	PROJECT	WARD	BASELINE	ANNUAL KPI: OUTPUT	UNIT OF MEASURE	ANNUAL TARGET	ACTUAL	TARGET MET /TARGET NOT ACHIEVED	REASON (IF TARGET NOT ACHIEVED)	MEASURES TAKEN TO IMPROVE PERFORMANCE	ANNUAL POE
Fd8			SCM	SCM database	All	Not Measured Previously	Percentage of new suppliers registered	Percentage	90	90%	Target met	none	none	Copy of the newspaper advert and database (before and after update)
Fd9				Monitor functionality of municipal stores	All	4	Number of stock takes and recons conducted	Number	4	4	Target met	none	none	Stock count sheets and reconciliation
Fd10		To have a GRAP compliant assets register by June 2016	Asset management	Assets register	All	4	Number of updates conducted	Number	4	1	Target not achieved		none	GRAP compliant assets register and reconciliation
Fd11		To ensure full compliance of the MFMA and municipal policies/procedures by June 2016	Budget	1 July 2014	All	Munsoft Financial System	Votes are locked by deadline (certificate provided to treasury): 1/7/15	Locking of votes on munsoft financial system by date	Certificate by 1/7/15	Certificate by 1/7/15	Target met	none	none	Certificate
Fd12			Budget	Virements	All	Not Measured	Virements to be performed in accordance with the virement policy	Percentage of requests from departments compliant	90	100%	Target met	none	none	Virement forms
Fd13			Budget	Approved budget	All	31 March 2015	Tabling of draft budget by 31/3/16	Date	31 March 2016	31 March 2016	Target met	none	none	Council resolution
Fd14						31 May 2015	Approval of final budget BY 31/5/16	Date	31 May 2016	31 May 2016	Target met	none	none	Council resolution

IDP REF	NATIONAL KPA	STRATEGIC OBJECTIVE	STRATEGIC FOCUS AREA	PROJECT	WARD	BASELINE	ANNUAL KPI: OUTPUT	UNIT OF MEASURE	ANNUAL TARGET	ACTUAL	TARGET MET /TARGET NOT ACHIEVED	REASON (IF TARGET NOT ACHIEVED)	MEASURES TAKEN TO IMPROVE PERFORMANCE	ANNUAL POE
Fd15			mSCOA	Develop, adopt and implement mSCOA	All	Not Measured	Number of mSCOA reports submitted to council	Number	12	12	Target met	none	none	Council Endorsed Section 71 report
Fd16			Budget	Sound control environment over management information	All	12	Number of s71 reports	Number	12	12	Target met	none	none	Council Endorsed Section 71 reports
Fd17						4	Number of s52 reports	Number	4	4	Target met	none	none	Council Endorsed Section 52 reports,
Fd18						1	Number section 72 report	Number	1	1	Target met	none	none	Council Endorsed Section 72 Reports
Fd19						31 August 2014	Submission of AFS to AG by deadline	Date	31 August 2015	31 August 2015	Target met	none	none	Proof of submission of AFS to AG

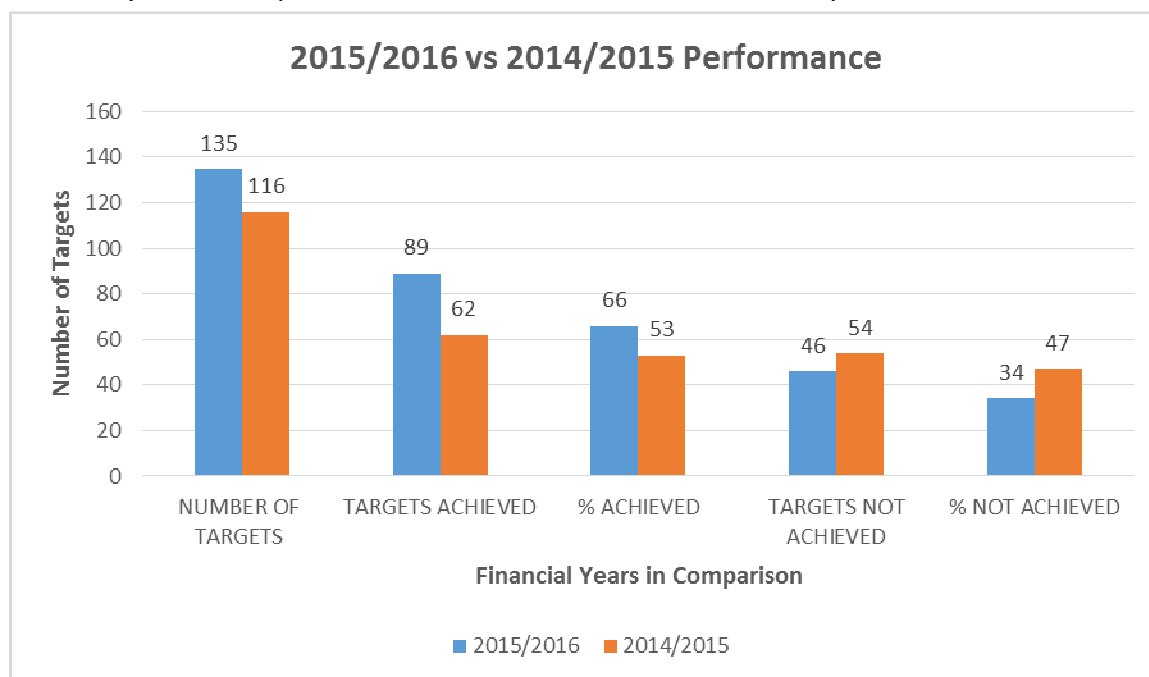


## 7. Performance Highlights of the 2015-2016 Financial Year

During the 2015/2016 financial year, the Abaqulusi Municipality had a total of 135 targets to report on as per the Municipal Scorecard above. These targets were set in line with the Key Performance Areas that drives service delivery and democracy in local government. The 6 Key Performance Areas included the following:

- (1) Good Governance and Community Participation
- (2) Local Economic Development and Social Development
- (3) Basic Service Delivery and Infrastructure Development
- (4) Municipal Transformation and Institutional Development
- (5) Financial Viability and Management
- (6) Cross-cutting (Disaster, Environmental and Spatial)

The graph below highlight the municipality's overall performance for the 2015/2016 financial year in comparison to that of the 2014/2015 financial year.



It is clearly evident from the graph above which expresses the municipality's performance in a percentage value that the municipality had improved its performance in the 2015/2016 financial year compared to 2014/2015. The municipality had achieved 66% of all targets planned for in 2015/2016 as compared to only 53% in 2014/2015, improving by 13%. However the 34% of targets not achieved in 2015/2016 is still a call for concern and the municipality will aim on further improving during 2016/2017.

## 8. Performance per Key Performance Area

This section of the report details exactly how the municipality performed against each Key Performance Area under which it functions. The table below is a reflection of the municipality's 2015/2016 performance compared to that of the 2014/2015 performance. The table highlights the Total Number of Targets set against each Key Performance Area and the Number of Targets that were achieved and not achieved.

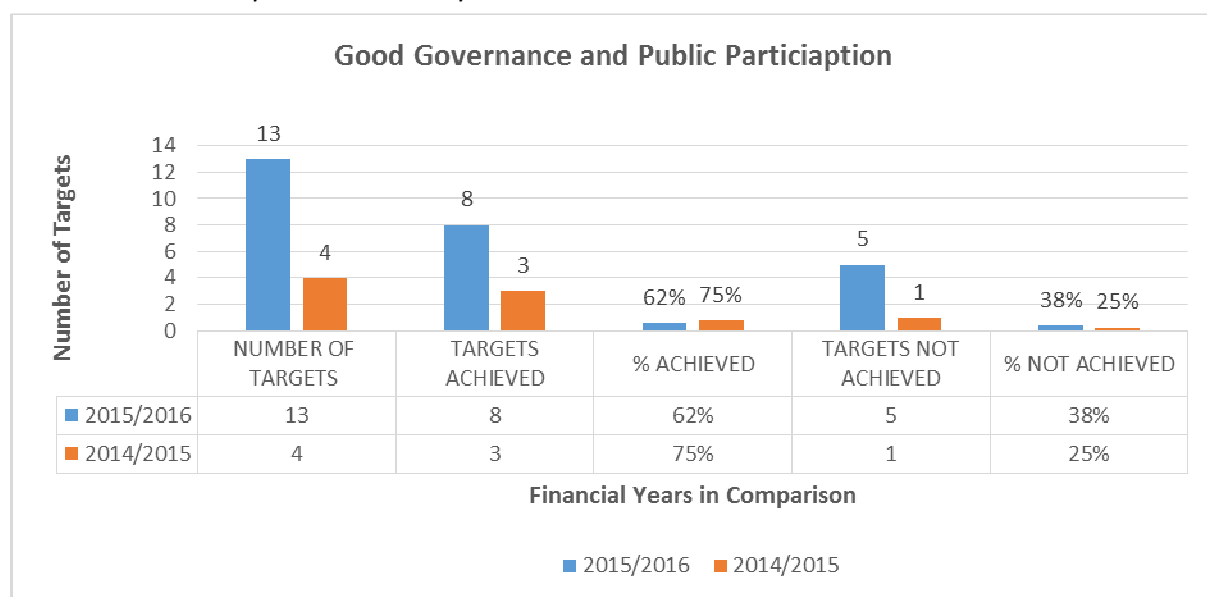
KPA 1: Good Governance and Community Participation									
2015/2016					2014/2015				
NUMBER OF TARGETS	TARGETS ACHIEVED	% ACHIEVED	TARGETS NOT ACHIEVED	% NOT ACHIEVED	NUMBER OF TARGETS	TARGETS ACHIEVED	% ACHIEVED	TARGETS NOT ACHIEVED	% NOT ACHIEVED
13	8	62%	5	38%	4	3	75%	1	25%
KPA 2: Local Economic Development and Social Development									
2015/2016					2014/2015				
NUMBER OF TARGETS	TARGETS ACHIEVED	% ACHIEVED	TARGETS NOT ACHIEVED	% NOT ACHIEVED	NUMBER OF TARGETS	TARGETS ACHIEVED	% ACHIEVED	TARGETS NOT ACHIEVED	% NOT ACHIEVED
22	12	55%	10	45%	35	14	40%	21	60%
KPA 3: Basic Service Delivery and Infrastructure Development									
2015/2016					2014/2015				
NUMBER OF TARGETS	TARGETS ACHIEVED	% ACHIEVED	TARGETS NOT ACHIEVED	% NOT ACHIEVED	NUMBER OF TARGETS	TARGETS ACHIEVED	% ACHIEVED	TARGETS NOT ACHIEVED	% NOT ACHIEVED
46	33	72%	13	28%	61	34	56%	27	44%
KPA 4: Municipal Transformation and Institutional Development									
2015/2016					2014/2015				
NUMBER OF TARGETS	TARGETS ACHIEVED	% ACHIEVED	TARGETS NOT ACHIEVED	% NOT ACHIEVED	NUMBER OF TARGETS	TARGETS ACHIEVED	% ACHIEVED	TARGETS NOT ACHIEVED	% NOT ACHIEVED
26	14	54%	12	46%	8	5	63%	3	37%
KPA 5: Financial Viability and Management									
2015/2016					2014/2015				
NUMBER OF TARGETS	TARGETS ACHIEVED	% ACHIEVED	TARGETS NOT ACHIEVED	% NOT ACHIEVED	NUMBER OF TARGETS	TARGETS ACHIEVED	% ACHIEVED	TARGETS NOT ACHIEVED	% NOT ACHIEVED
19	17	89%	2	11%	4	3	75%	1	25%
KPA 6: Cross-cutting (Disaster, Environment and Spatial)									
2015/2016					2014/2015				

NUMBER OF TARGETS	TARGETS ACHIEVED	% ACHIEVED	TARGETS NOT ACHIEVED	% NOT ACHIEVED	NUMBER OF TARGETS	TARGETS ACHIEVED	% ACHIEVED	TARGETS NOT ACHIEVED	% NOT ACHIEVED
9	5	56%	4	44%					

### 8.1 Good Governance and Community Participation

- During 2015/2016, Abaqulusi Municipality achieved 62% of its targets linked to this KPA, down 13% from 2014/2015.
- It is important to note that whilst its performance for this KPA dropped, there were 9 more targets added for 2015/2016, increasing from 4 in 2014/2015 to 13 in 2015/2016.
- The 38% of targets not achieved in 2015/2016 were largely due to the failure of not having a performance evaluation committee in place, labour unrest and securing of workshop dates.
- Measures to improve performance include the appointment of a performance evaluation committee once a Municipal Manager is appointed, strengthen working relations with employees and improve communications with the office of the speaker in securing workshop dates.

The graph below is a graphic representation of the municipality's performance of this KPA over 2015/2016 and 2014/2015.

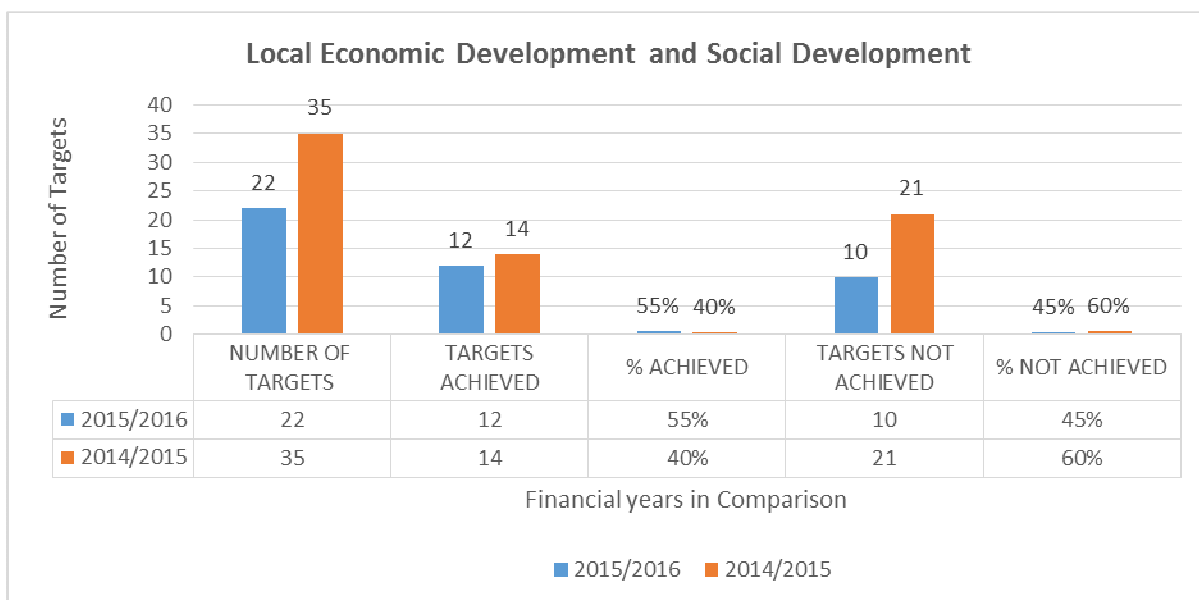


### 8.2 Local Economic Development and Social Development

- During 2015/2016, Abaqulusi Municipality achieved 55% of its targets linked to this KPA, increasing by 15% from 2014/2015.
- Contributing factors such as budget constraints, lack of personnel and vacancies within departments, as well as lack of equipment to perform certain functions made it extremely difficult for the municipality to perform well in this KPA, resulting in 45% of its targets not achieved.

- Measures to improve performance include budget prioritisation, filling of vacant positions and acquiring the necessary equipment to carry out a task in order to improve future performance.

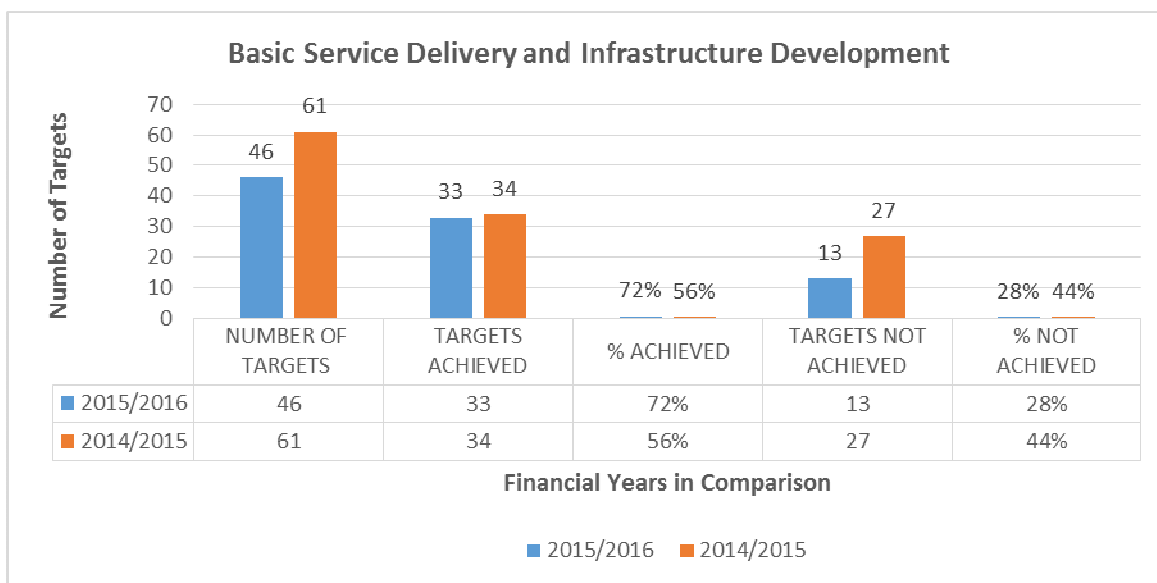
The graph below is a graphic representation of the municipality's performance of this KPA over 2015/2016 and 2014/2015.



### 8.3 Basic Service Delivery and Infrastructure Development

- During 2015/2016, Abaqulusi Municipality achieved 72% of its targets linked to this KPA, increasing by 16% from 2014/2015.
- This KPA recorded the largest improvement in performance in comparison to all 6 KPA's resulting in improved service delivery across the municipality.
- The 28% of targets not achieved was because of problems experienced around service provider's performance, community and social issues, poor documentation and budget constraints.
- Measure taken to improve performance include budget prioritisation, strengthen relationship and communication with communities and ensuring all tender processes are followed according to the SCM and MFMA regulations.

The graph below is a graphic representation of the municipality's performance of this KPA over 2015/2016 and 2014/2015.

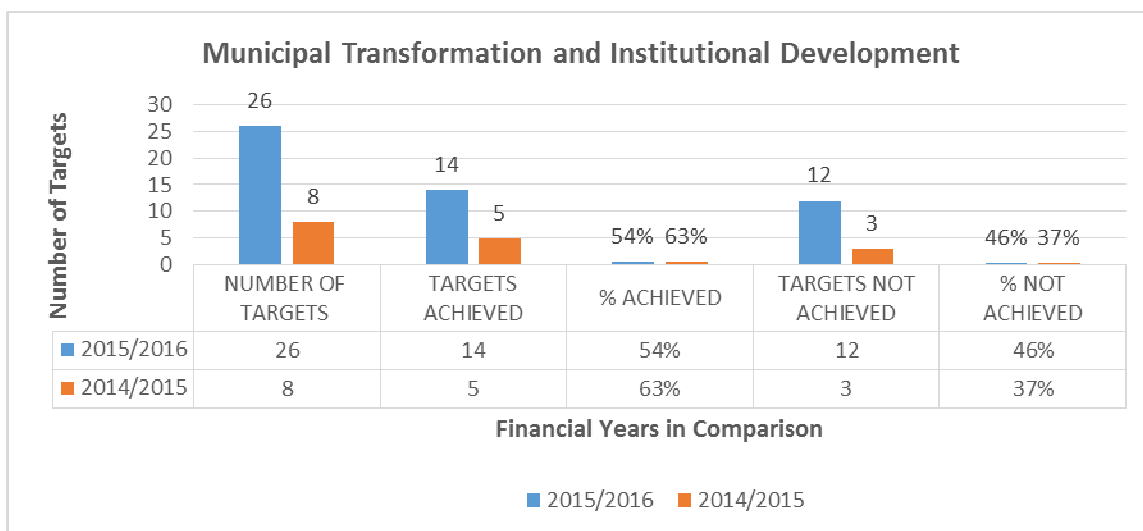


#### 8.4 Municipal Transformation and Institutional Arrangements

- During 2015/2016, Abaqulusi Municipality achieved only 54% of its targets linked to this KPA, down by 9% from 2014/2015.
- It must also be noted that the number of targets increased significantly to 26 from in 2015/2016 from 8 in 2014/2015.
- Major challenges experienced for not achieving 46% of the targets included the absence of a Director: Corporate services, non-sitting of the local labour forums and securing of workshop dates.
- Measures to improve performance include the presence of a Director: Corporate Services, establishing a new local labour forum, strengthen working relations with employees and improve communications with the office of the speaker in securing workshop dates.

The graph below is a graphic representation of the municipality's performance of this KPA over 2015/2016 and 2014/2015.

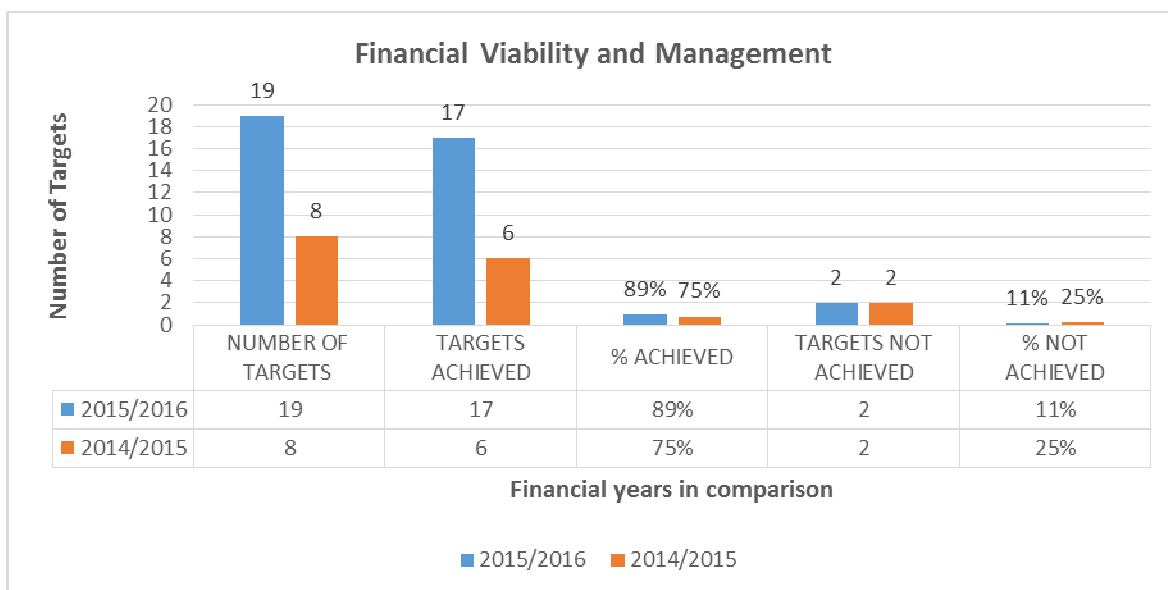




## 8.5 Financial Viability and Management

- During 2015/2016, Abaqulusi Municipality achieved 89% of its targets linked to this KPA, increasing by 14% from 2014/2015.
- The municipality has displayed great strength in this KPA taking into account that the number of target increased to 26 in 2015/2016 from only 4 in 2014/2015.
- Measure to improve performance regarding the 11% of targets that were not achieved include the timeous development of a procurement plan and updating of the assets register on a quarterly basis.

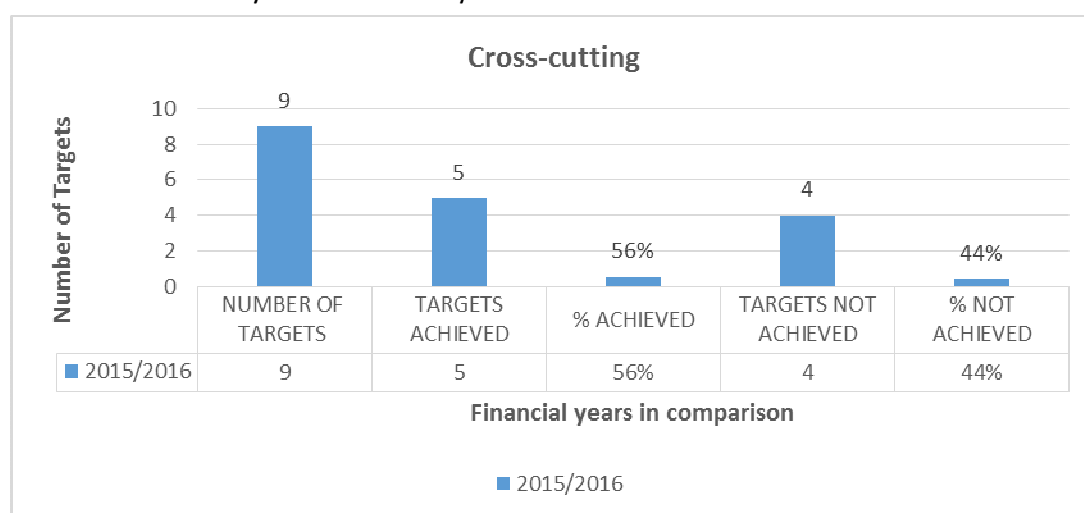
The graph below is a graphic representation of the municipality's performance of this KPA over 2015/2016 and 2014/2015.



## 8.6 Cross-cutting

- The cross-cutting KPA was newly introduced in the 2015/2016 financial year and therefore no comparison can be made to 2014/2015. This KPA focused on areas pertaining to disaster, environmental and spatial issues within the municipality.
- During 2015/2016, the Abaqulusi Municipality achieved only 56% of its targets in the KPA.
- Many challenges were experienced in trying to achieve the 44% of targets that were not met. These included budget constraints, vacancies within departments and targets not being met on time.
- Measures to improve performance include budget prioritisation, filling of critical vacant posts and constant monitoring of deliverables on time.

The graph below is a graphic representation of the municipality's performance of this KPA over 2015/2016 and 2014/2015.



## 9. Conclusion and Way Forward

The Abaqulusi Municipality will aim high on improving its performance during the 2016/2017 financial year, building on its improvement that was made during 2015/2016. The appointment of a Performance Evaluation Committee will be prioritised as well as exploring the appointment of additional human resources within the performance management unit which is currently under staffed. Constant monitoring and reporting along with regular reviews of management's performance will also be exercised in order to identify and deal with early warning signals.

## PERFORMANCE OF SERVICE PROVIDERS

The performance of service providers within the Municipality for the year 2015/16 is presented in the following table:

Table 31 Performance of Service providers

Name of External Service Provider	Date Contract Awarded	Service Provided as Per SLA (Description of the Project)	Value of Project	Service Providers Performance		Target Met/ Target Not Achieved	Reason if Target Not Met
				Target	Actual		
Siyamthanda Projects		Vryheid Ext. 16 Housing Project	Subsidy amount X 2500 housing units	To build 903 houses for phase 1. Also build 1597 houses for phase 2	801	Target not met	Storm water issue. Awaiting the Department of Human Settlements to purchase land for phase 2.
Maseko Hlongwa & Associates	2002	Bhekumthetho Rural Housing Project	Subsidy amount X 1000 housing units	To build 1000	Phase 1 – 1000 Phase 2 - 1000	Target not met	Delay caused by unidentified beneficiaries. Phase 2 will only commence when Phase 1 is complete.
LTE Consultants	2008	Enyathi Housing Project	Subsidy amount X 492 housing units	To finalize planning	0	Target not met	Still finalizing the Environmental Impact Assessment and Township Layout.
CHS Developments	2011	Gluckstadt/ SwartMfolozi	Subsidy amount X 1115 housing units	To finalize planning	0	Target not met	Process to finalize developments rights issues on land owned by Trusts and the Department of Rural Development and Land Reform.
GIBB	2011	Vumani Housing	Subsidy	To finalize	0	Target not	There is a delay in

Name of External Service Provider	Date Contract Awarded	Service Provided as Per SLA (Description of the Project)	Value of Project	Service Providers Performance		Target Met/ Target Not Achieved	Reason if Target Not Met
				Target	Actual		
		Project	amount X	planning		met	identifying sources of water supply and the confirmation of the provision of bulk services by the Zululand District Municipality.
Isimo Engineers	1999	Bhekuzulu Phase 6A Housing Project	Subsidy amount X 485 housing units.	To transfer 485 houses to the beneficiaries		Target not met	There was a delay caused by the transfer costs required by the conveyancers and the subsidy provision. The fee by the Conveyancer was more than the subsidy provision.
Isimo Engineers	1999	Bhekuzulu Phase 6B Housing Project	Subsidy amount X 1085	To solve the issue of illegal occupants		Target not met	The matter is being attended to by the Department of Human Settlements.
NMQS	2011	Emondlo A&B and Bhekuzulu 3B Consolidation Housing Project	Subsidy amount X 1000	To finalize planning		Target not met	IA did not understand the housing delivery process. There are also outstanding issues to be resolved in the IAs Application Pack for Stage 2 of the project.
Wonder	31/03/2	Upgrading	R7	1.6km	1.6k	Yes	

Name of External Service Provider	Date Contract Awarded	Service Provided as Per SLA (Description of the Project)	Value of Project	Service Providers Performance		Target Met/ Target Not Achieved	Reason if Target Not Met
				Target	Actual		
Dream Projects cc	014	of Existing gravel road to Asphalt – Louwsburg – ward 01	770 705.69		m		
Amavovok amkhize Civils	05/01/2015	Construction Mnunse Gravel Road – ward 02	R3 475 461.00	5.0km	5.0km	Yes	
Wosa Nawe Trading 16	05/01/2015	Construction of East-mine Gravel Road – ward 03	R2 924 843.40	4.7km	4.7km	Yes	
SivaPillay Construction cc	05/01/2015	Construction of Mooihoek Gravel Road – ward 07	R3 152 854.45	3.7km	3.7km	Yes	
Uhlanga Trading Enterprise	05/01/2015	Construction of eMadresini Gravel Road – ward 17	R3 218 499.20	5.0km	5.0km	Yes	
Sikoti Investment cc	21/01/2015	Paving of Lakeside Internal Roads – ward 22	R5 190 000.00	1.		No	
Sikoti Investment cc		Widening of Bhekuzulu Asphalt Roads	R6 500 000.00	2.5km	2.5km	Yes	
Uhlanga Trading Enterprise	02/03/2015	Construction of Storm-water Measures in Ext 17 Low-cost Houses –	R6 419 163.51			No	

Name of External Service Provider	Date Contract Awarded	Service Provided as Per SLA (Description of the Project)	Value of Project	Service Providers Performance		Target Met/ Target Not Achieved	Reason if Target Not Met
				Target	Actual		
		ward 07					
Sikoti Investment cc	10/04/2015	Construction of Ntabankulu Gravel Road – ward 05	R5 231 794.16	2.0km	2.0km	Yes	
Konke Civils and Surveying	10/04/2015	Construction of Alpha Gravel Road – ward 06	R5 871 450.08	3.2km	3.2km	Yes	
PZL Projects	10/04/2015	Construction of Jimani Gravel Road – ward 12	R11 050 645.52	8.0km	8.0km	Yes	
Mfiso Constructors	10/04/2015	Construction of MJ Mbuli Gravel Road	R4 338 537.16	2.0km	2.0km	Yes	
SivaPillay Construction	02/03/2015	Construction of St Paul Gravel Road	R8 673 697.30	5.5km	5.5km	Yes	
Masefane Trading cc	22/10/2013	Construction High Street Bridge – ward 08	R12 495 360.70			No	
Tshani Consulting CC	07th May 2015	Review of the AbaQulusi Spatial Development Framework	R 260 000 (Grant funding of R350 000.00 received from COGT A)	30/03/2016	26/05/16	Target Not Achieved	The service provider exceeded the stipulated timeframes in completing the project and Challenges in arranging Councillor Workshops due to clashes with other statutory committee

Name of External Service Provider	Date Contract Awarded	Service Provided as Per SLA (Description of the Project)	Value of Project	Service Providers Performance		Target Met/ Target Not Achieved	Reason if Target Not Met
				Target	Actual		
							meetings
Zama Khumalo Projects Pty Ltd	25/06/2013	Waste collection	R2 624 612.40	2388	2388	MET	-
Aqua Transport	29/07/2013	Waste collection	R1 623 246.00	3636	3637	MET	-
Dolphin Coast Waste Management	28/08/2013	Waste collection	R7 563 019.00	9500	10 300	MET	-

## CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

### COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

#### 4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Like every other municipality, the Abaqulusi municipality does acknowledge that there are critical position that need to be filled in order to ensure smooth operations of the Municipality. However, over the past 2 years (2013/2014 and 2014/2015) the municipality has taken a great stride in filling those critical positions identified. The Municipality currently has 470 employees within its organisation, of which 459 are permanent employees and 11 temporary employees.

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

Table 32 Status of Municipal Senior management

Position	Status	Position	Status
S54-Municipal Manager	Filled by Acting	Manager: Revenue	Filled
S56-Director: Technical Services	Filled	Manager: SCM	Filled
S56-Director: CFO	Filled	Manager: Expenditure	Filled

Position	Status	Position	Status
S56-Director: Community Services	Filled	Manager: Social Services	Filled
S56-Director: Corporate Services	Filled	Manager: Public Safety	Vacant
S56-Director: Development Planning	Filled	Manager: Environmental Services	Filled
Manager: Office of the MM	Filled by Acting	Manager: Council Support	Filled
Manager: IDP/PMS	Filled	Manager: General Admin	Vacant
Manager: Internal Audit	Filled	Manager: HR Development	Filled
Manager: PMU	Filled	Manager: HR Management	Filled
Manager: Roads and Storm water	Filled	Manager: Town Planning	Filled
Manager: Water	Filled	Manager: LED	Filled
Manager: Electrical	Filled	Manager: Housing	Filled
Manager: Financial Planning	Filled		

#### CRITICAL POSITIONS

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

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

Table 33 Organisational Performance

Department	Functions/Responsibility	Responsible Official
1. Office of the Municipal Manager	To The Municipal Manager is the head of the municipal administration and he/she is also the accounting officer held responsible for financial management of the municipality.	<b>Ms A.B. Mnikathi (Acting</b>



Department	Functions/Responsibility	Responsible Official
	<p>The roles and responsibilities of the Municipal Manager/ Accounting Officer includes but not limited to the following:</p> <ul style="list-style-type: none"> <li>• The general financial administration of the Municipality</li> <li>• Asset and liability management</li> <li>• Revenue and expenditure management</li> <li>• Budget preparation and implementation</li> <li>• Compliance and oversight reporting to Executive Mayor, Council and provincial and national government</li> </ul> <p>As the head of administration, the Municipal Manager is responsible for</p> <ul style="list-style-type: none"> <li>• Formation of an economical, effective, efficient and accountable administration</li> <li>• Implementation of the IDP of Municipality</li> <li>• Appointment and management of staff.</li> <li>• Effective utilization and training of staff.</li> <li>• Maintenance of discipline of staff, the promotion of sound labour relations and compliance with applicable labour legislation</li> <li>• Advise the political decision makers of the Municipality and managing communication between them and the administration</li> <li>• Implementing the decisions of the Council and Executive Mayor</li> <li>• Administration of municipal laws and implementation of national and provincial legislation</li> <li>• Facilitating participation of the local community in municipal affairs.</li> </ul> <p>The Office of the Municipal Manager provides the momentum of the administration and integrates all the components of the Municipality, there are 5 key departments reporting directly to the municipal Manager:</p> <ul style="list-style-type: none"> <li>• Finance</li> <li>• Corporate Services</li> <li>• Technical Services</li> <li>• Community and Emergency Services</li> <li>• Planning and Development</li> </ul>	<p><b>Municipal Manager)</b></p>

Department	Functions/Responsibility	Responsible Official
2. Corporate Services	<p>The Corporate Services department within the municipality comprises of 3 sections, ie.</p> <ol style="list-style-type: none"> <li>1. Administration</li> <li>2. Human Resources Management</li> <li>3. Human Resource Development</li> <li>4. Information Technology</li> <li>5. Council Support</li> </ol> <p>The main objectives and functions of the Corporate Services department is to ensure the following takes place:</p> <ul style="list-style-type: none"> <li>• To ensure that effective and efficient services are rendered by the Municipality.</li> <li>• To ensure that citizens are satisfied with the quality of services delivered by the Local Municipality.</li> </ul> <p>To ensure that residents are aware of the activities of the municipality.</p> <ul style="list-style-type: none"> <li>• To ensure that residents are aware of the policies, services and activities of the municipality.</li> <li>• To ensure that the municipality's staff is diverse, representative and skilled.</li> <li>• To Implement workplace skills plan within allocated budget</li> <li>• To provide purposeful systematic and continuous labour relations and effective capacity building to the staff</li> <li>• To Provide secretariat to the council</li> <li>• Implementing Records Management Practices</li> <li>• To ensure that the municipality will use information and communication technology effectively to assist in decision making, in working efficiently, and in delivering services more effectively to clients.</li> <li>• Ensuring proper up keep of council records</li> <li>• To ensure that personnel receive specialised training.</li> </ul> <p>The fully established and well functional Corporate Services department within a municipality is of high priority as it is the department that shares a very close relationship with the public.</p>	<b>Ms N.N. Sibisi (Director)</b>

Department	Functions/Responsibility	Responsible Official
3. Budget and Treasury	<p>The Budget and Treasury Office is a directorate within the municipality responsible for the management, control and monitoring of municipal finances.</p> <p>The administrative head of the Directorate is the Chief Financial Officer. The directorate is composed of the following sections:</p> <ul style="list-style-type: none"> <li>• Budget Planning and Financial Reporting</li> <li>• Income and Revenue Management</li> <li>• Expenditure and Salaries</li> <li>• Supply Chain Management Unit</li> </ul> <p>The structure is as follows:</p> <ul style="list-style-type: none"> <li>• <i>Budget Planning and Financial Reporting</i></li> </ul> <p>This section is responsible for the following activities:</p> <ul style="list-style-type: none"> <li>• -Municipal financial planning (Budget Preparation)</li> <li>• -Reporting on financial affairs of the municipality in a form of annual financial statements and monthly, quarterly and annual reports as prescribed by the MFMA.</li> <li>• <i>Income and Revenue Management</i></li> </ul> <p>This section is responsible for the following activities:</p> <ul style="list-style-type: none"> <li>• -Collection of income from all cashiering points;</li> <li>• -Billing of rates and services;</li> <li>• -Issuing out of clearance certificates; and</li> <li>• -Management of the general valuation.</li> <li>• Expenditure and Salaries</li> </ul> <p>This section is responsible for the following activities:</p> <ul style="list-style-type: none"> <li>• -Payment of creditors;</li> <li>• -Payment of salaries, wages and sundries;</li> <li>• -Management of creditors' reconciliations</li> <li>• -Management of audit queries</li> <li>• Supply Chain management</li> </ul> <p>This section is responsible for the following activities:</p> <ul style="list-style-type: none"> <li>• -Implementation of the Supply Chain Management Regulations and related legislation,</li> </ul>	<b>Mr. H. Mahomed (CFO)</b>

Department	Functions/Responsibility	Responsible Official
	<ul style="list-style-type: none"> <li>• -Development and Implementation of the Supply Chain Management Policy</li> <li>• -This includes demand management, acquisition management, logistics management, disposal management, contract administration and</li> <li>• Management of stores items and stationary; and fleet management for the municipality.</li> </ul>	
4. Community Services	<p>The Community Development Department's core functions is to ensure that the community is well serviced in regards to:</p> <ul style="list-style-type: none"> <li>• Health care</li> <li>• Public Safety</li> <li>• Education (Libraries)</li> <li>• Sports</li> <li>• Community Halls</li> <li>• Traffic</li> <li>• Refuse removal and sewerage</li> </ul> <p>The department is also responsible for ensuring that plans and programmes are developed to focus specifically on the youth, women, disabled and under-privileged.</p>	<b>Ms A. Mnikathi (Director)</b>
5. Technical Services	<p>The Technical Services department's main objectives and functions are to provide the basic needs of the community as well as maintain the standard of service provided. The department focuses on issues surrounding:</p> <ul style="list-style-type: none"> <li>• Water and Sanitation</li> <li>• Electricity</li> <li>• Civil works (roads, bridges etc)</li> <li>• Project Management Unit</li> </ul> <p>The department also works very closely with the district municipality because the district also provides certain services on behalf of the eDumbe Local Municipality.</p>	<b>Mr S. Chetty (Director)</b>
6. Planning & Development	<p>The planning and development departments' primary function within the municipality is to regulate and control all development. The department is also responsible for the following:</p> <ul style="list-style-type: none"> <li>• Town Planning</li> <li>• LED</li> </ul>	<b>Mr D.H. Zulu (Director)</b>

Department	Functions/Responsibility	Responsible Official
	<ul style="list-style-type: none"> <li>• Tourism</li> <li>• Housing</li> <li>• GIS</li> <li>• Building Inspectorate</li> </ul> <p>The department is seen as a key role-player or contributor in developing the municipality and ensuring the municipality is constantly progressing (future development of a shopping centre and middle income housing)</p>	

The AbaQulusi Municipality has a total staff of 473 permanent employees. The powers and functions of the AbaQulusi Municipality is in compliance with Section 156 of the Constitution of the Republic of South Africa, 1996.

Table 34 Powers and Functions

POWERS / FUNCTIONs	BASELINE	INTERVENTION
<b>Air Pollution</b>	No system exists to measure and monitor air pollution	To develop Air-Pollution Prevention Policy and Strategies
<b>Building Regulations</b>	Has adopted building regulations. High volumes of land encroachment in town. One employee in the Building Inspectorate on a short term contract.	Develop a system of implementing building controls. Develop and capacitate the enforcement function of the building control function.
<b>Child Care Facilities</b>	This is not performed at the present moment.	Develop plan to construct Multi-Purpose Centres which would accommodate Early Childhood Development Centres
<b>Electricity and gas reticulation</b>	Partly performed in urban and licenced areas. Gas reticulation is not performed.	Municipality to consider other quick solutions of sourcing funding from DBSA for Front Loading and obtain licence/approval to licence ESKOM areas as in line with NDP towards universal access.
<b>Firefighting services</b>	The function is performed.	To formalise the relationship between Local and District. To investigate modalities to deal this function.
<b>Local tourism</b>	Tourism is performed.	Draft Tourism Plan to enhance marketing

POWERS / FUNCTIONs	BASELINE	INTERVENTION
		in the area.
<b>Municipal planning</b>	Planning is performed.	Enhance the utilisation of ZDM Shared Services and employ more staff. To maximise integration in planning.
<b>Municipal public transport</b>	The function is currently not being performed.	To develop By-law and implementation strategy.
<b>Billboard and the display of advertisements in public places</b>	Partially performed.	To audit existing Billboards and standardise advertisements in the Municipal jurisdiction and draft, implement By-law dealing with this function.
<b>Cemeteries</b>	Partially performed only in urban Vryheid Town and in eMondlo Township.	To identify land in traditional areas for burial. Extend the services outside of urban areas.
<b>Cleansing</b>	Partially performed only in urban Vryheid Town, Bhhekuzulu Township, eMondlo Township, Louswburg and Coronation Hlobane.	Extend the services outside of urban areas.
<b>Control of public nuisances (a cause of inconvenience)</b>	Presently utilizing Government Gazette and authorise fines from Local Magistrates Office. By-law insufficient to deal with public nuisances	<ul style="list-style-type: none"> <li>• Review By-law by adding in.</li> <li>• Traffic Officers to attend to nuisance.</li> <li>• Education via media is needed to inform public of these nuisances.</li> <li>• Budget for a specialized office with staff to form a specialized unit to attend to this problem and to control the area of AbaQulusi Jurisdiction.</li> </ul>
<b>Control of undertaking that sell liquor to the public</b>	Not performed.	Draft, adopt and implement By-laws
<b>Facilities for accommodation, care and burial of animals</b>	Not performed.	Develop and segregate land at the dump-site for burial of carcasses. Formalise relationship between SPCA and the Municipality.
<b>Fencing and fencing of grazing land</b>	Not performed.	Allocate funding and do fencing on a phased-in basis. Draft, adopt and implement By-laws.
<b>Licensing and</b>	Not performed.	Draft, adopt and implement By-laws.

POWERS / FUNCTIONs	BASELINE	INTERVENTION
<b>control of outlets that sell food to the public</b>		
<b>Local amenities (halls &amp; amusement centres)</b>	Partially performed in Urban areas.	Prepare business plans to Provincial Department of Sports and Recreation as well as other donor agencies to fund upgrade and building of new facilities.
<b>Local sport facilities</b>	Partially performed in Urban areas.	Prepare business plans to Provincial Department of Sports and Recreation as well as other donor agencies to fund upgrade and building of new facilities.
<b>Traders Markets</b>	Not performed.	Conduct research to establish trading stalls in designated areas in AbaQulusi Towns. Draft, adopt and implement By-laws.
<b>Municipal abattoirs</b>	Outsourced. No proper management of the animal effluent and bones. Thus polluting the air. Illegal dumping of refuse through the Municipal sewer system.	Increase monitoring and periodic testing. Institute heavy penalties.
<b>Municipal parks and recreation</b>	Partially performed in Urban areas.	Draft, adopt and implement By-laws for the use of parks and recreational facilities.
<b>Municipal roads</b>	Performed.	To develop a comprehensive three year plan to deal with maintenance and construction of new roads.
<b>Noise pollution</b>	Not performed.	Review By-law and enforce compliance with the law.
<b>Pounds</b>	Partially performed. Only one centre operational in eMondlo and is outsourced.	To review Pound Policy and By-law. Establish, designate land in other areas of AbaQulusi Jurisdiction to handle stray animals.
<b>Street lighting</b>	Partially performed in Municipal licenced areas.	Develop and implement Street Light Maintenance Plan. Install green-lights (energy efficient globes) in existing street light.
<b>Traffic and parking</b>	Partially performed in Vryheid Town.	To conduct research for job-creation friendly solutions to manage traffic and

POWERS / FUNCTIONs	BASELINE	INTERVENTION
		parking in other areas.
Street trading	Not performed.	To review Street Trading By-law. Implement and enforce compliance.

## COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

### 4.2 POLICIES

HR Policies and Plans				
	Name of Policy	Completed %	Reviewed %	Date adopted by council or comment on failure to adopt
	Attraction and Retention	100%	0%	Workshops to be conducted
1.	Code of Conduct for employees	100%	0%	Workshops to be conducted
2.	Delegations	100%	0%	Workshops to be conducted
3.	Disciplinary Code and Procedures	100%	0%	Workshops to be conducted
4.	Essential Services	100%	0%	Workshops to be conducted
5.	Employee Assistance / Wellness	100%	0%	Workshops to be conducted
6.	Employment Equity	100%	0%	Workshops to be conducted
7.	Exit Management	100%	0%	Workshops to be conducted
8.	Grievance Procedures	100	0%	Workshops to be conducted
9.	HIV/Aids	100%	0%	Workshops to be conducted
10.	Human Resource and Development	100%	0%	Workshops to be conducted
11.	Information Technology	100%	0%	Workshops to be conducted
12.	Job Evaluation	100%	0%	Workshops to be conducted
13.	Leave	100%	0%	Workshops to be conducted
14.	Occupational Health and Safety	100%	0%	Workshops to be conducted
15.	Official Housing	100%	0%	Workshops to be conducted
16.	Subsistence and Travelling	100%	0%	Workshops to be conducted
17.	Official transport to attend Funerals	100%	0%	Workshops to be conducted
18.	Official Working Hours and Overtime	100%	0%	Workshops to be conducted
19.	Organisational Rights	100%	0%	Workshops to be conducted



<b>HR Policies and Plans</b>				
	<b>Name of Policy</b>	<b>Completed %</b>	<b>Reviewed %</b>	<b>Date adopted by council or comment on failure to adopt</b>
20.	Payroll Deductions	100%	0%	Workshops to be conducted
21.	Performance Management and Development	100%	0%	Workshops to be conducted
22.	Recruitment, Selection and Appointments	100%	0%	Workshops to be conducted
23.	Remuneration Scales and Allowances	100%	0%	Workshops to be conducted
24.	Resettlement	100%	0%	Workshops to be conducted
25.	Sexual Harassment	100%	0%	Workshops to be conducted
26.	Skills Development	100%	0%	Workshops to be conducted
27.	Special Skills	100%	0%	Workshops to be conducted
28.	Work Organisation	100%	0%	Workshops to be conducted
29.	Uniforms and Protective Clothing	100%	0%	Workshops to be conducted
30.	Other:			

### **4.3 INJURIES, SICKNESS AND SUSPENSIONS**

### **4.4 PERFORMANCE REWARDS**

## **COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE**

### **4.5 SKILLS DEVELOPMENT AND TRAINING**

The Municipality has a fully-fledged Human Resource Management Strategy (Manual) which responds to the long-term development plans as contained in the national frameworks e.g. Skills Development Act, Affirmative action etc. This strategy articulates how staff has to be recruited, capacitated, retained, maintained and disciplined amongst others. The new Organogram has created a separate Training Division so as to give effect fully to the demands related to training for scarce skills and in line with a vast of national directives. For example, in Water management it is now a must that those Technicians dealing with water be trained in many skills and certified to operate plants. Municipalities in this angle have to be periodically evaluated on either Blue drop or Green drop standards. Therefore, continuous training is paramount.

Skills development is given life by the direct funding of 1% from the salary budget of a municipality as well as through an indirect funding from various SETAs. This training has to be underpinned on the Annual Skills Development Plan which is implemented through Skills Training Committee.

Again training has to be consistent with the demands of Affirmative Action and Employment Equity Act to balance the playing field of those (the designated groups) who were overlooked in the past. The so to be implemented Performance Management System will also play an important part in ensuring that the skills gaps identified are closed after evaluation and rewarded accordingly if exceeding the norm.

Another challenge facing employers in South Africa is the scourge and impact of the HIV & AIDS disease. AbaQulusi Municipality is accordingly positioned in dealing with this matter as at times it robs the community of skilled personnel. Employee Assistance Programme is being implemented to support those infected and affected by the disease.

## **TRAININGS AND WORKPLACE SKILLS PLAN**

This section had a budget of R1, m and out of that budget 21 councillors were trained on Councillor Development Program from 28 September to 02 October, Directors finalized their MFMP course, 49 General workers were trained on gear switching in electricity and first aiders. Six local labour forum members were trained on the 06 October 2015. They were also trained in essential services in meeting held in Durban. Two managers undergone an induction program offered by SALGA. Thirty-one employees from Technical services were also trained on sewer and waste treatment on water. The workplace skills plan was also submitted to LGSETA in attempt to secure grants for training employees.

AbaQulusi has also made positive strides in accessing many grants by SETAs to train unemployed youth in Marketing and others in Local Economic Development. Apart from this the youth is offered bursaries by the Municipality as well as are exposed to on the job training and orientation.

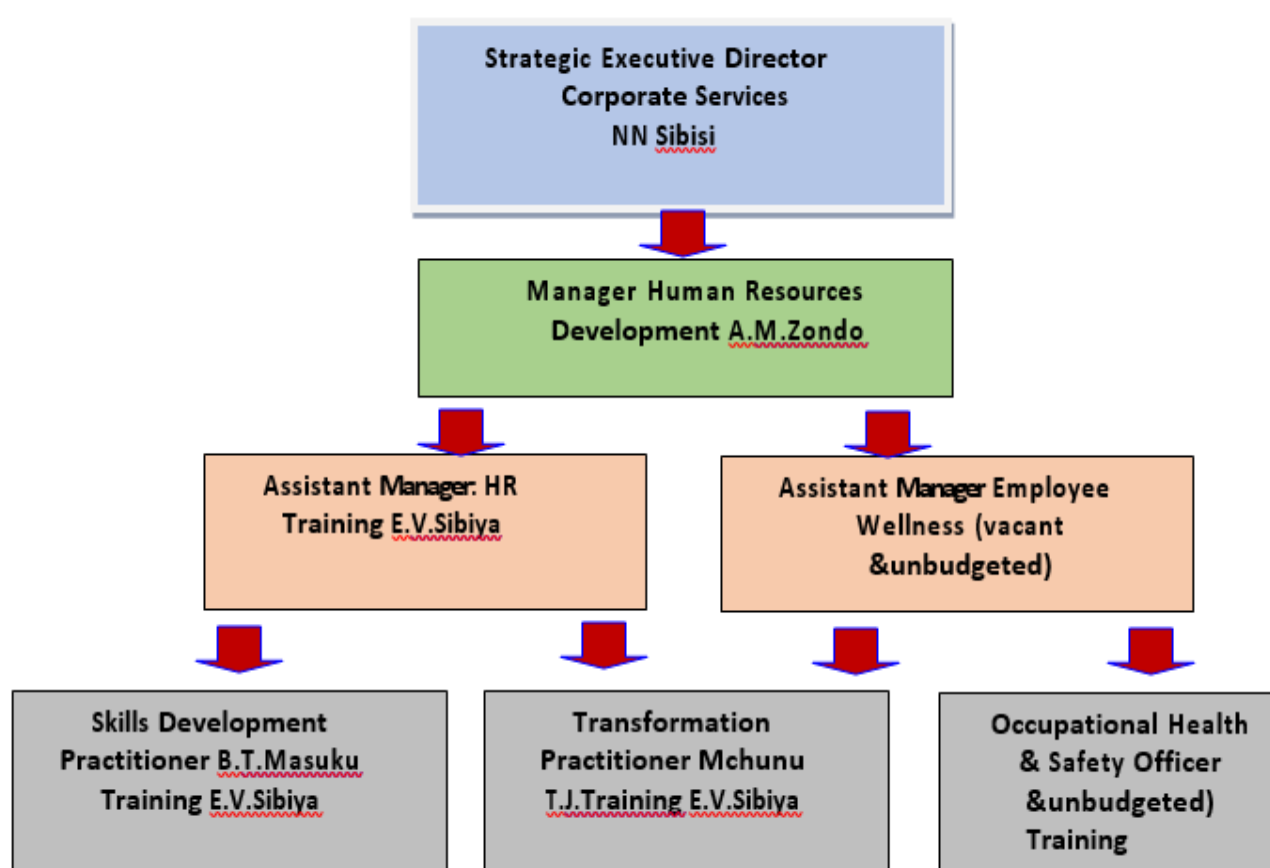
## **CHALLENGES FACED BY HUMAN RESOURCES DEVELOPMENT SECTION OF THE CORPORATE SERVICES DEPARTMENT.**

The injury on duty was handed over to HRD section whereas previously was falling under the HRM of the Corporate Services department. This created challenges in terms of handling the injuries on because the section does not have the necessary capacity to handle the injuries. It is further exacerbated by the fact that the municipality does not have municipal doctor to assist employees injured on duty. As of now there were fatalities incurred by the employees working in the Electrical section because the municipality has

no Safety Officer to spot check the safety of the working environment. Tenders were advertised by the Supply Chain of the Municipality in an attempt to get Municipal Doctors. It is alleged that doctors rendering service to the municipality are not paid on time hence became demoralized to tender or to offer their services to the municipality.

### **INTERVENTIONS TO MAKE THE SECTION PERFORM ITS DUTIES FULLY AND IN COMPLIANT WITH THE OSH ACT.**

There is an urgent need to appoint the Safety Officer so that the workplace environment can be monitored to avoid further fatalities in the municipality. Furthermore, municipal doctors need to be appointed to assist employees who happened to be injured during the working hours. In addition to Safety Officer, the section also requires Wellness Officer to assist the employees of the council with various challenges that employees do experience at their working stations. These positions are there in the approved organogram of the council, but not all of them are budgeted for due to some financial constraints experienced by the municipality.



## **COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE**

### **4.6 EMPLOYEE EXPENDITURE**

Table 35 Remunerations of the Municipal personnel

SALARIES					
200000	BASIC SALARIES	63 945 880	66 967 160	70 650 360	74 484 310
200001	BASIC SALARIES SECT 57 MUN MAN	1 053 640	1 121 070	1 182 730	1 245 410
200002	BASIC SALARIES SECT 57 C F O	960 500	1 052 580	1 110 470	1 169 320
200003	BASIC SALARIES SECT 57 DIR TEC	960 500	1 052 580	1 110 470	1 171 550
200004	BASIC SALARIES SECT 57 DIR COR	800 420	1 052 580	1 110 470	1 171 550
200005	BASIC SALARIES SECT 57 DIR COM	800 420	1 052 580	1 110 470	1 169 320
200006	BASIC SALARIES SECT 57 DIR PLA	800 420	1 052 580	1 110 470	1 171 550
200055	OVERTIME	5 994 050	9 763 000	10 299 980	10 862 040
200061	ALLOWANCE TRAVELLING	6 728 830	7 597 600	8 015 480	8 449 220
200064	TELEPHONE ALLOWANCE	602 570	667 770	704 510	742 580
200065	CELL ALLOWANCE SECT 57 MUN MAN	30 000	0	0	0
200066	CELL ALLOWANCE SECT 57 C F O	18 000	150 000	159 600	169 810
200067	CELL ALLOWANCE SECT 57 DIR TEC	18 000	0	0	0
200068	CELL ALLOWANCE SECT 57 DIR COR	18 000	0	0	0
200069	CELL ALLOWANCE SECT 57 DIR COM	18 000	0	0	0
200070	CELL ALLOWANCE SECT 57 DIR DEV PLAN	18 000	0	0	0
200090	ANNUAL BONUS	5 431 180	5 821 950	6 142 180	6 475 660
200095	PER BONUS SECT 57 MUN MAN	105 360	155 000	163 530	172 200
200096	PER BONUS SECT 57 C F O	0	150 000	0	0
200097	PER BONUS SECT 57 DIR TECH	134 470	150 000	158 250	166 950
200098	PER BONUS SECT 57 DIR COR	176 090	150 000	158 250	166 950
200099	PER BONUS SECT 57 DIR COM	80 040	150 000	158 250	166 640
200100	PER BONUS SECT 57 DIR PLA	80 420	150 000	158 250	166 950
200125	HOUSING SUBSIDY	322 980	368 830	389 170	410 160
200145	L/SERVICE ALLOWANCE	33 650	35 590	37 540	39 580
200155	MEDICAL AID CONTRIBUTIONS	6 135 810	6 514 960	6 873 290	7 245 360
200165	PENSION FUND	15 170 900	15 566 820	16 423 000	17 313 170
200200	STANDBY ALLOWANCE	1 543 490	1 888 000	1 991 840	2 100 380
200240	UIF	812 890	909 900	959 960	1 012 050
200270	PROTECTIVE CLOTHING	839 800	886 000	934 760	987 370
200300	BARGAINING COUNCIL	48 030	50 990	53 760	56 650
	<b>TOTAL EXPENDITURE SALARIES</b>	<b>113 682 340</b>	<b>124 477 540</b>	<b>131 167 040</b>	<b>138 286 730</b>

## CHAPTER 5. FINANCIAL PERFORMANCE

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The Municipality's service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate funds were transferred from low- to high priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditure on non-essential and 'nice-to-have' items. The 2015/16 MTREF was drafted in context of a reviving economy, whilst still acknowledging the lingering effects of the economic downturn of the past couple of years.

The budget for the 2015/16 MTREF period was based on the realisation that no, or limited, scope for additional externally- or internally-funded revenue growth existed and was further reiterated in National Treasury guidelines (circular 51) - *"...over the next few years, government must deliver more services – and deliver them more efficiently – within a tight resource envelope. Achieving this objective requires a new way of working: the budget has been reprioritised so that money is moved from low-priority programmes to high-priority programmes. Municipalities are encouraged to adopt similar stances on these issues. This is particularly important in the run-up to the local government elections. Mayors and Councils need to remain focused on the effective delivery of core municipal services...."*

The budget was compiled by ensuring that the financial management processes are transparent, aligned to the accountability cycle and facilitate good governance that is accountable to the local community. The budget supports the provision of basic services to the communities, facilitating social and economic development, promoting a safe and healthy environment in a sustainable manner. The main challenges experienced during the compilation of the 2015/16 MTREF can be summarised as follows:

- The ongoing difficulties in the local economy
- Ageing water, roads and electricity infrastructure
- The need to prioritise projects and expenditure within the existing resources available.
- The increased cost of bulk electricity due to tariff increases from ESKOM. This is placing pressure on the budget as the tariff the municipality has been allowed to charge is less than the bulk cost meaning there are less funds available for maintenance. Continuous high increases are not sustainable as it gets to a point where services are no longer affordable.

- Affordability of capital projects – allocations had to be reduced due to cash restraints and preference given to repairs and maintenance.

## COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

The Financial Services Department experienced a very difficult period during the year under review. The department faced many challenges most of which were the lack of Human Resources. The employment of staff has continued to be problematic during this year, with the Finance Department really under pressure due to a critical shortage of staff.

### REVENUE

Revenue in total increased in the current year compared to the previous year by R 19, 1 million which represents 4, 1% increase. Rates decreased by 3, 87% compared to the prior year. Revenue from service charges grew by R 1, 5 million or 0, 64% compared to the prior year. Government grants and subsidies increased by R 2, 5 million which represents 2, 3% compared to the previous year.

The municipality is currently undergoing a critical drought; this disaster has hampered revenue due to no billing of water consumption. The municipality is currently supplying water to the community via water tankers, thus cost of purifying and supply of water is a loss to the municipality

Whilst there were new electrical connections implemented in the current financial year, there has been a significant increase in the applications for free basic services which posed a challenge in terms of the equitable share allocation for free and basic services. The theft of electricity and illegal connections still poses as a big threat to the Municipality's ability to grow the revenue; the Municipality needs to focus on strengthening controls to reduce illegal connections and electricity theft.

### EXPENDITURE

The budget for 2015/2016 was adopted on 28<sup>th</sup> of May 2015. The Budget was taken to all Communities during May 2015. The monthly reporting requirements are putting more and more pressure on the department to ensure compliance. All finance policies were adopted with the budget.

Expenditure decreased by 4, 1% compared to the prior year.

As Municipalities are a third tier of government and therefore closest to the communities, they are looked upon as the source of job creation, providers of housing, and service such a health, education, sport and recreation, agriculture, arts and culture as well as security. This places severe strain on the limited budget resources to provide services to the people to ensure their social and economic wellbeing is sustained. The Municipality has

concentrated on its core function which is to provide services such as water, electricity, sanitation and solid waste removal and to provide a service to all municipal departments. However, the provision of housing is also uppermost on the service delivery agenda.

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#### CAPITAL EXPENDITURE AND FINANCING

Expenditure on fixed assets incurred during the year amounted to R 54, 6 million which was mainly funded from Municipal Infrastructure Grant (MIG) and Department of Energy (DOE) grant funding.

The Municipality spent all of the funds in terms of both the Municipal Infrastructure Grant (MIG) and the Department of Energy Grant (DoE) by June 2016.

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#### EXTERNAL LOANS, INVESTMENTS AND CASH

The Municipality has no external loan commitments. The Municipality also holds a portfolio of investments to the value of R 9, 7 million, as well as a positive bank balance of R 3, 8 million.

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#### DEBTORS

Debtors increased compared to the prior year, a provision for doubtful debts has been accounted for in the current year for balances above 90 days. The collection rate at year end was at 96, 51% which is more than the previous financial year. However, with the downturn in the economy it is doubtful whether this rate will be maintained. The outstanding debts have not reduced as expected. A process is in place to address this matter. Most of the consumers in Abaqulusi are Indigent with no ability to pay for services. This places extreme pressure on the budget and increases the debtors. Certain under developed areas have been identified for investigation of whether they are able to pay for services and whether the Municipality is delivering adequate services in those areas. On the 1<sup>st</sup> of September 2015 the municipality appointed a service provider to assist with debt collection.

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#### CREDITORS

Creditors increased compared to the prior year. All creditors are paid within 30 days of statement.

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#### ANNUAL FINANCIAL STATEMENTS

The Annual Financial Statements for 2015/2016 have been prepared in the correct GRAP format.

## FINANCIAL OVERVIEW

Abaqulusi Municipality's financial priorities are to ensure a financially viable and a sustainable Municipality. The Municipality's financial sustainability is also measured on its capacity to generate sufficient and reliable revenues to finance short, medium and long-term financial obligations in response to the acceleration of service delivery.

The financial position of Abaqulusi Municipality is fairly sound and sustainable as is evident by the liquid ability towards its short and long term obligations. We have a stable and sustainable financial environment that has the necessary ability to deliver the service to all residents of Abaqulusi, which in turn adds to the credibility and sustainability of the Municipality. We have good financial management and budgetary control measures and mechanisms that result in a well-managed control environment.

The Municipality had managed to spend approximately 82, 27% of the Municipality's capital and 93, 79% of the Municipality's operational budget for the budget year 2015/2016.

In order for the Municipality to maintain and improve its financial position, certain risks need to be managed and financial management practices need to be monitored and improved. The key financial challenges confronting the Municipality can be summarized as follows:

Table 36 Municipal Financial Challenges

Description: key challenges	Action to Address
<b>The continuous growth of outstanding debtors.</b>	Certain interventions have been discussed such as blocking of the prepaid electricity as well as a portion of the income when prepaid electricity is purchased being taken for other outstanding services,
	Monthly deductions by agreements, handing over to Lawyers for collection.
<b>Expansion of the revenue base.</b>	Devise means of identifying and accessing of additional financial resources to enhance service delivery
<b>Capacitating of the financial directorate.</b>	The organizational structure has been reviewed in order to Address the capacity issues and key positions urgently need to be advertised.
<b>To obtain an unqualified audit opinion.</b>	Finance staff are attending courses that will assist in enabling the continuous improvement of understanding the changes in accounting standards and apply them accordingly. An Annual Financial Statement Committee has been established to address all audit queries timeously during the 2015/2016 audit



The table below depicts a breakdown of operating revenue, government grants and subsidies for the year under review.

Table 37 Financial Overview

Financial Overview: Year 2015-16			
			R' 000
Details	Original budget	Adjustment Budget	Actual
<b>Income:</b>	511 779	490 066	488 961
<b>Grants</b>	114 513	114 513	114 513
<b>Taxes, Levies and tariffs</b>	330 764	330 764	296 994
<b>Other</b>	66 502	44 789	77 454
<b>Sub Total</b>	511 779	490 066	488 961
<b>Less: Expenditure</b>	(510 049)	(614 590)	(576 449)
<b>Net Total*</b>	1 730	(124 524)	(87 488)

Total operating revenue amounts to R 488, 9 million in 2015/2016, of which 60, 74% is derived from property rates and municipal services, 15, 84% from other revenue streams and 23, 42% from government grants and subsidies. The Municipality is highly dependent on grants and subsidies for its operating activities and that the Municipality from its own funds, property rates and municipal services is not financially viable to render municipal services to its communities.

Total operating expenditure amounts to R 576, 4 million in 2015/2016, of which 22, 04% is incurred towards employee related costs, 18, 08% on depreciation, 24, 86% on bulk purchases and 48, 88% on general expenses. It is clear that employee related costs and bulk purchases accounts for the majority of the total operating expenditure of the Municipality for the period under review.

Abaqulusi Municipality's operating activities for the 2015/2016 financial year realized a non-cash operating deficit of R 87, 4 million

The real monetary operating surplus for the period under review amounts to R 38, 2 million after non-cash transactions (depreciation and provisions) and grants utilized for capital expenditure was taken into consideration. It is calculated as set out in the notes to the Annual Financial Statements (AFS) and as set out in the below table:

An assessment of the arrears on municipal property rates and municipal services charges was made by the Accounting Officer as required by section 121(3)(e) of the Local Government: Municipal Finance Management Act (MFMA). Provision for bad debts was made at year end according to paragraph xxx of Council's Accounting Policies as set out in the 2014/2015 AFS. The municipal property rates (trade receivables from non-exchange transactions) and municipal service charges (trade receivables from exchange transaction) arrears at year end as set out in note xx and xx of the AFS is as follows as set out in the table below.

An assessment of revenue collection from each revenue source was also made by the Accounting Officer as required by section 121(3) (f) of the MFMA. Revenue collection rates for the year under review by revenue source and vote are as follows:

The revenue collection rates per customer group are set out in the table below. It is somewhat of a concern that the government departments' payment rate for the year under review was only 17, 6%.

Table 38 Debtors Age Analysis by Customer Group

<b>Debtors Age Analysis By Customer Group</b>										
<b>Organs of State</b>	2200	2077	1207	1 033	771	1 354	–	–	6442	2 125
<b>Commercial</b>	2300	6893	1560	849	721	18 141	–	–	28164	18 862
<b>Households</b>	2400	6212	2905	2 225	2003	58 983	–	–	72328	60 986
<b>Other</b>	2500	186	150	152	137	6 147	–	–	6772	6 284
<b>Total By Customer Group</b>	<b>2600</b>	<b>15369</b>	<b>5822</b>	<b>4258</b>	<b>3633</b>	<b>84624</b>	<b>–</b>	<b>–</b>	<b>113706</b>	<b>88 257</b>

Table 39 Operating Ratios

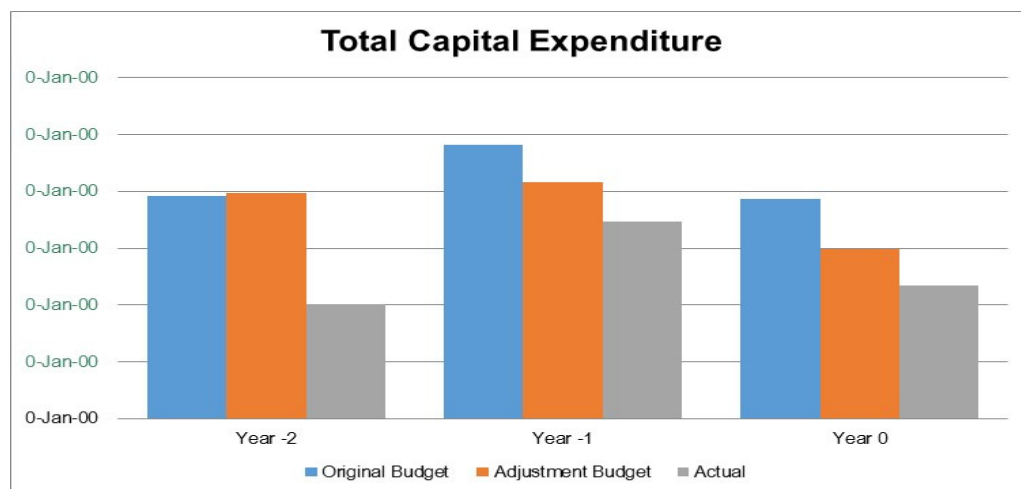
<b>Operating Ratios</b>	
<b>Detail</b>	<b>%</b>
<b>Employee Cost</b>	22,04%
<b>Repairs &amp; Maintenance</b>	3,25%
<b>Finance Charges &amp; Impairment</b>	%
	<i>T 1.4.3</i>

Table 40 Operating Ratios Comments

<b>R'000</b>		
<b>Detail</b>	<b>Year -2015-2016</b>	<b>2016</b>
<b>Original Budget</b>	67 461	71 388
<b>Adjustment Budget</b>	74 866	
<b>Actual</b>	61 591	
		<i>T 1.4.4</i>

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COMMENT ON CAPITAL EXPENDITURE:



#### VARIATIONS BETWEEN ACTUAL AND THE ORIGINAL AND ADJUSTMENT BUDGETS

The municipality received additional funding for MIG and DoE of R6 million

## CHAPTER 6. AUDITOR GENERAL FINDINGS

### AUDITOR GENERAL REPORT: YEAR 2016

The Municipality received an unqualified audit opinion. Abaqulusi Local Municipality was audited by the Auditor-General (AG) of South Africa in terms of section 188 of the Constitution, section 4 of the Public Audit Act and section 126 of the MFMA. The Audit Report for the financial year under review is in **Annexure B** of this report.

Table 41 Auditor Report

No	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter Report for previous financial year	
4	Submit draft year 0 Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of Municipality and entities (where relevant)	August
8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	September - October
12	Municipalities receive and start to address the Auditor General's comments	November
13	Mayor tables Annual Report and audited Financial Statements to	

	Council complete with the Auditor- General's Report	
<b>14</b>	Audited Annual Report is made public and representation is invited	
<b>15</b>	Oversight Committee assesses Annual Report	
<b>16</b>	Council adopts Oversight report	December
<b>17</b>	Oversight report is made public	January
<b>18</b>	Oversight report is submitted to relevant provincial councils	
<b>19</b>	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	

## **INTRODUCTION TO PROCUREMENT SERVICES**

During the financial year steps were taken to reduce the amount of deviations being submitted to EXCO and Council. The centralising of the procurement for all departments was finalised at the beginning of the 2015/2016 financial year and the new Supply Chain module on the Munsoft Financial System will be implemented after the conversion to MSCOA during 2016/17.

A report on all tenders/quotations awarded is now submitted monthly as part of the Section 71 report.

## **FINANCIAL PERFORMANCE**

This section contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters

Most expensive consultancy arrangements in year 2016 and explain the costs, the reasons for the engagements and the result Consultant– the Consultants were appointed to assist the Municipality with the decomponentisation of the assets register and have been appointed this year to further assist the municipality with the unbundling of the Heritage Assets and maintaining the status of unqualified audit opinion.

## **STATEMENTS OF FINANCIAL PERFORMANCE**

Overview of the financial performance of the Municipality and focuses on the financial health of the Municipality

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#### CONCLUSION

The financial position of the municipality is still healthy, but the negative economic challenges are hampering increased growth which would enable the municipality to provide more service delivery projects. More focus will be directed toward revenue enhancing and revenue protection initiatives as well as debtor collection.

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#### STATUTORY ANNUAL REPORT PROCESS

### 6.1 REPORT ON THE FINANCIAL STATEMENTS

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#### INTRODUCTION

1. I audited the financial statements of the Abaqulusi Municipality set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2016, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget with actual information for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

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#### ACCOUNTING OFFICER'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

2. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Local Government: Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2015 (Act No. 1 of 2015) (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.

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#### AUDITOR-GENERAL'S RESPONSIBILITY

3. My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with the International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the municipality's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

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## OPINION

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Abaqulusi Municipality as at 30 June 2016 and its financial performance and cash flows for the year then ended, in accordance with the SA Standards of GRAP and the requirements of the MFMA and DoRA.

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## ADDITIONAL MATTER UNAUDITED SUPPLEMENTARY SCHEDULES

### **6.2 REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**



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

### Material losses and impairment provisions

8. As disclosed in note 37 to the financial statements, material electricity losses amounting to R106,38 million (2015: R38,44 million) of 74,82 million (2015: 49,29 million) kilowatts were incurred as a result of illegal connections as well as technical and non-technical distribution losses.
9. As disclosed in note 37 to the financial statements, material water losses amounting to R7,68 million (2015: R5,57 million) of 3,34 million (2015: 5,67 million) kilolitres were incurred as a result of technical and non-technical distribution losses.
10. As disclosed in note 9 to the financial statements, the municipality provided for impairment of receivables from traffic fines amounting to R9,77 million (2015: R4,97 million) due to poor collection practices.
11. As disclosed in note 11 to the financial statements, the municipality provided for impairment of receivables from exchange transactions amounting to R51,71 million (2015: R39,93 million) due to poor collection practices as well as a history of non-payment of debtor accounts.

### Going concern

12. As disclosed in note 43 to the financial statements, the municipality experienced a loss of revenue due to significant electricity and water losses as well as a high rate of non-payment by debtors. These conditions, along with a significant deficit that was incurred in each of the last two financial years indicates the existence of a material uncertainty that may cast significant doubt on the municipality's ability to operate as a going concern in the foreseeable future.

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## ADDITIONAL MATTERS

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### ADDITIONAL

### MATTERS

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

### Unaudited supplementary schedules

14. The supplementary information set out on pages x to x does not form part of the financial statements and is presented as additional information. I have not audited these schedules, and accordingly, I do not express an opinion thereon.



## Unaudited disclosure notes

15. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA. This disclosure requirement did not form part of the audit of the financial statements and accordingly I do not express an opinion thereon.

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## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

16. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for the selected development priority presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

## PREDETERMINED

### OBJECTIVES

17. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the Basic service delivery and infrastructure development priority presented in the annual performance report of the municipality for the year ended 30 June 2016.
18. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
19. I evaluated the usefulness of the reported performance information to determine whether it was consistent with the planned development priorities. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for managing programme performance information (FMPPPI).
20. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
21. The material findings in respect of the selected development priority are as follows:

Basic service delivery and infrastructure development

Usefulness of reported performance information

Measurability of indicators

Performance targets not measurable

22. A total of 21% of the indicators were not verifiable and 12% of the indicators were not well defined due to the lack of appropriate technical indicator descriptions. The FMPPPI requires that performance indicators should be well-defined by having clear definitions so that data can be collected consistently and is easy to understand and use.

Reliability of reported performance information

23. Adequate and reliable corroborating evidence could not be provided for the reported achievements against planned targets of 37% of the important indicators due to a lack of documented standard operating procedures relating to targets and measures for the collection and reporting of performance information. The FMPPPI requires municipality's to have appropriate systems to collect, collate, verify and store performance information to ensure reliable reporting of actual achievements against planned objectives, indicators and targets.

## **Additional matters**

I draw attention to the following matters.

### Achievement of planned targets

24. The annual performance report on pages x to x and x to x, which includes information on the achievement of planned targets for the year should be considered in the context of the material findings on the usefulness and reliability of the reported performance information for the selected development priority reported in paragraphs 22 and 23 of this report.

### Unaudited supplementary schedules

25. The supplementary information set out on pages x to x does not form part of the annual performance report and is presented as additional information. I have not audited these schedules, and accordingly, I do not report thereon.

## **Compliance with legislation**

26. I performed procedures to obtain evidence that the municipality complied with applicable legislation regarding financial matters, financial management and other related matters. My material findings on compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

### Strategic planning and performance management

27. The key performance indicators set by the municipality did not include indicators on the percentage of households with access to basic level of water, sanitation, electricity and solid waste removal, as required by section 43(2) of the Municipal Systems Act, 2000 (Act No. 32 of 2000)(MSA) and the Municipal Planning and Performance Management Regulation 10(a).
28. The performance management system and related controls were inadequate as it did not describe and represent the processes of performance planning, monitoring, measurement, review, reporting and how it is conducted, organised and managed, as required by sections 38 of the MSA and regulation 7 of the Municipal planning and performance management regulations.

## Annual financial statements

29. The annual financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Material misstatements of property, plant and equipment, receivables from exchange transactions, revenue from non-exchange transactions and inventory identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records were provided, which resulted in the financial statements receiving an unqualified audit opinion.

## Procurement and contract management

30. Contracts were awarded to bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by supply chain management (SCM) regulation 13(c).
31. Contracts were extended without tabling the reasons for the proposed amendment in the council of the municipality, as required by section 116(3) of the MFMA.
32. Awards were made to providers who were in the service of other state institutions or whose directors / principal shareholders were in the service of other state institutions, in contravention of section 112(j) of the MFMA and SCM regulation 44. Similar awards were identified in the previous year and no effective steps were taken to prevent or combat the contravention of the SCM process, as required by SCM regulation 38(1).

## 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.
34. Reasonable steps were not taken to prevent unauthorised, irregular as well as fruitless and wasteful expenditure, as required by section 62(1)(d) of the MFMA.

## Conditional grants

35. The municipality did not evaluate its performance in respect of programmes funded by the Municipal Infrastructure Grant allocation, as required by section 12(5) of the DoRA.

## Consequence management

36. Unauthorised, irregular as well as fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for such expenditure, as required by section 32(2)(a)(ii) of the MFMA.

## **Internal control**

37. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report and the findings on compliance with legislation included in this report.

## Leadership

38. Vacancies in key management positions as well as of support staff in the finance section resulted in action plans relating to key audit matters not being rigorously monitored and policies were not fully adhered to.

## Financial and performance management

39. Management did not adequately monitor and review systems of internal control to ensure the accuracy and completeness of the financial statements and compliance with legislation. This is evident from the repeat findings identified on the quality of the submitted financial statements for audit.
40. Management did not implement adequate controls to ensure that indicators and targets reported were measurable between planning and reporting documents. Further, action plans on predetermined objectives were not being monitored rigorously by management to address the identified deficiencies.

## Other report

41. I draw attention to the following engagement that could potentially impact the municipality's financial, performance and compliance related matters. My opinion is not modified in respect of this engagement that is in progress.

## Investigation

42. The Department of Cooperative Governance and Traditional Affairs instituted an investigation relating to various allegations of maladministration as well as fraud and corruption at the municipality. The investigation covers the period 1 July 2015 to 30 June 2016 and is currently in progress.

*Auditor-General*  
Pietermaritzburg

30 November 2016



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*



**Audit Action Plan - Abaqulusi Municipality**

Item	Department / Section	Risk Description	Root Cause	Source Document/ Reference	Implementation plan to address finding / Action required	Responsible Official	Status	Note/ Comments
1	Performance Management	Performance management Indicators/ targets not specific and verifiable	Poor understanding of the performance management framework	AG Management Report 2015/2016 Detailed Finding 1	-Staff training in line with National Treasury Performance Management Framework -Setting goals, indicators and targets using SMART principle	Acting MM		
2	Performance Management	Insufficient maintenance and reporting of performance information	Poor record management system to facilitate the collection and reporting of actual performance information.	AG Management Report 2015/2016 Detailed Finding 2	-Maintain portfolios of evidence - Implement record management system -Review document design - Quarterly review and review by internal audit	Acting MM / Manager: IDP/PMS	In progress	
3	Performance Management	KPI's not set in line with applicable laws and regulation	Inadequate review for compliance with applicable laws and regulations	AG Management Report 2015/2016 Detailed Finding 3	Set KPIs on an annual basis KPI's set should be included in the IDP for 2016-17.	Acting MM	In progress	
4	Finance	Misallocation of grant expenditure resulting in overstatement of fixed assets	Lack of review of financial records	AG Management Report 2015/2016 - Detailed Finding 4	Review transactions allocated to WIP	CFO		2015/2016 financial year, the AFS was adjusted and the finding was closed.
5	Finance	Payment of creditors within 30 days	Controls not in place to identify long outstanding invoices	AG Management Report 2015/2016 - Detailed Finding 5	Complete and review creditor reconciliations monthly.	CFO	Outstanding	undergoing a drought and as a result this has impacted on Revenue Collection. Due to this
6	Finance	Inventory discrepancies	Lack of inventory controls	AG Management Report 2015/2016 - Detailed Finding 6	A full inventory count should take place at year end and must be supported by full and proper records.	CFO		2015/2016 financial year, the AFS was adjusted and the finding was closed.
7	Finance	Inventory write up	Lack of inventory controls	AG Management Report 2015/2016 - Detailed Finding 7	Measure inventory at lower of cost and NRV, in accordance with GRAP.	CFO		2015/2016 financial year, the adjustment proposed by management was accepted by auditors.
8	Finance	Receivables from exchange transactions: Differences between AFS and debtors listing	Management did not prepare regular, accurate and complete financial reports.	AG Management Report 2015/2016 - Detailed Finding 9	Analyse population of Rates Debtors in the 2016/2017 financial year, Submit adjustments to individual debtors to internal audit and audit committee for review. Perform reconciliation between the Valuation Roll and Billing.	CFO		In respect to the 2015/2016 financial year, the AFS was adjusted and the finding was closed.
9	Finance	Unauthorized, Irregular, Fruitless and Wasteful expenditure	Inadequate review for compliance with MFMA	AG Management Report 2015/2016 - Detailed Finding 10	Improve controls over the monitoring of the budget to ensure MFMA compliance. This includes reporting of non-compliance.	CFO		2015/2016 financial year, the AFS was adjusted and the finding was closed.
10	SCM	SCM documentation not provided	Poor record management	Report 2015/2016 - Detailed Finding 11	Implement adequate controls over record management in order to ensure that all information is readily accessible for review/ audit.	SCM Manager		
11	SCM	Lease payments after contract expired	Poor contract management	Report 2015/2016 - Detailed Finding 12	Put services out to tender prior to the contracts coming to an end. Ensure that proper planning is exercised and that contracts that are due to expire are planned for.	Acting MM / SCM Manager		



12	Finance	Finance costs/ lease liability are incorrectly disclosed	Management did not prepare regular, accurate and complete financial reports.	AG Management Report 2015/2016 - Detailed Finding 13	Management review of all workings supporting AFS.	CFO		In respect to the 2015/2016 financial year, the AFS was adjusted and the finding was closed.
13	SCM	Supplier in service of the auditee and state- No declaration	Lack of controls over related parties	Report 2015/2016 - Detailed Finding 14	Implement procedures to identify employees and their relative with interest in suppliers that the municipality does business with.	Acting MM / SCM Manager		
14	Performance Management	Mid-year performance review concluded after MFMA deadline	Inadequate review for compliance with MFMA	Report 2015/2016 - Detailed Finding 15	Mid-year Budget and Performance assessment to be concluded and submitted before 25 January as per legislation. Implement a checklist to track legislated timelines that must be adhered to.	Acting MM		
15	Performance Management	Insufficient allocation of resources for PMS Reporting	Inadequate HR Management	AG Management Report 2015/2016 - Detailed Finding 16	Ensure sufficient resources available for both the IDP and PMS functions and that there is adequate segregation of duties.	Acting MM		
16	Performance Management	Insufficient documentation of standard operating procedures	Poor internal controls	Report 2015/2016 - Detailed Finding 17	Document and implement a standard operating procedure for the collection, recording, processing, monitoring and reporting of performance information.	Acting MM		
17	Technical Services	Inadequate management of Roads infrastructure and water	Management did not exercise adequate oversight with regard to the development of policies, procedures and plans to address significant service delivery issues on roads, water and sanitation.	AG Management Report 2015/2016 - Detailed Finding 18	The accounting officer should develop, approve and implement roads, water and sanitation infrastructure policies and procedures. The policies should clearly set out the following: - Strategic planning (long and medium term plans/ operational plans) - Life cycle of roads, - Water and sanitation infrastructure, - Maintenance planning for roads, (preventative, routine and repairs) - Funding of new roads, - Funding of water and sanitation infrastructure and maintenance of existing infrastructure - Management information system, - Roles and responsibilities of staff involved in road infrastructure and water infrastructure	Acting MM / Director Technical Services		
18	Finance	Persons appearing on the indigent list but should be paying for services	Inadequate review of indigent list	Report 2015/2016 - Detailed Finding 19	Management should ensure that all persons approved to appear on the indigent register qualify to be included.	CFO		
19	Finance	Traffic fines revenue not recorded monthly.	There is no link between the Traffic and Finance Departments.	AG Management Report 2015/2016 - Detailed Finding 20	Management is in the process of reviewing its revenue management policy to incorporate a process flow for the accounting process for Traffic Fines. The amended policy will be taken to Council in the 2016/2017 financial year	CFO		
20	Finance	Assets incorrectly recognised as expenditure	Inadequate review of expenditure	AG Management Report 2015/2016 - Detailed Finding 21	Review expenditure to ensure correct recognition in terms of GRAP.	CFO		In respect to the 2015/2016 financial year, the AFS was adjusted and the finding was closed.
21	Finance	Evidence of approval for inventory write off could not be provided.	Management did not ensure that prior to writing off inventory approval was obtained from council.	AG Management Report 2015/2016 - Detailed Finding 22	Management should ensure that council approval is obtained for all write offs prior to the drafting of the financial statements.	Acting MM		submission of Annual Financial Statements. This was due to no quorum, as well as the Local Government elections also had an impact during July and August 2016. However, a report for the write-off will be taken to council for adoption.



22	Community Services	Ward level improvement plans outstanding	Leadership did not establish policies and procedures that assist in enabling the municipality in discharging their duties.	AG Management Report 2015/2016 - Detailed Finding 23	The municipality is currently working with CoGTA to develop Ward / Community Based Plans.	C.L.O - Public Participation	auditor during a discussion that the municipality was not sure what was required as this was never rolled out before. A clear indication of what a Ward Level Improvement Plan still needs to be
23	Technical Services	No maintenance plan in place for infrastructure assets	Heads of departments and the accounting officer have not ensured that there is a maintenance plan in place for assets	Report 2015/2016 - Detailed Finding 24	The Municipality will ensure that Maintenance plan for all infrastructure above R 100,000.00 will be prepared during 2016/2017 financial year.	Director Technical Services	
24	Finance	Missing information on FAR	Inadequate maintenance of FAR	AG Management Report 2015/2016 - Detailed Finding 25	Management should ensure that assets are recorded in the assets register with all the appropriate details. Further, management should ensure that depreciation calculations are accurate and regular.	CFO	In respect to the 2015/2016 financial year, the AFS was adjusted and the finding was closed.

25	SCM	Deviations not reported to Auditor- General	Management did not monitor compliance with the MSCMR.	Report 2015/2016 - Detailed Finding 26	Management should ensure that the MSCMR are complied with by reporting all deviations from the normal tender process to the Auditor-General, Provincial Treasury and National Treasury.	SCM Manager	
26	SCM	B-BBEE points awarded incorrectly for tender.	The bid adjudication committee (BAC) did not ensure compliance with PPR 6(4) by correctly awarding points	AG Management Report 2015/2016 - Detailed Finding 27	The BAC should confirm that the points awarded are supported by appropriate documentation. Review all similar awards in order to identify errors of a similar nature for which payments should be quantified and disclosed as irregular expenditure.	BAC / SCM Manager	
27	SCM	Deficiencies in SCM policy	Management did not adequately monitor compliance with MSCMR when amending and implementing the SCM policy.	Report 2015/2016 - Detailed Finding 28	Revise the municipal SCM policy in accordance with applicable regulations. Awards not procured in terms of the regulations should be accounted for as irregular expenditure	SCM Manager	
28	SCM	Bid register not published on municipality's website	Management did not monitor and review compliance with the MSCMR.	Report 2015/2016 - Detailed Finding 29	Ensure results published on website	SCM Manager	
29	Finance	Poor collection of traffic fine debt	Management did not implement adequate debt collection processes	AG Management Report 2015/2016 - Detailed Finding 30	Management should implement effective debt collection processes in order to recover outstanding traffic fine debts and minimise losses	CFO	Management provided a summary of their action plan in the management response to this finding.
30	Corporate Services	Overtime exceeding legislated limits	Management did not monitor compliance with the Basic Conditions of Employment Act.	Report 2015/2016 - Detailed Finding 31	A feasibility analysis should be conducted to determine if capacity should be increased where excessive overtime is being worked.	Acting MM	
31	Corporate Services	Employees worked overtime without approval from management	Poor controls over overtime, non-compliance with policy on overtime.	AG Management Report 2015/2016 - Detailed Finding 32	Conduct reviews of the timesheets to ensure employees are (prior) authorised to work overtime. Consider updating the overtime policy to include a provision for certain workers who could be exempted from obtaining prior approval before working overtime.	Acting MM	
32	Corporate Services	No evidence of vetting for the qualifications of the employees	Non-compliance with HR policy,	AG Management Report 2015/2016 - Detailed Finding 33	The municipality has entered into a service level agreement with SAQA to be eligible to vet qualifications of employees and the process is underway to vet qualifications of incumbents which were interviewed recently and thereafter holistic approach will be taken to verify qualifications of all existing employees.	Acting MM	

33	Corporate Services	Employee in acting position for more than 3 months	Council did not exercise effective oversight responsibility regarding compliance and internal controls as key management posts have not been filled timeously.	Report 2015/2016 - Detailed Finding 34	Council should ensure that vacant positions, especially management positions, are filled with permanent resources.	Acting MM		
34	Corporate Services	Employee did not work the notice period	Inadequate HR management	AG Management Report 2015/2016 Detailed Finding 35	Management should ensure that effective HR policies are implemented so that resources are always in place and adequate opportunity is afforded to fill the post before the incumbent departs.	Director Corporate Services / HR Manager		
35	Finance	Creditors reconciliations are not performed on a monthly basis	Management did not implement controls over daily and monthly processing and reconciling of transactions.	Report 2015/2016 - Detailed Finding 36	Perform monthly creditor reconciliations	CFO		
36	SCM	Incomplete Contracts Register.	Lack of control over SCM Process	Report 2015/2016 - Detailed Finding 37	review and monitor the accuracy and completeness of contract register on a monthly basis	SCM Manager		
37	Finance	Expenditure exceeds value of award	Lack of control over contract expenditure	Report 2015/2016 - Detailed Finding 38	Monthly reconciliation of the cost to date on contracts	Acting MM / CFO		
38	ICT	Minutes of internal ICT meetings where vendor server levels received are discussed are not maintained	Poor record keeping	Report 2015/2016 - Detailed Finding 39	The minutes of these meetings should be documented and tabled at IT Steering Committee meetings for review and action.	IT Manager		
39	Corporate Service	Key IT Positions vacant	Ineffective HR management	Report 2015/2016 - Detailed Finding 40	Ensure vacant posts are filled within a reasonable timeframe	Director Corporate Services / HR Manager		
40	ICT	User access reviews are not conducted annually	Management did not design and implement formal controls over IT systems to ensure the reliability of the systems and the availability, accuracy and protection of information.	AG Management Report 2015/2016 - Detailed Finding 41	IT department has implemented a central authentication system Re-assess user access rights on a regular basis.	IT Manager		

## GLOSSARY

Table 42 Glossary

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

		means a year ending on 30 June.
<b>Cost indicators</b>		The overall cost or expenditure of producing a specified quantity of outputs.
<b>Distribution indicators</b>		The distribution of capacity to deliver services.
<b>Financial Statements</b>		Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
<b>General performance indicators</b>	<b>Key</b>	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
<b>Impact</b>		The results of achieving specific outcomes, such as reducing poverty and creating jobs.
<b>Inputs</b>		All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
<b>Integrated Development Plan (IDP)</b>	<b>Plan</b>	Set out municipal goals and development plans.
<b>National performance areas</b>	<b>Key</b>	<ul style="list-style-type: none"> <li>• Service delivery &amp; infrastructure</li> <li>• Economic development</li> <li>• Municipal transformation and institutional development</li> <li>• Financial viability and management</li> <li>• Good governance and community participation</li> </ul>
<b>Outcomes</b>		The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
<b>Outputs</b>		The final products, or goods and services produced for delivery.

	Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
<b>Performance Indicator</b>	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
<b>Performance Information</b>	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
<b>Performance Standards:</b>	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
<b>Performance Targets:</b>	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
<b>Service Delivery Budget Implementation Plan</b>	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
<b>Vote:</b>	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or

functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.

Section 1 of the MFMA defines a “vote” as:

*a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and*

*b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned*