



KOUKAMMA LOCAL MUNICIPALITY

ANNUAL REPORT: 2019/20



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ABBREVIATIONS

AIDS – Acquired Immune Deficiency Syndrome

ANC - African National Congress

A- G – Auditor - General

CDW – Community Development Worker

CLO - Community Liaison Officer

CSTR – Centre for Small Town Regeneration

CFO - Chief Operations Officer

CoGTA- Cooperative Governance and Traditional Affairs

DA - Democratic Alliance

DM – District Municipality

DLTC –Driving License Testing Centre

DLA - Department of Land Affairs

DoE – Department of Energy

DWA – Department of Water Affairs

DeDea – Department of Economic Development, Environmental Affairs and Tourism

DRDRL – Department of Rural Development and Land Reform

EIA – Environmental Impact Assessment

Fe - High iron

GCIS – Government Communications and Information Systems

GDP- Gross Domestic Product

GIS – Geographic Information Systems

GRAP – Generally Recognised Accounting Practices

GVA – Gross Value Add

HH -Household

HIV – Human Immunodeficiency Virus

HR – Human Resource

ICT –Information Communication Technology

IDP –Integrated Development Plan

IGR – Intergovernmental Relations

IOD – Injury on Duty

KPI's – Key Performance Indicators

KCoGP – King Code of Governance Principles

LUMS – Land Use Management System

LM - Local Municipality

MD – Maximum Demand

MEC – Member of Executive Committee

MFMA – Municipal Finance Management Act

MISA - Municipal infrastructure Support Agencies

MIG - Municipal Infrastructure Grant

MM – Municipal Manager

Mn - Manganese

MPAC – Municipal Public Accounts Committee

MPT – Municipal Planning Tribunal

MRM – Moral Regeneration Movement

MTO – Mountain – to- Ocean Forestry

MVR – Motor Vehicle Registration

NHLS – National Health Laboratory Services

NMD – National Maximum Demand

NHBRC – National Home Builders Regulatory Council

NERSA – National Energy Regulator of South Africa

NYS - National Youth Support

O & M – Operations and Maintenance

PDMS – Provincial Disaster Management System

PDHS – Provincial Department of Human Settlements

PMS – Performance Management System

PR – Proportional Representation

RBIG – Regional Bulk Infrastructure Grant

RDP – Reconstruction and Development Programme

RIMS – Road Incident Management System

SALGA –South African Local Government Association

SALGBC – South African Local Government Bargaining Council

SANS – South African National Standards

SANRAL – South African National Road Association Limited

SBDM – Sarah Baartman District Municipality

SDBIP – Service Delivery Budget Implementation Plan

SDF – Spatial Development Framework

SPLUMA - Spatial Land Use Management Act

SCM – Supply Chain Management

TMT- Traffic Management Team

WSA-Water Service Authority

WSIG – Water Service Infrastructure Grant

WSP – Water Service Provider

ZSR - Zoning Scheme Regulation

1.1. Mayors' Foreword

During the 2019/20 financial year, the Koukamma Municipal Council once again has drawn its attention on the development and approval of the Integrated Development Plan (IDP) with the view to streamline its strategic focus to allow a razor sharp focus on governance and performance. The IDP is aligned to the Provincial Growth and Development Strategy, Provincial Development Plan, Provincial Strategic Priorities, Medium Term Revenue and Expenditure Framework, as instruments to guide the baseline financial projections, in accordance with the capital and operational expenditure over a three (3) year budget cycle; which is reviewed and adjusted yearly.

The IDP as the strategic document is the source for the development and formulation of the Service Delivery Budget Implementation Plan (SDBIP), where the performance agreements of the Municipal Manager and the Directors are premised. In our quest to achieve long term results, the performance agreements of the Municipal Manager and Directors are approved by Council and monitored by the Audit Committee through submission of performance reports and milestones reached. Through Mayoral Imbizos and public participation, we are committed to continue building and sustaining a healthy relationship between the sector departments, the District and the communities.

A culture of public participation is developed that creates conditions and encourage local communities to participate in municipal affairs, as a result public meetings were called in all six (6) Wards from 27 February 2020 to 6 March 2020; where the IDP and budget were discussed. In realising the main objective and the existence of the municipality, as enshrined in the Constitution; the Municipality forged a relationship with SANRAL which resulted in the paving alongside the roads of Kareedouw and Louterwater as part of their social contribution, after SANRAL had won a Provincial tender to maintain the main road passing through the Koukamma area.

In pursuit of good governance, significant strides were made through seeking assistance from the Department of Energy (DOE) for funding, resulting in the electrification of ninety six (96) houses in Ravinia at the value of R1 550 000 million. During 2019/20 financial year, Koukamma Municipality rated an overall score of "high" in the key performance areas after an assessment was conducted by the MEC for CoGTA. We as the Koukamma Municipal Council are committed to continue building a sustainable and healthy working relationship with our communities and join hands in improving service delivery. To this end, we will consider all possible avenues; including but not limited to pursuing strong partnerships with sector departments, without diverting from our core strategic focus and values.

I therefore wish to express a word of appreciation to the fellow Councillors for ensuring good governance and leadership through their constant oversight role. I also appreciate the contribution and value the efforts made by the Municipal Manager and his team for their diligence in ensuring that the municipality's objectives and goals are achieved.

.....

MAYOR: KOUKAMMA MUNICIPALITY

1.2. Executive Summary

In terms of the Constitution of the Republic of South Africa, 1996, Section 156 (1) a municipality has executive authority in respect of , and has the right to administer the local government matters as listed in Part B of Schedule 4 and Part B of Schedule 5; and any other matter assigned to it by the National or Provincial legislation. Based on the above statement, the municipal has then developed a 5 (five) year Integrated Development Plan which outlines the programmes that will be performed by the municipality.

The Council has adopted five (5) developmental priorities that are aligned to the National and Provincial priorities. These five (5) developmental priorities are in line with the five (5) directorates as outlined in the IDP and SDBIP and they are:

1. Basic Service and Infrastructure Development;
2. Good Governance and Public Participation;
3. Financial Viability and Management;
4. Institutional Transformation and Organizational Development; and
5. Local Economic Development.

These five developmental priorities are aligned to Circular 63 of the MFMA, issued by National Treasury as a guiding document in the formulation and preparation of the Annual Report. The intention of the Annual Report is to provide account on the implementation of performance in relation to the IDP, budget and SDBIP in terms of performance management system. It also highlights on matters that were dealt with and achieved during the 2019/20 financial year and provides mechanism for challenges encountered in the year.

The municipality has been working and getting assistance from Sarah Baartman District Municipality (SBDM) and sector department such as Department of Water and Sanitation, Public Works and Cooperate Governance and Traditional Affairs (CoGTA). The municipality has been receiving **unqualified audit outcomes** for the past six (6) years since 2014 and during 2019/20 financial year; the Auditor – General indicated that the municipality is close to getting a clean audit if only it can improve and deal with emphasis of matters in the audit report. This outcome proves good leadership and effective management of administrative processes.

The final budget of 2019/20 financial year was adopted by Council on the 28 May 2019 as follows:

- Total Revenue excluding capital transfers and contributions was R 203 881 113 translating to 90%;
- Total Expenditure was R184 886 278 which is equal to 88% with a deficit of R18 896 837; and
- Capital Expenditure was R47 484 004 which translate to 68%.

The total collection rate was 51.50% . The actual operating expenditure for the total employee salary cost of the operating budget during 2019/20 financial year was R53 857 651 335 excluding Council salary cost of R3 843 067 which is equal to 38% of the total operating budget.

During 2019/20 financial year, the following projects were undertaken and completed:

- Upgrading of Waste Water Treatment Works (WWTW) in Twee Riviere at the value of R4.2 million from the MIG fund;
- Louerwater Multi-Purpose Community Centre (MPCC) was constructed at the value of R11.2 million;

- Water Service Infrastructure Grant (WSIG)drought relief at R23.7 million;
- Phase1 paving gravel road of Louterwater at the value of R3.3 million;
- Waste Management project was R2.6 million in these areas Kareedouw, Louterwater, Coldstream and Woodlands;
- Expanded Public Works Programme implemented in Clarkson, Krakeel and Joubertina at the value of R1 million.

The Municipal Planning Tribunal (MPT) also received sixty four (64) plans and approved fifty three (53). Although this might look like a lot is done, the municipality is still faced with water and sewer challenges which we are striving to ensure that this is rectified. There is too much vandalism and theft taking place in the area; as a matter of fact we are unable to move forward due to repairing and maintaining infrastructure which is destroyed by the communities. During public participation, these matters are communicated to community members that they must own these infrastructures and ensure that they are safe as they are the ones suffering when water pipes are destroyed, leaving them with no water.

Over and above the mentioned challenges, the municipality has been getting assistance and support from the sector departments as highlighted below:

- DSRAC: library subsidy for library services on operations and maintenance costs at an amount of R1.3 million and spent 74%;
- SBDM: Environmental Health services at R1 013 200 million and spent 100%;
- Treasury: Finance Municipal Grant at R2 435 000 million and spent100%;
- COGTA: Covid 19 Relief Grant at R953 00 thousand and spent 32% on Covid 19 related material and goods.

All these achievements can be attributed to the support and assistance of our political principal who in most instances had intervened and ensure that where there are difficulties in getting the necessary support from our counter officials; they discuss these matters at the political level with the political leadership of affected departments.

It will be amiss not to dedicate a special thanks to our Council, the administration for taking pride, commitment and dedication to their work, the oversight committees and communities that are constantly keeping administration on their toes for better and improved service delivery. This significant improvement is geared at ensuring that the communities of Koukamma put their trust in the municipality and remain confident that a lot will be achieved in the near future.

PM KATE

MUNICIPAL MANAGER

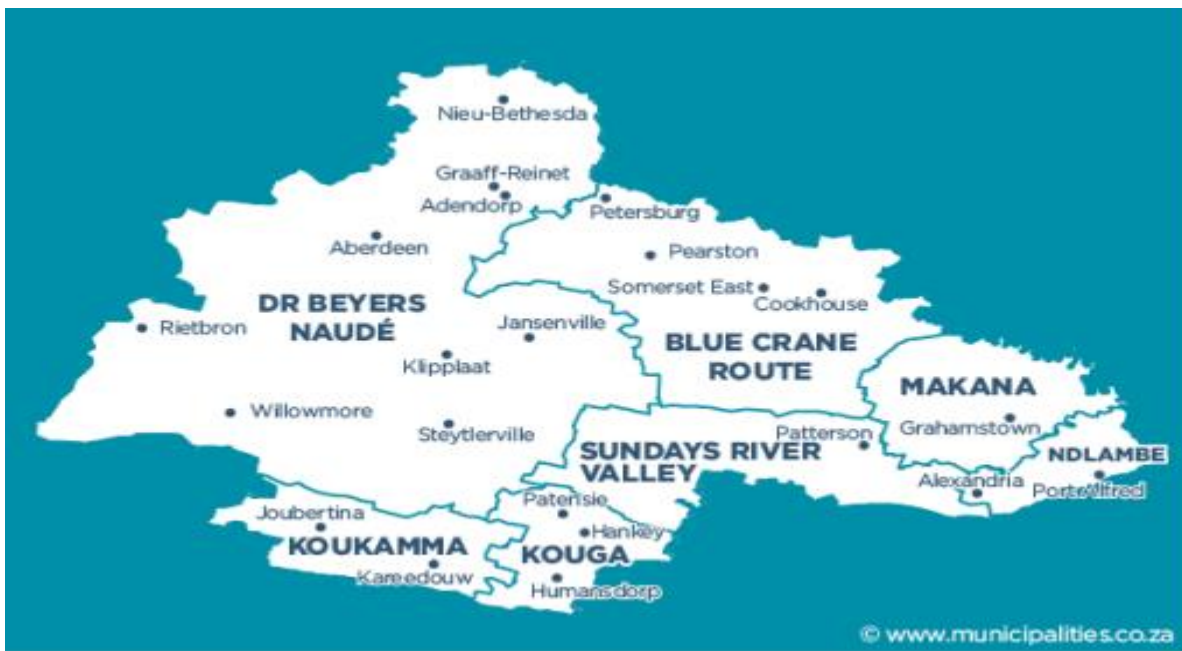
1.3. Municipal Overview

Geographical Profile of Koukamma

Koukamma Municipality forms part of the then Cacadu District Municipality currently known as the Sarah Baartman District Municipality (SBDM), situated in the Western side of the Eastern Cape with approximately 60 000 square kilometres. Koukamma Municipality is amongst the seven (7) municipalities that forms part of the Sarah Baartman District Municipality.

Koukamma Municipality is characterised by two distinct regions which can be classified as coastal belt and inland. The coastal belt boasts of tourism as its primary economic hub whilst the inland represents the agricultural sector as its primary hub. It is located in the north of Baviaans Mega Reserve (Kloof), west of Bitou Municipality, east of Kouga and south of India Ocean which all resemble the core elements of tourism and agriculture hubs of Koukamma Municipality. The area is approximately 3 598 square kilometres and the density is 12, 14 square kilometres.

MAP OF SARAH BAARTMAN DISTRICT MUNICIPALITY



Socio - Economic Profile

Koukamma is well-known for its Agricultural production. Its weather conditions create and sustain a conducive environment for a variety of Agri- Business Enterprise. Koukamma Municipality's commodities range from dairy, ferns, protea and indigenous plants along the coastal belt including tree and marine harvesting. It also consists of massive and competitive fruit production and medical plants in the Langkloof area. In 2007, approximately 44% of commercial agriculture was projected for local economic growth which accounts and contributed significantly on job creation. The coastal belt is rich in tourism with diverse production market such as accommodation, attraction sites with art and craft including indigenous history. Koukamma is known as a place for sparkling water with large traits of indigenous forest and fynbos; with deep river that gorges cleft the plateau as they make way down to the sea, creating spectacular waterfalls and deep kloof.

Koukamma is huge in forestry and timber industry as that contributes to the domestic economy through job creation, capital investment and in global economy through export sales. Along its coastal belt, a fishery catchment zone exists adjacent to the stunning and classic golf estate which is also in close proximity to the tourism attraction site in Eerste Rivier.

MAP OF KOUKAMMA MUNICIPALITY



Demographic Profile

According to the Community Survey conducted in 2016, the population of Koukamma is approximately 46 000 and is comprised of all races in the country. The 2016 population figures of Community Survey were calculated from the geo-spatial data. The 2011 Census report, indicated the population of Koukamma as estimated at 40,663; which then suggests that in five years – time, Koukamma had an influx or population growth of 5 337.

In relation to the Census statistics of 2011, Koukamma had 50.2% males and 49.8% females. Of those population estimates of 2011, blacks were estimated as 30.6%, coloureds – 59.8%, whites- 8.2% and Indians at 0.3%. The most spoken language is Afrikaans at 73.5%, followed by IsiXhosa at 19.9% and English at 2.5%. From ages 20 years and older, 10.3 had completed primary school education, 40.2% secondary school education, 17.6% have completed matric and 3.9% had some form of higher education.

Chapter 2: Good Governance

The purpose of good governance is to measure how public institutions conduct public affairs and manage public resources in a way that is preferred by society/communities. It is a process of decision – making and implementation.

Municipal leadership both political and administration are obliged to comply with the eight elements of good governance namely;

- Rule of Law – fair legal framework enforced by an impartial regulatory body for full protection of stakeholders;
- Transparency- information should be provided in easily understandable forms and media, it should be freely available and directly accessible to those who will be affected;
- Responsiveness – organizations and their processes are designed to serve the best interest of stakeholders within reasonable timeframes;
- Consensus oriented – there must be consultation to understand the different interest of stakeholders and how this can be achieved in a sustainable and prudent manner;
- Equity and inclusiveness – provision of opportunity to stakeholders to maintain and improves their well-being and see reason for existence and value to society;
- Effectiveness and efficiency – decisions taken must produce favourable results that meet the community needs, whilst making the best use of resources;
- Accountability- this is the fundamental principle of good governance. The municipality must be able to explain and answer to the communities on decisions that has been made;
- Participation – communities must be involved in the decision- making and they must be able to raise their opinions on issues affecting them.

Component A: Political and Administrative Governance

2.1. Political Governance Structure

Koukamma Municipality is a plenary executive system combined with a ward participatory system as category B, Grade 1. There are only two (2) political parties which forms the municipal Council and these are: the African National Congress (ANC) and the Democratic Alliance (DA). The municipality have eleven (11) Councillors of which six (6) Councillors of the eleven (11) are Ward Councillors and five (5) are Proportional Representatives (PR).

After the election of 3 August 2016, new Councillors were elected six (6) for the ANC and five (5) for the DA and were inaugurated on the 18 August 2016; the list is detailed below:

No	Name and Surname	Position	Party Represented
1.	Samuel Vuso	Mayor	ANC
2.	Fuzile Jan Yake	Chief Whip Ward 4	ANC
3.	Jessie Plaatjies	Ward Councillor 1	ANC
4.	Fundiswa Herman	Ward Councillor 3	ANC
5.	Graham Goliath	Ward Councillor 5	ANC

6.	Hester Pullen	Ward Councillor 6	ANC
7.	Francois Strydom	PR Councillor	DA
8.	James Krige	PR Councillor	DA
9.	Yolande Le Roux	PR Councillor (resigned) replaced by Clr Cecilia Reeders	DA
10.	Kerneels Smit	PR Councillor	DA
11.	Pretorius Bernadis	Ward 2 (resigned)replaced by Clr Julian Jansen	DA

During 2017 two resignations took place, PR councillor from ward 4, Yolande Le Roux and the Ward Councillor from ward 2, Pretorius Bernadis. These Councillors were later replaced by Councillors Cecilia Reeders and Julian Jansen respectively; following the necessary processes. Councillor Julian Jansen was sworn in by the Mayor/Speaker in the Council held in the Council Chamber on the 15 May 2018.

Five (5) of the abovementioned Councillors had other responsibilities despite being Ward Councillors and they are also Portfolio Councillors representing the following directorates:

Name & Surname	Ward	Portfolio	Other responsibility
Fuzile Yake	4	Finance	ANC Chief Whip
Jessica Plaatjies	1	Corporate Services	LLF Deputy Chairperson & HRD Chairperson
Hester Pullen	6	Technical Services	MPAC Chairperson
Graham Goliath	5	Community Services	None
Fundiswa Herman	3	Local Economic Development	None

Councillor Kerneels Smit who is the PR Councillor for the DA is also a Chief Whip of the DA.

2.2. Administrative Governance Structure

During the 2019/20 financial year the administrative structure in relation to section 56 and 57 was as follows:

No	Name & Surname	Designation	Race	Gender
1	Pumelelo Kate	Municipal Manager	A	M
2	Thobeka Tom	Director: Corporate Services	A	F
3	Nydine Venter	Chief Financial Officer	W	F
4	Mogammat Rockman	Director: Technical & Social Services	C	M

Since the Council has taken a decision in 2017/18 financial year, to merge the two service delivery directorates, that is Social and Community Services and Technical Services into single directorate called Technical and Community Services Directorate, there is much improvement in the delivery of services. Although serving two directorates is very strenuous as each directorate is unique and have its own challenges.

After a long search of a suitable candidate in the Technical and Community Services directorate, the Council managed to appoint Mr Mogammat Rockman on the 1 October 2018 but a year later he passed away; leaving a vacuum in the position. Due to the fact that Koukamma Local Municipality is the smallest municipality in the Eastern Cape Region, it is very difficult to attract highly skilled personnel; resulting in taking longer to fill the position. The position was advertised three times and the Council managed to get a suitable candidate only in July 2020.

In terms of the Employment Equity Act, No. 55 of 1998 and regulations; the employer must prepare and implement an employment equity plan to ensure that suitably qualified are equally represented in all occupational levels. Significant progress has been made during 2017/18 and 2018/19 as the organizational structure reflects the employment equity targets in all occupational levels.

The Senior Managers are appointed on a five (5) year contract as per the Local Government: Regulation on the appointment and conditions of employment of Senior Managers; which emanates from the Municipal Systems Act, No. 32 of 2000 and regulations in relation to Section 54A on the appointment of the Municipal Managers and acting Municipal Managers and Section 56 on the appointment of managers directly accountable to the Municipal Managers. Within three (3) months of the completion of the five (5) year contract of the Director or the Municipal Manager, the position must be advertised to ensure that there will be no vacuum on the position when the post is vacated.

Although S56 and S57 are appointed on fixed term contracts, Chapter 2 of the Government Gazette No.37245 Section 4 (5) (c)(d) on staff establishment states that the Municipal Manager must have due regard to the need of the municipality to retain institutional memory and scarce skills to promote stability and continuity within the municipality and sustainability of the municipality.

The municipality has appointed one hundred and seventy five (175) permanent employees, ten (10) contract workers and one hundred and thirteen (113) Expanded Public Works Programme (EPWP) workers. There are four directorates in the institution namely, Finance with twenty eight (28) employees, Corporate Services with nineteen (19) employees, Technical and Community Services with hundred and seven(107) employees and Local Economic Development and Tourism with two (2) employees.

As the Municipal Manager is the head of administration, his office is also entrusted with other functions such as Internal Audit, Performance Management System, Integrated Planning and Development, Communications, Public Participation, Local Economic Development and Tourism and Special Programmes Unit. The office of the Municipal Manager has seven (7) employees. During 2019/20 financial year, the organogram was not approved because it was already reviewed on the 16 May 2019 and attached to the final budget of 2020/21 financial year which was approved on the 29 May 2019.

These directorates are aligned to the five development priorities of the Provincial Government.

Component B: Intergovernmental Relations

2.3. Intergovernmental Relations

The Constitution defines the intergovernmental relations as interacting networks of institutions such as National, Provincial and local sphere which are expected to work together, co-operate with one another in mutual trust and in good faith. Intergovernmental relations are viewed as evolving system of institutional co-operation that seeks to address equality and independence. Koukamma Municipality accepts and understand the importance of the Intergovernmental Relations which is the key driver in ensuring that all government departments and state organs share ideas with the intention to improve the livelihood of the communities.

The Mayor/Speaker participates in the following structures which are held quarterly in the Province:

- Premiers' Co-ordinating Forum four meetings attended (2 virtually)
- Political Munimec driven by Department of Cooperative Governance and Traditional Affairs (CoGTA) four meetings attended
- Speakers' Forum four meetings attended
- SALGA meetings on issues pertaining to Councillors

The Municipal Manager attends the Provincial Munimec with the Mayor where the Municipal Manager deals with the Technical issues pertaining to the administrative functions of the municipality. Senior Managers and Portfolio Councillors attends the SALGA Working Groups which updates or informs them of amendment's in legislation or and updating on issues such as job evaluation and general increment etcetera.

The Mayor has attended three (3) meetings in the Sarah Baartman District Municipality that is the Mayor's Forum and the Speaker's Forum. These structures are guided by the Intergovernmental Relations Framework, No. 13 of 2005. Although the Mayor is responsible for chairing the Intergovernmental Relations at municipal level and in ensuring that knowledge is shared, as part of development; Councillors and officials are also nominated to participate in various Sarah Baartman District Municipality meetings such as:

- IDP Forum
- District Support Team
- SBDM Health Authority
- District HIV/AIDS Council, and
- EPWP regional Steering Committee

The Mayor had established and chaired the intergovernmental forum where all government departments or organs of states situated in Koukamma Local Area come together for planning common programmes that affect communities and share ideas on how budget will be spent to uplift and improve the communities.

The Mayor had two (2) intergovernmental relations meeting during 2019/20 financial year. The structure plays a bigger role in shaping the policy and the resource allocation. Various departments and parastatals, such as SANRAL had contributed in the upliftment of Koukamma area by paving alongside the road.

Component C: Public Accountability and Alignment

2.4. Public accountability and participation

Chapter 4 Section 16 (1) of the Local Government: Municipal Systems Act requires that the municipality must develop a culture of municipal governance that complements formal representative government (i.e. Ward Councillors and Ward Committees) with a system of participatory governance, and must for this purpose:

- (a) Encourage, and create conditions for, local community to participate in the affairs of the municipality, including in-
 - (i) The preparation, implementation and review of its Integrated Development Plan (IDP);
 - (ii) The establishment, implementation and review of its Performance Management System (PMS);
 - (iii) The monitoring and review of its performance, including the outcomes and impact of such performance;
 - (iv) The preparation of its budget; and
 - (v) Strategic decisions relating to the provision of municipal services.

The function of public participation resides mainly in the Office of the Speaker, and the Speaker with the Public Participation Officer develops a programme indicating that when they are going to conduct the community outreach programmes. These programmes deal with issues such as what the municipality had achieved the previous years and what the municipality intends to achieve moving forward. The Speaker is expected to chair the Ward Councillors meetings which must be held monthly or quarterly depending on the matters brought by Ward Councillors to the Speaker. The Speaker is supposed to establish the Moral Regeneration Movement, which deals with religious leaders and other structures such as the Residential Association.

The Mayor/Speaker launched a newsletter as a tool to communicate programmes and projects with communities for Koukamma Municipality in 2016 but after the resignation of the Communication Co-ordinator the newsletter is no longer in existence. During the year under review the Speaker/Mayor had public participation meeting when the IDP and Budget was reviewed and communities had the opportunity to discuss issues pertaining to budget and IDP.

On the other hand, Ward Councillors call constituency meetings where they give feedback to communities of their ward on programmes and projects approved in the IDP and Budget which will be implemented. Ward Committee members as the representatives of the communities are also expected to facilitate programmes in relation to their portfolio (for example youth portfolio leader must organise programmes to benefit youth).

2.5. Public Meetings

Koukamma had been engaging with communities on public meetings, consulting on various programmes to be implemented such as IDP and Budget. The table below illustrates the meeting which were held in different areas on different dates:

AREA/WARD	DATE	VENUE	TIME
Nompumelelo Village	27 February 2020	Community hall	11:00
Misgund	02 March 2020	Community Hall	10:00
Louterwater	02 March 2020	Community Hall	13:30

Krakeel	03 March 2020	Community Hall	10:00
Ravinia	03 March 2020	Community Hall	13:30
Clarkson	04 March 2020	Community Hall	13:30
Woodlands	04 March 2020	Community Hall	10:00
Stormsriver	05 March 2020	Community Hall	13:30
Coldstream	05 March 2020	Community Hall	10:00
Kareedouw	06 March 2020	Mountain View MPCC	10:00

These public meetings have been scheduled as contemplated in the Municipal System Act, 2000 and the Municipal Finance Management Act, 2003.

2.6. IDP participation and Alignment

The Municipal Systems Act, 2000 requires that municipalities develop an IDP. Koukamma Local Municipality's IDP is premised from the Spatial Development Plan, linked to the Sarah Baartman District Municipality's IDP and also aligned to the National and Provincial framework directives. Section 26 of the Municipal Systems Act, 2000 has set a criterion for the institutions in order to check whether the IDP is aligned with public participation as follows:

IDP Participation and alignment Criterion	Yes/No
Does the municipality have impact, outcome, input, output indicator?	Yes
Does the IDP have priorities, objectives, KPI's, development strategies?	Yes
Does the IDP have multiyear targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPI's in the strategic plan?	Yes
Do the IDP KPI's align to the Section 57 Managers	Yes
Do the IDP KPI's lead to functional area KPI's as per the SDBIP?	Yes
Do the IDP KPI's align with the provincial KPI's on the 12 Outcomes?	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated timeframes?	Yes

The municipality had established public participation methodology that embodies the fundamental values outlined in the Constitution focussing on human rights and community involvement. Different platforms of engagement have been established namely:

- Ward Committee Constituency meetings;
- Mayoral Imbizo;
- IDP Representative Forum;
- IDP Steering Committee
- Intergovernmental relations; and
- Community- based planning sessions.

The third generation of IDP development and implementation was completed in 2017. The fourth generation commenced in August 2017 after the local election in August 2016. During 2019/20 financial year, Koukamma Local Municipality had rated high in almost all key performance areas in the assessment conducted by the MEC for

CoGTA. This outcome shows great improvement and places the municipality in a better position for attracting investors and getting assistance from other sector departments.

The table below illustrates the assessment results for year 2017/18 to 2019/20 as outlined by the Office of the MEC and are **inter alia**:

KPA	RATINGS 2017/18	RATINGS 2018/19	RATINGS 2019/20
Basic Service Delivery	Medium	Medium	Medium
Financial Planning and Budgets	Medium	Medium	High
Local Economic Development	Medium	High	High
Good Governance and Public Participation	Medium	High	High
Municipal Institutional Arrangements	Low	Low	High
Overall Rating	Medium	Medium	High

Component D: Corporate Governance

2.7. Corporate Governance

According to Section 3 (1) of the Municipal Systems Act, Municipalities must exercise their executive and legislative authority within the constitutional system of co-operative governance as contemplated in Section 41 of the Constitution of the Republic of South Africa.

The Municipalities are required to effectively and efficiently develop common approaches for local government as distinct sphere of government, enhance co-operation, mutual assistance and sharing of resources amongst themselves. Corporate governance is the mechanisms, processes and relations by which corporate services are controlled and directed.

This definition relates to governance structures and principles to identify the distribution of rights and responsibilities among different participants in the corporate environment such as internal auditors, audit committee and municipal public accounts committees which are designed to ensure that processes to mitigate elements of risks and fraud are in place.

During the 2019/20 financial year, Koukamma Municipality's Audit Committee and Municipal Public Accounts Committee (MPAC) had several meetings on the following dates, namely:

Committee	Date of Meeting	Quarter	Comment
Audit	20 August 2019	First	None
Audit	17 October 2019	Second	None
Audit	26 November 2019	Second	None
Audit	19 February 2020	Third	None
Audit	5 March 2020	Third	None
Audit	22 May 2020	Fourth	None

MPAC	1 July 2019	First	None
MPAC	23 July 2019	First	None
MPAC	23 August 2019	First	None
MPAC	19 November 2019	Second	None
MPAC	28 January 2020	Third	None
MPAC	30 January 2020	Third	None
MPAC	14 February 2020	Third	None
MPAC	Nil	Fourth	The National Lockdown announcement necessitated that all meetings be postponed.

The Audit Committee and the MPAC are the Committees of Council which play an oversight role and therefore report to Council, advice and recommend to the Council on matters relating to unauthorised, irregular, fruitless & wasteful expenditure and municipal performance. The Internal Audit unit and Audit Committee must support MPAC in its activities to ensure issues discussed are relevant, apply a consistent approach to matters, act within the legislative framework, raise and respond to matters to enable them to be addressed on a timely basis and support recommendations.

The Internal Audit is responsible to assist the municipality by ensuring that there are internal controls in place such as Standard Operating Procedure (SOP) and policies. During the 2019/20 financial year, the Internal Audit managed to develop an entity wide Risk Register and identify risks pertaining to municipal operations.

2.8. Risk Management

The Management of Koukamma Municipality is tasked with the responsibility to identify, manage and mitigate risks. Risk Management formed an integral part of Management's responsibility and therefore the Risk Management Committee of Koukamma conducted an assessment meeting to identify risks factors, as facilitated by the Internal Audit. The Koukamma Municipality's risk register was discussed by the Risk Committee and updated.

Section 62 (1) (c) (i) of the Municipal Finance Management Act, No.56 of 2003 requires that the Accounting Officer must take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control. Further to this statement, Section 165 (2) (a) requires that the Internal Audit Unit of a municipality must prepare a risk – based audit plan and an internal audit program for each financial year.

During 2019/20 financial year, Koukamma Municipality identified the following risks in the risk register:

Identified Risk	Mitigating factor	Intervention
1. Low revenue collection	No functional prepaid water meters in most houses	Installation of prepaid water meters
2. Irregular expenditure	Deviations	Training of official on procurement processes

3. Ageing bulk infrastructure	Lack of funding	Development of Business Plan for funding
4. Lack of capacity for the development of Water Service Development Plan (WSDP)	No capacity	Seek assistance on capacity development from the Department of Water and Sanitation
5. Non - availability of land	No municipal land available for the development of housing projects	Finalise transfer of land to Koukamma Local Municipality
6. Non - availability of land for cemeteries	No updated Spatial Development Framework that identifies development land	Appoint a Town Planner to facilitate the review of the SDF
7. Delays in approval of EIA's	Lack of exempted contractors appointed by the department	Liaison with the department to expedite the process
8. Lack of recovery and continuity from disaster	Non - compliance with the framework	Capacitation of ICT Unit
9. Non - performance of contractors	Lack of project management capacity	Building of technical project management capacity
10. Lack of employee wellness plan	Lack of capacity of the committee	Development of an employee wellness plan
11. Limited revenue streams	Non-implementation of credit control policy	Review revenue enhancement strategy
12. Oversight process not effective	Lack of capacity in some of the committees	Provide training to MPAC members

Internal Audit is monitoring the implementation quarterly and submits the report to the Audit Committee and departments are implementing the risk plan according to what is in the plan. The meeting to identify strategic and operational risks was scheduled for the 26 & 27 June 2019 but postponed due to the Municipal Manager's commitment to other municipal official duties out of his office. The workshop was rescheduled and takes place on the 21 and 22 August 2019, and the risk register was updated. The Risk Management Committee meeting was held on the 6 November 2019, where the operational risks was finalised.

2.9. Anti-corruption and fraud

Koukamma Local Municipality had developed the anti-corruption and prevention strategy /plan which was tabled and approved by Council on the 30 January 2017. The municipality has also developed the Whistle – blowing policy although it is still a draft document. In line with the policy, the municipality had appointed a company to perform Internal Audit on a three (3) year contract basis. During the 2019/20 financial year, the municipality has not conducted any programmes relating to fraud and corruption, but the matter of fraud is discussed in the Audit Committee and the Risk Management Committee.

The risk and fraud workshop was conducted on the 29 July 2019. There is an approved procedure of reporting fraud and corruption and the Internal Audit is expected to investigate such occurrences. There are effective internal control in place

such as policies, Internal Audit, Municipal Public Accounts Committee (MPAC) and the external stakeholders such as the Audit Committee and the Auditor – General, which play an oversight role.

2.10. Supply Chain Management

Koukamma Local Municipality had developed the Supply Chain Management policy which was approved by Council in 2017. The Supply Chain Management policy provides an effective system of demand management in order to ensure that the resources required to support the strategic and operational commitments of the municipality are delivered.

All three bid committees are functional except for the fact that the Bid Adjudication Committee (BAC) is not meeting the required standard of the Provincial Treasury as during 2019/20 financial year; there were three (3) Directors only instead of four (4) as per the treasury requirement. This resulted in the Auditor- General having a finding in 2018/19 financial year. Projects and expenditure will be outlined in the annual financial statements.

Bid Number	Bid Committee	Schedule of meetings	No. of meeting held	Dates	If postponed provide reasons
Tender 09/2019	Bid Specification	09 July 2019	1	09 July 2019	
	Bid Evaluation	03 September 2019	1	03 September 2019	
	Bid Adjudication	26 September 2019	1	09 September 2019	members were unavailable
Tender 10/2019	Bid Specification	20 August 2019	1	20 August 2019	
	Bid Evaluation	25 September 2019	1	30 September 2019	members were unavailable
	Bid Adjudication	26 September 2019	1	09 October 2019	members were unavailable
Tender 11/2019	Bid Specification	02 September 2019	1	02 September 2019	
	Bid Evaluation	04 December 2019	1	04 December 2019	
	Bid Adjudication	01 November 2019	2	05 November 2019 & 27 November 2019	members were unavailable
Tender 12/2019	Bid Specification	02 September 2019	1	02 September 2019	
	Bid Evaluation	29 October 2019	1	29 October 2019	
	Bid Adjudication	01 November 2019	1	05 November 2019	members were unavailable
Tender 13/2019	Bid Specification	02 September 2019	1	02 September 2019	
	Bid Evaluation	17 October 2019	1	17 October 2019	
	Bid Adjudication	01 November 2019	1	05 November 2019	members were unavailable
Tender 14/2019	Bid Specification	10 April 2019	1	04 October 2019	
	Bid Evaluation	05 December 2019	1	05 December 2019	
	Bid Adjudication	05 December 2019	1	05 December 2019	
Tender 15/2019	Bid Specification	04 November 2019	1	04 November 2019	
	Bid Evaluation	23 January 2020	1	23 January 2020	
	Bid Adjudication	27 January 2020	1	30 January 2020	members were unavailable
	Bid Specification	10 December 2019	1	10 December 2019	

Tender 16/2019	Bid Evaluation	20 February 2020	1	20 February 2020	
	Bid Adjudication	24-Feb	3	09 March 2020, 10 March 2020 & 11 March 2020	members were unavailable

2.11. By- Laws

A by-law is a rule or law established by an organization or community to regulate itself, as allowed or provided for by some higher authority. The higher authority, generally a legislature or some other government body, establishes the degree of control that the by-laws may exercise. By-laws may be established by entities such as a business corporation, a neighbourhood association, or depending on the jurisdiction, a municipality.

Koukamma Local Municipality had approved a number of by-laws as illustrated in the table below:

By -Law	Date advertised in Government Gazette	Date by when review is finalised	Publication on the Website	Comments
Aerodrome By-Law	13 Nov 2006	30 June 2021	September 2011	493
Community Fire Safety By-law	13 Nov 2006	31 March 2021	September 2011	494
Commonage	13 Nov 2006	31 March 2021	September 2011	495
Customer Care and Revenue By-law	13 Nov 2006	30 June 2021	September 2011	496
Electricity supply bylaw	13 Nov 2006	30 June 2021	September 2011	497
Fences and fencing by-law	13 Nov 2006	30 April 2021	September 2011	498
Funeral Parlours, Cemeteries and Crematoria By-law	13 Nov 2006	31 March 2021	September 2011	499
Impoundment of animals by-law	13 Nov 2006	30 April 2021	September 2011	500
Liquor Trading By-law	13 Nov 2006	30 May 2021	September 2011	501
Outdoor advertising and signage by-law	13 Nov 2006	30 May 2021	September 2011	502
Prevention of public nuisances and keeping of animals by-law	13 Nov 2006	30 April 2021	September 2011	503
Roads and traffic By-law	13 Nov 2006	30 March 2021	September 2011	504
Solid waste disposal By-law	13 Nov 2006	30 May 2021	September 2011	505
Sporting Facilities By law	13 Nov 2006	30 April 2021	September 2011	506
Storm water Management By-law	13 Nov 2006	30 June 2021	September 2011	507
Street trading By-law	13 Nov 2006	30 April 2021	September 2011	508
Water supply and sanitation by-law	13 Nov 2006	30 June 2021	September 2011	509
Public amenities by-law	13 Nov 2006	30 May 2021	September 2011	510
KKM Rates By law	6 May 2013	30 March 2021	September 2011	511
Municipal Health Service			September 2018	

As indicated in the table the review of the by-laws will be completed by end June 2021 and tabled to Council for approval and gazetted by the government printers.

2.12. Websites

Section 75 (1) of the Municipal Finance Management Act, and Section 21B on the Municipal System's Act requires that each municipality must establish its own official website and place the information required to be made public for communities to enable them to obtain information as and when they need it.

Documents to be published on municipal website	Date of Publication	Document Loaded - Yes/No	Comments
Final SDBIP	04-June-2019	Yes	Signed 29 April 2019
Performance Agreements	September-2019	Yes	No dates on signature
Final IDP	April-2019	Yes	No dates on signature
Annual Reports			
Budget	January-2020	Yes	No dates on signature
Quarterly Budgeted	31-March-2020	Yes	No dates on signature
Quarterly Budgeted	October - December 2019	Yes	No dates on signature
Quarterly Budget Statement	July - September 2019	Yes	No dates on signature
Mid - Year Budget Statement 2019/2020	January 2020	Yes	No dates on signature
Council Resolution Special Adjustment	12-June-2020	Yes	No dates on signature
Budget 2019/2020	12-June-2020	Yes	No dates on signature
Tariffs 2019/2020	No publication date on the system	Yes	No publication date
Service Standards 2019/2020	No publication date on the system	Yes	No publication date
Policies and Principles			
Draft Asset Management Policy	No publication date on the system	Yes	No publication date
Indigent Support Policy 2019/2020	No publication date on the system	Yes	No publication date
Rates Policy 2019/2020	No publication date on the system	Yes	No publication date
UIFW Policy	No publication date on the system	Yes	No publication date
Virement Policy 2019/2020	No publication date on the system	Yes	No publication date
Write Off Policy	No publication date on the system	Yes	No publication date

Credit Control and Debt Collection Policies	No publication date on the system	Yes	No publication date
Supply Chain Management			
Annual Implementation Report on SCM	No publication date on the system	Yes	No published date
Cover Table of Content	No publication date on the system	Yes	No published date
SCM Policy 2019/2020	No publication date on the system	Yes	No published date
RFQ`s			
Supply and delivery of Brush Cutters	August-2020	Yes	Published as required by MFMA
Provision for repairs and maintenance of pumps	August-2020	Yes	Published as required by MFMA
Supply and delivery of twelve laptops	August 2020	Yes	Published as required by MFMA
Provision for repairs and maintenance contract	28-July-2020	Yes	Published as required by MFMA
Evaluation of Landfill Sites	July-2020	Yes	Published as required by MFMA
Councillor`s Laptops	June-2020	Yes	Published as required by MFMA
Supply and delivery of Water Tanks	28-February-2020	Yes	Published as required by MFMA
Supply and Delivery of Desktops	February-2020	Yes	Published as required by MFMA
Provision of Laboratory Services	February-2020	Yes	Published as required by MFMA
Renovations and Repairs of Kareedouw Municipal Building	15-January-2020	Yes	Published as required by MFMA
Supply and delivery of street lights	07-November-2019	Yes	Published as required by MFMA
Supply and delivery of tools for Handyman	07-November-2019	Yes	Published as required by MFMA
Supply and delivery of Laptops and desktops	October-2019	Yes	Published as required by MFMA
Supply and delivery of Electrical Tools	October-2019	Yes	Published as required by MFMA
Consumables	October-2019	Yes	Published as required by MFMA
Protective Clothing	October-2019	Yes	Published as required by MFMA

Vacancies			
MFMA Internship Program	September 2020	Yes	Published as required by MFMA
Caretaker for Hall and Cemeteries (Clarkson	September 2020	Yes	Published as required by MFMA
Manager Supply Chain Management	September 2020	Yes	Published as required by MFMA
Erratum SCM	September 2020	Yes	Published as required by MFMA
Request for Application to serve on the Koukamma Local Municipality Planning Tribunal as per Spatial Planning and land Management Act 13 of 2013	September 2020	Yes	Published as required by MFMA
Manager Supply Chain Management	August-2020	Yes	Published as required by MFMA
Fire Fighters	August-2020	Yes	Published as required by MFMA
General Worker	March-20	Yes	Published as required by MFMA
Plumber Water and Sanitation	March-20	Yes	Published as required by MFMA
Accountant Budget and Reporting	March-20	Yes	Published as required by MFMA
Labour Relations and Occupational Health and Safety Practitioner	March-20	Yes	Published as required by MFMA
Supervisor Technical	March-20	Yes	Published as required by MFMA
Tip-site Operator	March-20	Yes	Published as required by MFMA
Director Technical and Community Services	November-2019	Yes	Published as required by MFMA
Manager Social and Community Services	November-2019	Yes	Published as required by MFMA
Technician Water and Sanitation	June-2019	Yes	Published as required by MFMA
Manager Water and Sanitation	May-2019	Yes	Published as required by MFMA
Manager ICT	May-2019	Yes	Published as required by MFMA
TENDER AWARDS:			
RFQ and Tenders 2019/2020	2019	Yes	Published as required by MFMA

These documents must be placed on the website not later than five (5) days after tabling in the Council.

2.13. Public satisfaction on municipal services

Chapter 4 Section 16 (1) of the Local Government: Municipal Systems Act requires that the municipality must develop a culture of municipal governance that complements formal representative government (i.e. Ward Councillors and Ward Committees) with a system of participatory governance, and must for this purpose:

- Give a better understanding of how the municipality is performing in the eyes of the public;
- A consistent datum for setting service levels and a means of measuring the impact of service improvement;
- Access to the best performers the opportunity to learn from the good practice of others; and
- Full transparency of data in a secure members area for benchmarking purposes

Koukamma Local Municipality has developed a template to conduct public satisfaction survey but has not conducted the survey in the 2019/20 financial year due to not having the Communication Co-ordinator. The objective of the survey is:

- To develop a platform where the communities of Koukamma Municipal area assess the service delivery performance;
- To establish the current state of development in the area of Koukamma;
- To ensure that the survey key results find in the municipal Integrated Development Plan and the Service Delivery Budget Implementation Plan during the review of these documents; and
- To ensure that service delivery successes are maintained and backlogs and challenges are expedited efficiently and effectively.

2.14. All Municipal Oversight Committees

The Municipal Structures Act, No. 117 of 1998, Section 79 (1) states that a municipal Council may-

- (a) Establish one or more committees necessary for the effective and efficient performance of any its functions or the exercise of any of its powers;
- (b) Appoint the members of such committee from among its members; and
- (c) Dissolve a committee at any time.

The above statement suggested that Koukamma Municipality can establish any committee that it deems necessary guided by legislation, hence the Council has established the following oversight committees **inter alia**:

2.14.1. Standing Committee

The Council has appointed five (5) standing committees to perform oversight responsibilities to ensure that the Council complies with legislation and does not allow maladministration, inefficiency, waste of resources and corrupt practices. The five (5) standing committees are as follows and had scheduled the meetings outlined below:

2019/2020 STANDING COMMITTEES MEETINGS SCHEDULED DATES

Committees	Date 1	Date 2	Date 3	Date 4	Date 5	Date 6	Date 7
LED	24/07/19	29/08/19	11/09/19	21/10/19	20/11/19	10/03/20	17/06/20
Social	24/07/19	29/08/19	11/09/19	21/10/19	20/11/19	10/03/20	17/06/20
Technical	24/07/19	29/08/19	11/09/19	21/10/19	20/11/19	10/03/20	17/06/20
Corporate	25/07/19	30/08/19	12/09/19	22/10/19	21/11/19	10/03/19	18/06/20
Finance	25/07/19	30/08/19	12/19/19	22/10/19	21/11/19	10/04/19	18/06/20

2019/2020 STANDING COMMITTEES SEATING DATES

Committee	Date 1	Date 2	Date 3	Date 4	Date 5	Date 6
LED	24/07/19	11/09/19	21/10/19	20/11/19	10/03/20	Meeting was postponed
Social	24/07/19	11/09/19	21/10/19	20/11/18	10/03/20	13/08/20
Technical	24/07/19	11/09/19	21/10/19	20/11/19	10/03/20	13/08/20
Corporate	25/07/19	12/09/19	22/10/19	27/11/19	17/03/20	19/06/20
Finance	25/07/19	12/09/19	22/10/19	27/11/19	17/03/20	19/06/20

2.14.2. Municipal Public Accounts Committee (MPAC)

The core function of the MPAC is to contribute to good governance in the Municipality hence the Council had appointed five (5) members of the Council to become MPAC and they are **inter alia:**

Cllr H.P. Pullen Chairperson

Cllr J. Plaatjies

Cllr F.J. Yake

Cllr C. Reeders

Cllr F. Strydom

The Committee held six (6) meetings during 2019/20 financial year as detailed below:

20 August 2019

17 October 2019

26 November 2019

19 February 2020

5 March 2020

22 May 2020

2.14.3. Audit Committee

The Audit Committee is an independent advisory body in terms of Section 166 (2) of the Municipal Finance Management Act, No. 56 of 2003; which must-

- (a) Advise the municipal Council, political office –bearers, the Accounting Officer and management staff of the municipality, or board of directors, the accounting officer on matters relating to-
 - (i) Internal financial controls and internal audits;
 - (ii) Risk management;
 - (iii) Accounting policies
 - (iv) The adequacy, reliability and accuracy of financial reporting and information;
 - (v) Performance management;
 - (vi) Effective governance;
 - (vii) Compliance with this Act, the Division of Revenue Act and any applicable legislation;
 - (viii) Performance evaluation; and
 - (ix) Any other issues referred to it by the municipality.

The King Code of Governance Principles and the King III Report on the Governance share the same sentiments by indicating that the Audit Committee have a vital role to ensure integrity of financial controls and integrated reporting, identifying and managing financial risks.

The Company Act, No. 71 of 2008 had shared a different view stating that the Audit Committee must enhance accountability and transparency. It is in this regard that

the Municipal Council had appointed the three (3) members of the Audit Committee as follows:

Name & Surname	Designation	Date of appointment
Ms Ronel Shaw	Chairperson	4 th December 2019 to 31 December 2022
Mr Danie De Lange	Member	1 st January 2018 to 31 December 2020
Mr Siphon Tandani	Member	1 st January 2018 to 31 December 2020

The Audit Committee members appointed are not permanently employed at Koukamma Local Municipality but appointed on contractual basis of three (3) years to assist the Council on financial affairs of the municipality. They are expected to meet at least four (4) times a year. The committee convened six (6) times in the 2019/20 financial year as follows:

Scheduled Meetings	Actual sittings
20 August 2019	20 August 2019
17 October 2019	17 October 2019
26 November 2019	26 November 2019
19 February 2020	19 February 2020
5 March 2020	5 March 2020
12 May 2020	22 May 2020

2.15. Annual performance as per the key performance indicators of Good Governance and Public Participation

No	Indicator Name	Target set for the year	Achievement level during the year	Achievement % during the year
1.	% of ward committees established	6	5	99%
2.	% of ward committees that are functional	6	5	99%
3.	Existence of an effective system to monitor CDW's	Report directly to Provincial CoGTA but submitting reports to the office of the Mayor.		
4.	Existence of an IGR Strategy	No strategy		
5.	Effectiveness of IGR structural meetings	1 meeting was held on the 28 August 2019		
6.	Existence of an effective communication strategy	Strategy need to be reviewed		
7.	Number of Mayoral Imbizo's	4	0	0%
8.	Existence of fraud and preventive mechanism	The policy was approved in January 2017 and the Municipality was busy with a fraud preventive programme. A workshop on risk and fraud was on the 29 July 2019, facilitated by the Office of the Premier and organised by Provincial Treasury.		

Component A: Basic Service Delivery**3.1. Water Service Delivery Strategy and key Role Players**

The Constitution of the Republic of South Africa assigns local municipalities with the responsibility of ensuring access to the provision of quality water services, whilst section 11 of the Water Services Act, 1997 entrusted the municipality with the provision of ensuring efficient, affordable, economical and sustainable access to water to all the communities in its jurisdiction. In this regard, Koukamma Municipality is provided with the execution of both functions of Water Services Authority (WSA) and Water Service Provision (WSP).

Role Players

Performance of the Water Services in terms of rendering the aforementioned services is regularly monitored by the Department of Water and Sanitation to ensure that quality and other standards are adhered to and reported on to national level. Bulk water supply projects are funded through the Regional Bulk Infrastructure Grant (RBIG) from the Department of Water and Sanitation. Koukamma Municipality is a grant dependent municipality and most of its water related capital projects are funded through the Municipal Infrastructure Grant (MIG) administered by the Department of Cooperative Governance and Traditional Affairs (COGTA), National and Provincial Treasury. The Irrigation Boards in Langkloof namely; the Krakeel Water Verbruikers Vereeniging and Louterwater Besproeings Raad play a major role in ensuring sustainable provision of water to the Krakeel and Louterwater communities by allocating water turns to the Municipal water works.

3.2. Level and Standard in water services**Area covered**

The area within the WSA jurisdiction includes:

Clarkson	Coldstream
Eersterivier	Ekuphumleni/Guava Juice
Joubertina	Kareedouw
Krakeel	Louterwater
Misgund	Sanddrift/Nompumelelo Village
Storms River	Twee Riviere
Woodlands	Woodlands
Rural Dense Areas	
Koomansbos	Thornham
Wittekleibosch	Hermanuskraal

*According to statistics South Africa (census 2001 and 2011) population of Koukamma increased from 34438 to 40664. This represents an average of annual increase of 2.8%.

During 2019/20 financial year, Koukamma Municipality has partially completed the refurbishment of Water Treatment Works at Kareedouw, through the funding received from Water Service Infrastructure Grant (WSIG). Koukamma Municipality is responsible for ensuring that the water provided to communities is safe for human consumption and adequate for domestic, industrial and all other human use.

This is facilitated through adequate water treatment, sampling and analysis in compliance with South African National Standards (**SANS 241-1:2015**) recommended limits for drinking water quality. High iron (Fe) and Manganese (Mn) content in borehole water remains a challenge. However, the all SANS 241-1:2015 analysis that was conducted by the Department of Water and Sanitation on the Municipal boreholes in July 2017 actually revealed that the Iron and Manganese content in borehole water are within the acceptable limits in other words they do meet the minimum standards for drinking water quality.

The accepted limits for Fe in drinking water are <2000 for chronic and <300 aesthetically. While the accepted limits of Mn in drinking water are <400 for chronic and <100 aesthetically. Much of the existing water infrastructure is not adequately maintained and in many cases, it is malfunctioning. The municipality through the technical and infrastructure directorate strives to utilise the minimum available resources to ensure maintenance of the existing infrastructure.

Water service levels and number of Households

Water service level	Estimated Households*
Piped water inside the dwelling/yard	10494
Piped water from the communal standpipe	1089
Communities provided water with a tanker/without water supply system	60
Overall basic water provision in 2015/16	99%

*the numbers were extracted from the Statistics South Africa report

Blue Water Services Audit

Koukamma Municipality's overall Blue Drop score was not available for the year 19/20. The Technical Department has undertaken suitable measures to ensure that the blue drop score improves. Frequent sampling and reporting must be achieved to ensure proper assessment. Water safety plans must be developed and implemented. Although steps in the right direction have been taken, the Technical Department still faces challenges in maintaining water quality which are:

- Water treatment works not operating fully.
- Process Controllers are not trained in water sampling and the proper handling or use of testing equipment.
- A number of treatment works are without office facilities to store testing equipment.

Interventions

- Train process controllers for effective daily water quality control, sampling and testing techniques.

- Refurbishment and preventative maintenance of the water treatment infrastructure.
- Improve compliance by following regulatory requirements.
- Development and implementation of effective operation and maintenance plan.
- Filling of critical posts required for effective O&M, i.e. process controllers, plumbers and general workers

3.3. Annual Performance as per key performance indicator

Project	Area	Cost	Funding Source	Progress
Refurbishment of water treatment works	Kareedouw	R5 557 950	WSIG	Complete
Replacement of leaking reservoir	Blikkiesdorp	R531 388.27	WSIG	Complete
Upgrading of water treatment works	Woodlands & Sanddrift	R2 829 174.51	WSIG	In progress
Water supply (boreholes)	Joubertina	R431 927.28	WSIG	In progress
Water conservation and demand management	Joubertina	R1 407 364.26	WSIG	Complete
Incremental groundwater development	Langkloof	R7 465693.50	WSIG	In progress
Water supply (boreholes)	Clarkson	R659 269.11	WSIG	Complete

Budget provision (amount cannot be estimated) to roll out the water supply backlog in the informal settlements.

3.4. Major challenges in water services

Koukamma Municipal area has been declared a water scarce area more specifically the Langkloof area. The statement is intensified by regular raw water supply shortages that were experienced at various systems within Koukamma and more specifically in Langkloof. Besides the scarcity of rain in the area, the situation is also prolonged by competition with agricultural farmers that also use water for their crops. To aid the situation, water tankers from Amatola Water Board and Rand Water were used during the national lockdown to cart water to the affected communities. Water harvesting tanks were installed in all the communities serviced by the Koukamma Municipality.

Challenges per area:

Area	Challenge & Remedial action
Kareedouw	Major water leaks within the reticulation system

Clarkson	High iron and manganese levels in borehole water results in frequent blockages within the treatment system.
Woodlands	Supplementary raw water source (borehole at the WTW) has collapsed.
Stormsrivier	-Backup pumps for the river and quarry are required to allow the pumps to alternate and rest. -Repair/Replace dosing pumps
Joubertina	Treatment works in need of a full refurbishment
Louterwater	-Replace dosing pumps -Repair filters -Repair borehole pumps(4 * existing)
Krakeel	-Repair leaks within reticulation network -Repair filters -Replace dosing pumps -Construct a pond for backwash water and disludged water from reservoir & recycle. - Clean out reservoir -Fence water pump station
Misgund	-Purchase backup borehole pump for the borehole at the white house.

3.2. Sanitation

3.2.1. Sanitation delivery strategy and main role players

Sanitation is a specialised function which strives to provide households and businesses with well-maintained and appropriate systems for safe disposal of waste

water/sewerage. As a Water Service Authority (WSA) the Municipality is mandated to ensure proper disposal of effluent in a manner that will not degrade the environment. Koukamma Municipality provides sanitation services via water borne sanitation systems connected to 12 wastewater treatment works, emptying of conservancy tanks and digesters with honey suckers and Ventilated Pit Latrines.

The legacy of poor access to services in the informal and rural settlements within the Municipal jurisdiction has resulted in sanitation backlogs for Koukamma Municipality. Addressing these backlogs is a main priority for Koukamma but the speed of roll out is limited by funding constraints.

Performance of the Water Services in terms of rendering sanitation services to the communities is regularly monitored by the Department of Water and Sanitation to ensure that quality and other standards are adhered to and reported on to national level. Koukamma Municipality is dependent on grants for infrastructure related projects such as the Water Services Infrastructure Grant (WSIG) administered by the Department of Water and Sanitation, and the Municipal Infrastructure Grant (MIG) administered by the Department of Cooperative Governance and Traditional Affairs (COGTA), National and Provincial Treasury.

3.2.2. Level and standard in sanitation services

Everyone has a right of access to basic water supply and basic sanitation as per Section 3, subsection 1 of the Water Services Act. Koukamma Municipality as a Water Service Authority has a duty to all customers in its area of jurisdiction to progressively ensure the realisation of these rights. Koukamma Municipality strives to ensure access to sanitation services and effluent purification up to the set standards before releasing it back to the environment.

This is facilitated through adequate waste water treatment, sampling and analysis in compliance with Department of Water Affairs (DWA) standards for wastewater discharge. Backlogs have made it difficult to provide sanitation services in areas which do not have sanitation infrastructure especially in the rural dense and informal settlement. Much of the existing sewer infrastructure is not adequately maintained and in many cases it is malfunctioning/ collapsed, impacting negatively on the quality of effluent discharged into rivers.

The municipality through the Technical and Infrastructure directorate strives to utilise the minimum available resources to ensure proper maintenance of the existing infrastructure.

Sanitation service levels and number of households

Sanitation Service Level	Estimated Households*
Full water borne system (Flush toilets connected to the sewerage system)	10503
Flush toilets (with septic tank)	993
VIP toilet	101
Bucket toilet system (informal settlement), sanitation backlog	49
Percentage of household without proper basic sanitation	5.2%

*the numbers are extracted from the Statistics South Africa report

Green Water Services Audit

Koukamma Municipality's overall Green Drop score (IRIS) was not available for the year 2019/20. The Technical Department has taken suitable measure to ensure that the green drop score improves. Frequent sampling and reporting must be achieved to ensure proper assessment. Safety plans must be developed and implemented. Although steps in the right direction have been taken the Technical Department still faces challenges in sanitation.

3.2.3. Annual Performance as per key performance indicators

No	Indicator Name	Total no of HH expected to benefit	Estimated Backlogs (Actual no's)	Target set for the FY under review (actual numbers)	No of HH customer reached during FY	Percentage of achievement during FY
1	Number of HH with flush toilets connected to a sewer system	10530	1509	0	0	0
2	Number of HH with flush toilets connected to a septic tank	993	993	0	0	0
3	Number of HH using VIP toilet	101	101	0	0	0
4	Number of H/H using bucket system (informal settlements) sanitation backlog	46	46	0	0	0

Annual performance as per key performance indicators

Project	Area	Cost	Funding Source	Progress
Refurbishment of wwtw	Misgund	R1 325 950	WSIG	Complete
Refurbishment of wwtw	Coldstream	R3 116 100	WSIG	In progress
Refurbishment of wwtw	Twee Riviere	R4 230 993.41	MIG	In progress

3.2.4. Major challenges in Sanitation Services

- Scarceness of skilled personnel and constrained equipment to implement effective maintenance.
- Untreated effluent spillage into rivers and streams.
- Spillage of effluent from overflowing conservancy and septic tanks
- Servicing of effluent tanks
- Not all residential areas are incorporate into the sewer reticulation network
- Lack of an effective operations and maintenance strategy.
- Vandalism and theft

Challenges per area:

Area	Challenges	Remedial action
Kareedouw	<ul style="list-style-type: none"> - Building not secured, control panel and pumps to be repaired (Uitkyk, Mountain View & New rest pump stations) -Remove over grown weeds and alien species around the ponds -blocked main pipelines. 	<ul style="list-style-type: none"> To request budget for securing buildings and repair the pumps in all the mentioned areas. To clean and remove the over grown weeds and alien species around the ponds To unblock the main pipelines
Clarkson	<ul style="list-style-type: none"> -Frequent blockages in sewer main lines due to small diameter pipes. -Collapsed septic tanks make it difficult to empty. 	<ul style="list-style-type: none"> Change the smaller diameter pipes by May 2022 to prevent blockages in sewer main lines

Woodlands	<ul style="list-style-type: none"> -Frequent blockages in sewer main lines due to small diameter pipes. -Collapsed septic tanks makes it difficult to empty - Secure building, maintenance on aerators and motors. -Fence treatment works 	<p>Change the smaller diameter pipes by May 2022 to prevent blockages in sewer main lines</p> <p>Improve the collapsing septic tanks</p> <p>Source budget to fence the water treatment works</p>
Blikkiesdorp	Overgrown weeds at the plant	Clean the overgrown weeds at the plant
Mandela Park	-Frequent blockages in sewer main lines due to small diameter pipes.	Change the smaller diameter pipes by May 2022 to prevent blockages in sewer main lines
Louterwater	-Roomstrek pipe diameter must be changed	Source funding to change the pipe diameter for Roomstrek
Krakeel	<ul style="list-style-type: none"> Only one sewer backup pump. -Fence pump station 	<p>-Purchase more sewer backup pump</p> <p>Procure fence for the pump station</p>

3.3. Electricity services

3.3.1. Electricity delivery strategy and main role players

A municipality must comply to the provision of the constitution as per the Municipal Systems Act, no.32 of 2000; Section 73(1)and (2)(e) municipal services must be regularly reviewed with a view to upgrading ,extension and improvement.

The role players in the electricity department are Eskom and NERSA. NERSA is the National Energy Regulator of South Africa which regulates the energy industry in accordance with government laws and policies, standards and international best practices in support of sustainable development. The organization issues licenses to electricity distributors. NERSA recognizes that certain processes have to be put in place, to effectively regulate the industry as follows:

- 1) Audit licensees to establish compliance to licensee conditions.
- 2) Ensure existence of an effective communication channel between relevant NERSA departments and the licensees.
- 3) Share information with the licensees on general issues affecting the electricity distribution industry.

3.3.2. Level and standard in electricity services

It is envisaged that by ensuring that the minimum standards are met; the following will be achieved:

- 1) There will be improved efficiency within the electricity distribution industry.
- 2) Reliability of supply will be improved.
- 3) Safety in the use of electricity will be enhanced.
- 4) There will be an economical and a sustainable supply of electricity.

Consumer quantities

The demand and actual maximum demand for each supply point is as follows:

1. De Rye & Laurel Ridge: NMD – 150kA; Actual MD – 40kVA
2. Bluelilliesbush State Forest Village: NMD – 100kVA; Actual MD – N/A
3. Kagiso Heights and New Rest: NMD – 600kVA; Actual MD – 650kVA
4. Puntijiesboss Village: NMD – 500kVA; Actual MD – 310kVA
5. The number of indigent electricity users is 2464 in total.

Maintenance BUDGET FOR 2019/20 financial year

Maintenance	Total expenditure	Percentage
R 1 015 005.00	R 661 400.11	65%

3.3.3. Annual Performance as per key performance indicator

TOWN	NO OF CONSUMERS SUPPLIED BY KOUKAMMA	AREAS SUPPLIED BY ESKOM	NO OF CONSUMERS	TOTAL
KAREEDOUW	897	STORMSRIVER-473 SANDRIFT-587 WOODLANDS-470 CLARKSON-579 KAREEDOUW TOWN-242 Uitkyk -268	INDUSTRIAL COMMERCIAL-69 DOMESTIC CREDIT METER-0	

COLDSTREAM	396	JOUBERTINA-300 Ravinia-935 KRAKEEL-385	DOMESTIC PREPAYMENT-1321	
BLIKKIESDORP	28	LOUTERWATER-985 MISGUND-401		7015 HH

SECTION	PROJECT NAME	DESCRIPTION	FUNDED	ALLOCATION	YEAR
	RAVINIA	ELECTRIFICATION OF RAVINIA 96 INFORMAL AREAS	DOE	R 1 550 000.	19/20 The project was not implemented due to design changes

Future Projects to address the backlogs for electrification of households and Upgrading of Bulk infrastructure:

MUNICIPALITY	AREA	NO.OF HOUSEHOLDS BACKLOG	FUNDED	FINANCIAL YEAR
Koukamma	Louterwater	78	Doe	20/21
	Krakeel	101	Doe	20/21
	Joubertina/ Ravinia	96	Doe	20/21

NB: The funding for these projects was approved during 19/20 financial year, but due to design approvals by ESKOM implementation was delayed

3.3.4. Major challenges and remedial solutions

- No Master plan
- Tampering
- Review of Augmentation levy
- Illegal connections
- Ageing infrastructure

Remedial actions

- Seek assistance from the Department of Energy on the development of the master plan
- Educate/Conduct training to communities on the danger of tampering with electricity
- Advise communities and businesses on the review of augmentation levy
- Communicate with communities on illegal connections and state the consequences thereof
- Plan and budget for aging infrastructure

3.4. Roads

3.4.1. Roads delivery strategy and main role players

The strategy of the municipality is to provide and maintain quality of local roads thereby contributing to socio-economic development of the people of Kareedouw. The Department of Roads and Public Works is a role player which governs the department at the centre of Infrastructure provision in the Province. It is a department that derives its existence directly from the Constitution of the Republic of South Africa (Act 108 of 1996 as amended) and the Public Service Act of 1994 (as amended) .The strategic goals of the roads department are as follows:

Service delivery goals

- To ensure that all communities in the municipality are connected.
- To provide “world class” service to user departments and see all departments with spacious and appropriate accommodation
- To place all government properties in a good well maintained condition
- All projects being implemented through the Community Based Public Works.

3.4.2. Level and standard in roads services

The total length of Municipal roads is 150km, 60km is gravel that is state of despair, 90km is surfaced and 30km of the 90 is in a state of disrepair and is way beyond the maintenance period, an estimated amount of R 405 000 000.00 will be required to address the backlog. The condition of roads in the Koukamma Municipal area has deteriorated rapidly over the past few years due to aging of the infrastructure, increase traffic volumes, lack of sufficient funding for maintenance and the impact of floods which have occurred over the past few years.

The standard of roads maintenance in all areas in the Koukamma is the same whether it is re-gravelling or resealing or pothole repair. The only tarred and maintain areas in Koukamma are the N2 Road which is the National Road and maintained through SANRAL by the National Department of Road and Public Works. Due to the

fact that SANRAL had to provide for social responsibility as per the procurement system, then they had provided for a pavement management system to assist the communities of Koukamma.

3.4.3. Annual Performance as per key performance indicators

No	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the financial year under review (Actual numbers)	Number of kms reached during the financial year	Percentage of achievement during the year
1	Percentage of households with access to gravel or graded roads	11032	90km	5km	1km	1%
2	Percentage of road infrastructure requiring upgrade	11032	88kms	5km	0km	0%
3	Percentage of planned new road infrastructure to be constructed	11032	88km	5km	0km	0%
4	Percentage of capital budget reserved for road upgrading and maintenance	11032	R3 327 546.00	R3 275 252.13	1km	98.3%

	effectively used.					
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3.4.4. Major challenges and remedial solutions

- Roads section was abolished from technical department/municipality.
- No tools of trade
- Insufficient budget for operation and maintenance
- No Roads master plan

Remedial solutions

- Ensure appointment of staff so that there is establishment of roads maintenance team
- Facilitate budget availability to buy equipment's and tools for road maintenance
- Seek assistance from the Department of Roads and Public Works to appoint consultants for the development of master plan

3.5. Housing

3.5.1. Housing delivery strategy and main role players

Housing is the responsibility of the Provincial Department of Human Settlement but is performed at the local level through the signing of the Service Level Agreement between Koukamma Municipality and the Department of Human Settlement. The Provincial Department of Human Settlement (PDoHS) provides two (2) types of housing namely; Reconstruction and Development Programme (RDP) and Social Housing.

RDP housing is solely designed for those people who cannot have means to buy their own houses- the poor people. Social Housing is an option for low to medium income earners. All the housing delivery are based on the Housing Act of 1997 (Act no. 107) and the social housing is determined by the Rental Act, 1999, Act no.60. Every municipality is expected to have a housing plan and basic infrastructure in order for the Provincial Department of Human Settlement (PDoHS) to deliver houses for the poor.

3.5.2. Level and standard of housing delivery

The objective of the levels and standards for the provision of sustainable and integrated human settlements is to be fully compliant with the minimum norms and standards as outlined in the provisions of the National Housing Code of 2009.

The Code spells out the minimum standard that a municipality may utilize for the connection and installation of internal reticulation infrastructure for subsidized housing. Quality control is monitored internally by the building control section as well as the National Home Builders Regulatory Council (NHBRC). It is also important to note that there are specific requirement in the building of a house that the construction company should adhere to for example the erf or plot where the house is built must be zoned for housing

In building a house, it is very important to ensure that there is basic infrastructure for water and sanitation, building lines and proper size of the house.

3.5.3. Major challenges and remedial action

The big problem is to access some sites in Krakeel. The legal dump-site is 35 kilometres away and the contractors are struggling to access them since there was no allocation for overhaul. Contractors stated that smme’s refuse to work for what they are offering; they are demanding more money per stage.

3.5.4 Annual performance as per key performance indicators in housing

No.	Indicator name	Total number of household / customer expected to benefit	Estimated backlogs (Actual numbers)	Target set for the FY under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households living in informal settlements	1192	1192	1192	0	0%
2	Percentage of informal settlements that have been provided with basic services	34	1156	1156	34	0%
3	Percentage of households in formal housing that conforms to the minimum building standards for residential houses	1192	1192	1192	0%	0%
4	Existence of an effective indigent policy	The Municipality does allocate indigent policy to qualifying beneficiaries of formal settlements. Does not allocate to informal settlements, as there is no billing done, since there are no formal structures and no ownership				
5	Existence of an approved SDF	The Municipality does have an approved Spatial Development Framework.				
6	Existence of Land Use Management	The Municipality does have a Land Management System				

System (LUMS)	
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3.5.5. HOUSING RECTIFICATION PROJECTS

The Department of Human Settlements makes funds available for the rectification projects. The municipality is responsible to pay the contractors from funds made available by the Department of Human Settlements.

STATUS QUO

Funds were made available by Department of Human Settlements for Rectification of 115 houses in total in the following areas: Kareedouw 36, Louterwater 32, Krakeel 13, Woodlands17, and Clarkson 24.

There are 15 houses to be replaced in Storms River. There are house in Louterwater that was demolished on the first phase of rectification that has never been constructed. Proposal were made for houses that were demolished and never re-built in the first phase that they must be recorded and be presented to the councillors. The Municipality should then request replacement for those properties. Kareedouw has two replacements and Krakeel has three.

UNDERPERFORMANCE OF CONTRACTORS

Procurement strategy was done by the Department of Human Settlements that talk to the Local Contractors. Contractors should meet the requirements, and Municipality should check the readiness of the contractors (Those contractors that performed should also be included. The following requirements were needed: CIDB, SARS, and NHBRC. It was indicated that Main Contractors should come from Koukamma and conditions should meet the local contractors.

3.5.6. NEW HOUSING NATIONAL REGISTER

Our Municipality has been experiencing challenges on the data capturing of the National Housing Needs Registration due to the slowness of our internet.

After a long time since the Regional Department of Human Settlements promised in a meeting that was held in our board room, they finally announced in a meeting that was also held in our board room on October 2019 that they will be able to make space for two or three people to go down and do the data capturing in their offices. They also mentioned that the people sent will only be able to work on their computers due to the fact that the Koukamma Computers and lap-tops are not connected to their system.

They also mentioned that we should be aware that sometimes when some of their staff will be need the computers made available, space should be given to them to do what they need to do.

Two of officials went to Port Elizabeth for the data capturing on the dates that were scheduled. The Provincial Department of Human Settlements also gave assistance by making available a number of officials to assist in the data capturing.

Challenges and remedial action

Although we got support from the Department of Human Settlements, we still need support in terms of internal capacity. It would be much better if we could get people to assist with the capturing who will do it full time and focus only on it. The NYS Learners who were trained for capturing are not available anymore, but the Department is always willing to train data capturers

3.5.7. DESTITUTE HOUSING

There are four approved Destitute Housing Projects in Koukamma, namely: Hermanus Kraal, Koomansbos 66, Giqua Rust 60,

Koomansbos

This development area (66 sites) is fully serviced, i.e. electricity, water and sanitation (septic tanks). The informal housing structures in this project will be replaced with conventional (brick & mortar) houses.

The DEDEA required a letter from Koukamma Municipality which confirms that the area has been serviced with the infrastructure as indicated as well the fact that this project will be in-situ of nature. The Department of Human Settlements had a responsibility to arrange a site inspection with NHBRC to also obtain its input on the development.

Terms and reference has been done by the Supply Chain of the Department of Human Settlements to start with the process of tendering for the 66 units. There was no report about the other destitutes on the very last meeting that was held in our board room on October 2019.

The Department of Human Settlements indicated that, Koomansbos is a difficult area, they therefore advised that Established contractors be appointed for the project.

Serious issues were mentioned on GIA that needs to be attended to. Enquiry was done from Department of Economic Development and Environmental Affairs (DEDEA) how the process of exemption goes (Whether it is the same as the EIA process).

The Department of Human Settlements proposed that it be checked what are the financial implications to do the EIA as they have been speaking about four to five years. The Regional Department of Human Settlements made it clear that the EIA issue is not their function, it is done within the Municipality. They further advised that the Municipality should engage with the District Municipality, they will support the Municipality in a meeting with the District Municipality and DEDEA.

Hermanuskraal

The development area (20 sites) is situated within a forested area which borders on a stream of water/river.

Challenges and remedial action

The Provincial Department of Human Settlements raised concerns about graves in the area which would need some attention before any development can be considered. The DEDEA in turn indicated that an EIA will be required for this particular development. The Koukamma Municipality will have to embark on the relevant processes to address the aforementioned concerns.

Griekwarust

The development area (60 sites) is adjacent to an existing formal housing development, i.e. Mandela Park/Nompumelelo, which area is fully serviced. DEDEA raised its concerns regarding the water table, whilst representatives from the PDoHS in turn indicated that a Storm Water Management will be required, both in terms of NHBRC and the “Red Book/SANS 400.”

The above requirement obviously has financial implications and the Koukamma Municipality indicated that the Sarah Baartman District Municipality (SBDM) would be approached for assistance in this regard. No guarantees could be given that the request for funding will be considered favourably by the SBDM. Mr Wogane from the Koukamma Municipality would coordinate this application for funding. Mr Sivu Mazondwa from Department of Human Settlements had a task to arrange a site inspection with NHBRC to also obtain its input on the development as well as the issues discussed under this heading.

Sanddrift

The development area (20 sites) is also adjacent to an existing formal housing development, i.e. Mandela Park/Nompumelelo, which area is fully serviced. Both DEDEA and PDoHS indicated that a Storm Water Management will be required, both in terms of NHBRC and the “Red Book/SANS 400.”

The above requirement obviously has financial implications and the Koukamma Municipality indicated that the Sarah Baartman District Municipality (SBDM) would be approached for assistance in this regard. No guarantees could be given that the request for funding will be considered favourably by the SBDM. Mr Wogane from the Koukamma Municipality would coordinate this application for funding. Mr Sivu Mazondwa from Department of Human Settlements had a task to arrange a site inspection with NHBRC to also obtain its input on the development as well as the issues discussed under this heading.

3.6. Spatial Planning

3.6.1. Preparation and approval process of Spatial Development Framework

The existing Koukamma Local Municipality Spatial Development Framework requires an updated as a matter of urgency to align with the provisions of the Spatial Planning and Land Use Management Act, Act 16 of 2013 (SPLUMA). Assistance for the preparation thereof and budget needs have been requested from the Provincial Department of Cooperative Governance and Traditional Affairs (CoGTA) as well as Department Rural Development and Traditional Affairs (DRDRL) by the relevant acting Director’s to ensure compliance and for the work to be outsourced. Numerous meetings were held during 2019 and 2020 with CoGTA and DRDRL to highlight the

necessary assistance needed to solicit the issues relating to SPLUMA implementation and letters has been written to various support structures were made accordingly.

On the 13 February 2019, a questionnaire that deals with establishment and operations of Municipal Planning Tribunal (MPT) as well as the MS Work Template to update progress on Koukamma SPLUMA implementation was forwarded to Koukamma Local Municipality from the Department of Rural Development and Land Reform.

3.6.2. Spatial Management and Land Use Management Act (SPLUMA) No. 16 of 2013 implementation

Koukamma Local Municipality has promulgated the SPLUMA By – Laws of which is implemented accordingly as dated 24 March 2016. The Municipal Planning Tribunal (MPT) meets once a month and deal with all subject matters related to land use applications submitted for processing. It is noted that in the absence of a Town Planner at Koukamma Local Municipality, the planning controls are checked as part of the building plan approval process at every meeting of the MPT.

Although Koukamma Local Municipality does not have an appointed Town Planner, the Chairperson of the MPT is a Professional Town Planner which is appointed on a five (5) contractual basis. The MPT composition in Koukamma Local Municipality has five (5) panel members but most of the time at least three (3) members that sits and decide on matters in line with the By-laws. All applications are submitted in accordance to a SPLUMA application form and a registry is kept by the records section of which the Building Inspector capture and prepare agenda for the MPT meeting as outlined in the Koukamma Local Municipality SPLUMA By –law. Minutes of all meetings is prepared and submitted to the relevant authority for adoption and confirmation. All relevant approvals and correspondence are prepared and signed by the Municipal Manager as the appointed Authorised Official of which records are kept in accordance with the internal processes.

Koukamma Local Municipality has submitted an application in terms of section 55(1) of the Spatial Planning and Land Use Management Act 16 of 2013 (SPLUMA) to be exempted from the requirements of Section 24(1) of SPLUMA which explicitly requires a municipality after public consultation, to adopt and approve a single Land Use Scheme (LUS) for its entire municipal area within five years from the commencement of the Act.

3.6.3. Integrated Land Use Scheme (LUMS)

Koukamma Local Municipality need to appoint a service provider for the preparation of the LUMS as the Section 8 Zoning Scheme Regulations (LUPO) is still applicable in the area. The municipality does have Ovio Electronic System in place, however the information also need to be updated. In a meeting which was held during July 2018 with a Geographical Information System Practitioner appointed by Sarah Baartman District Municipality (SBDM), the Practitioner indicated that there needs to be someone to update the system who will be feeding him as he is appointed to look into the whole district.

A forum is established in the district, where the Building Inspector is attending meetings but so far nothing has improved in updating the system or the preparation of a LUMS for the Koukamma Local Municipal area. A request was made to get a

Town Planner from CoGTA but it is still difficult as it was indicated that it cannot be deployed in Koukamma Municipality as they are assisting other municipalities in the Eastern Cape. One of the challenges that Koukamma is facing is the updated mapping of the entire area, as a result in some properties do not reflect the latest zoning information which is required. The matter of preparation of a single Land Use Scheme (LUMS) and the assistance of the Provincial Departments was also raised at the meetings that took place due to budget constraints and for support for it to be finalised.

3.6.4. Levels and standard in Spatial Planning

The Constitution of the Republic of South Africa, Act No. 108 of 1996 outlines the developmental duties of municipalities in terms of Section 153 and the Spatial Planning and Land Use Management Act (SPLUMA), Act No.16 of 2013 is a framework that introduces a Spatial Planning System, which consists of four (4) levels of planning **viz:**

- Spatial Development Frameworks(SDF's) and specific such as the Integrated Development Planning (IDP);
- Development principles guiding spatial planning , land use and land development;
- Management of land use through Land Use Schemes (LUS) ;and
- Procedures and processes for the preparations, submissions and considerations of Land Development Applications (together with provincial planning legislation and municipal planning bylaws).

The Koukamma Local Municipality had appointed the MPT Committee which is compliant to the regulation and the implementation of the Koukamma Local Municipality By-law which has been developed in accordance with the relevant processes as per SPLUMA requirements and regulations. The municipal IDP is required to include the Spatial Development Framework which outlines the provision of land use management system and basic guidelines, however as indicated above are challenged due to the matters mentioned.

3.6.5. Annual performance as per key performance indicators

During 2019/20 financial year, the planning department has conducted the following meetings:

Number of meetings held	Dates	Number of plans received	Number of plans approved	Number of plans not approved
1	25/07/2019	6	5	1
1	05/09/2019	9	8	1
1	30/10/2019	11	7	4
1	11/12/2019	9	5	4
1	20/02/2020	29	28	1

3.6.6. Major challenges and remedial actions

Challenges	Remedial actions
1. Town Planner position not filled.	Budget for position or request for deployment of a Town Planner from CoGTA or Department Rural Development and Land Reform
2. Spatial Development Framework Review (SDF).	Budget for the SDF review or seek assistance from the district
3. Land Use Management Scheme (LUMS).	Budget for the preparation and implementation of a new LUMS or assistance from the district is required to ensure alignment to SPLUMA provisions to ensure compliance.
3. Non-compliance with SPLUMA, Section 8 Zoning Scheme Regulations as well as National Building Regulations.	Seek assistance from the Department of Rural Development and Land Reform, CoGTA and SALGA.
5. The Organogram does not accommodate the Planning and Development department.	Review the organogram to create the planning section with resources required to ensure compliance with legislation in place.

3.7. Overall Service Delivery Backlogs

Basic Service Delivery	01 July 2019- 30 June 2020			Total backlog
	Required	Budgeted	Actual	
Water Backlogs P/A				
Backlogs to be eliminated (no. HH not receiving the minimum standard service)	NIL	NIL	NIL	NIL
Backlogs to be eliminated (%: total HH identified as backlog/total number of HH in the municipality)	NIL	NIL	NIL	NIL
Spending on new water infra-structure	NIL	NIL	NIL	NIL

to eliminate backlogs (R000)				
Spending on renewal of existing water infrastructure to eliminate backlog (R000)	R 5 557 950.00	R 5 557 950.00	R 5 557 950.00	
Backlogs to be eliminated (no. HH not receiving the minimum standard service(ELECTRICITY))	280HH	96HH	0	280HH
Backlogs to be eliminated (%: total HH identified as backlog/total number of HH in the municipality)	280HH	280HH	0	280HH
Spending on new infrastructure to eliminate backlogs (R000)	R6 000 000.00	R 1 500 000.00	R0.00	R4 500 000.00
Spending on renewal of existing Electricity infrastructure to eliminate backlog (R000)	R1 015 005.00	R1 015 005.00	R 668 506.36	R346 498.64
Total spending to eliminate backlogs (R000)	NIL	NIL	NIL	NIL
Spending on maintenance to ensure no new backlogs (R000)	NIL	NIL	NIL	NIL
Sanitation backlogs	R30 000 000	NIL	R30 000 000	NIL
Backlogs to be eliminated (n0.	NIL	NIL	NIL	NIL

HH not receiving the minimum standard service)				
Backlogs to be eliminated (%: total HH identified as backlog/total numb of HH in the municipality	NIL	NIL	NIL	NIL
Spending on new infrastructure to eliminate backlogs (R000)	NIL	NIL	NIL	R 000
Spending on renewal of existing infrastructure to eliminate backlog (R000)	R8 673 043.41	R8 673 043.41	R8 673 043.41	0.00
Total spending to eliminate backlogs (R000)	NIL	NIL	NIL	NIL
Spending on maintenance to ensure no new backlogs (R000)	NIL	NIL	NIL	NIL
Total spending to eliminate backlogs (R000)	NIL	NIL	NIL	NIL
Spending on maintenance to ensure no new backlogs (R000)	NIL	NIL	NIL	NIL

Component B: Community Services

3.8. Solid Waste and Environmental Management

Solid waste management refers to the collecting, treating, and disposing of solid material that is discarded or is no longer useful. Improper disposal of municipal solid waste can create unsanitary conditions, which can lead to environmental pollution and the outbreak of infectious disease. An inefficient municipal solid waste management system may create serious

negative environmental impacts like infectious diseases, land and water pollution, obstruction of drains and loss of biodiversity.

Solid waste means any garbage, refuse, sludge from a wastewater treatment plant, water supply treatment plant, or air pollution control facility and other discarded materials including solid, liquid, semi-solid, or contained gaseous material, resulting from industrial, commercial, mining and agricultural operations and from community activities. The difference between solid waste and hazardous waste is solid waste is material that cannot be decomposed whilst hazardous waste is waste that has substantial or potential threat to the public health or the environment.

3.8.1. Delivery strategy and main role players

The Department of Environment, Forestry and Fisheries developed the National Environmental Management: Waste Act, 2008 thereafter advanced the National Waste Management Strategy which is a legislative requirement of the above mentioned act. Subsequent to the act and the strategies, municipalities are therefore required to develop the Integrated Waste Management Plan (IWMP). The IWMP forms the integral part of the Integrated Development Plan as per the requirement of the Municipal Systems Act, 2000.

The Waste Disposal By –Law was gazetted in 2006 and published in September 2011 and will be reviewed in June 2021. In fulfilling the legal obligation, Koukamma Municipality compiled its first report 2007, which constitutes the first review of the Integrated Waste Management Plan. IWMP is the application of suitable techniques, technologies and management programs covering all types of solid wastes from all sources to achieve the objectives of (a) waste reduction and (b) effective management of waste still produced after waste reduction.

Koukamma Municipality in partnership with Department of Economic Development, Environmental Affairs and Tourism and the Department of Water Affairs are working together on compliance matters.

3.8.2. Waste disposal facilities

Waste is disposed of in a particular area or site permitted by the Department of Economic Development, Environment Affairs and Tourism. In a landfill classification system, a landfill is classified in terms of waste class, size of operation and potential for significant leachate generation, all of which influence the risk it poses to the environment. Graded requirements are then set for all aspects of landfilling, including public participation.

Based on the above mentioned statement, Koukamma Municipality had established the waste disposal facilities namely:

Louterwater Landfill site: It is located approximately 200m north east of Louterwater, within 40m from the R62. The landfill site was authorised in terms of Section 20 (5) (b) of the Environmental Act, 73 of 1989 by the Department of Water Affairs and Forestry as a G: C: B site. It is closed and waste is transported to Tweeriviere / Joubertina disposal site

Koukamma Municipality appointed Element Consulting Engineers (ECE) for the rendering of professional services for the decommissioning and rehabilitation of the Louterwater Waste Disposal Site.

This project serves to enact the, rectify and ensure compliance to Section 31L of the National Environmental Management Act, 1998 (Act 107 Of 1998), as amended, in respect of non-compliance with the waste management licence (HO/A14/LO22/14). This non-compliance was captured in a letter from the Eastern Cape Provincial Department of Economic Development, Environmental Affairs and Tourism (DEDEAT) to the Koukamma Municipality, dated 9th April 2018. This matter is deemed urgent and all necessary steps shall be taken to rectify the current non-compliant situation.

1. A draft revision report to be referred to all relevant authorities to comment as part of design process. This include, but not necessary be limited to the following;
 - Eastern Cape Provincial Department of Economic Development, Environmental Affairs and Tourism (DEDEAT)
 - Department of Water and Sanitation (DWS) if required
 - Koukamma Local Municipality
2. The cost estimate is R12 602, 734

Woodlands Landfill site:

It is approximately 500 south-west of Woodlands. The site received a permit in March 2015 from the Department of Economic Development, Environmental Affairs and Tourism (DEDEAT) as a Class B landfill site in terms of Section 49(1) (a) of the National Environmental Management Act: Waste Act of 2008. It is classified as a communal site and is meant to receive no more than 25 tons waste per day. The site is currently receiving more than 25 tons per day as the Clarkson, Kareedouw landfill sites are closed and all waste is transported to the Woodlands landfill site. Therefore Woodlands landfill site is receiving more waste than 25 tons per day as approved by the Department of Economic Development, Environmental Affairs and Tourism.

The state is as follows:

- ✚ Cells has been developed, waste has been covered, not regularly as Koukamma Municipality does not the requisite equipment;
- ✚ Access road has been gravelled;
- ✚ The finalization of agreement on recycling has been brought to standing committee for recommendation to be approved by Council
- ✚ The process to procure signage is underway;
- ✚ The fence and gate is still outstanding, Koukamma does not have adequate budget to fence the Woodlands landfill site.
- ✚ Koukamma Municipality purchased a converted container for a office, shelter and toilet for the tip site operator
- ✚ The waste is not quantified, weight as there is no weighing bridge or weigh pads, and the tip site operator is not trained on how to report
- ✚ Provide covering material for proper covering of the waste

Putting up of a fence, weigh-bridge or weigh pads, upgrading of the access road and reduce the waste by establishing of drop-off stations for separation of waste at Kareedouw

Coldstream Landfill site:

The site is located approximately 500m north of the Coldstream residential area. It is not permitted and an authorisation for decommissioning and rehabilitation of the landfill site was received from the Department of Economic Development, Environmental Affairs and Tourism (DEDEAT) in September 2014. The municipality need to adhere to the conditions set by the department. The fence is stolen and removed therefore access is not controlled, volumes of waste is not quantified, lack of cover material to cover the waste dumped at the site, no shelter and ablution for the tip site operator to store tools, equipment and records.

Shelter and ablution for the tip site operator

1. Provide material to cover the waste regularly
2. Provide a fence that can't be stolen or removed to control access for vehicles, and stray animals.
3. Provide regulation signage in both Afrikaans, English and Xhosa
4. Engage with DEDEAT on reporting requirements
5. Engage with the DEDEAT on waste characterisation and quantification techniques, particularly for waste sites with no weigh-bridges or weigh pads

Kareedouw Landfill site:

It is located along the R62 and approximately 3km north of the town. The Department of Economic Development, Environmental Affairs and Tourism gave Koukamma Municipality an authorisation for decommissioning and rehabilitation. The landfill site is since closed but the communities continue to dump whilst the signage for the closing of site is there. Koukamma municipality to appoint a consulting engineer for rendering professional services for rehabilitation of the Kareedouw landfill site

1. Appointment of consulting engineers for the rendering of professional services for the rehabilitation of Kareedouw Landfill Disposal Site
2. Appointment of consulting engineers or environment specialist identify land, do environmental assessment for a disposal site in Kareedouw

Twee Riviere (Joubertina) Landfill site:

The site is approximately 2kmm north east of Joubertina within 1km from the R62. In March 2015, the Department of Economic Development, Environmental Affairs and Tourism (DEDEAT) provided a permit for the landfill site as a G: C: B landfill site in terms of Section 49 (1) (a) of the National Environment Management: Waste Act, 2008. The site is classified as a communal site and is meant to receive not more than 25 tons of waste per day. The current state of the landfill site is as follows:

1. Koukamma Municipality to apply for funding or Municipal Infrastructure Grant (MIG) for the upgrading, fencing, regulatory signage, weigh-bridge or weigh pads and graveling of the access road

KRAKEEL WASTE DISPOSAL:

The Krakeelriver landfill site is located approximately 3km from Krakeel, within approximately 300m from the R62. The disposal site is leased by the municipality from a private owner. The waste disposal site is not permitted. Item to council to discuss the future of the site, Is it necessary to register or apply for a permit to use the Krakeel disposal site in future.

1. Item to council to finalise the future and lease of Krakeel disposal site
2. Engage the owner of the property on the future of the disposal site, or
3. Koukamma Municipality to prepare a plan on decommission and rehabilitation of the Krakeel disposal site.

Clarkson Landfill site:

The Clarkson disposal site is located approximately 2km south of Clarkson and bordered by the N2 on the far southern site and the R102 on far northern side. The Clarkson disposal site is not permitted. An authorisation for decommissioning and rehabilitation of the disposal site was received from the Department of Economic Development, Environmental Affairs and Tourism (DEDEAT) in September 2014. The disposal site is not operating; the Clarkson waste is transported to Woodlands landfill site. Funding for rehabilitation of the disposal site from the Department of Economic Development, Environmental Affairs and Tourism (DEDEAT) or register on the Municipal Infrastructure Grant (MIG). Koukamma Municipality Appoint consulting engineering to render professional services for rehabilitation of Clarkson Waste Disposal Site.

3.8.3. Level and standard

South Africa has come a long way with regard to the management of waste. Historically, waste was managed by various pieces of legislation that were governed by different government departments and which were fragmented in nature, resulting in gaps and poor waste management practises. The promulgation of the National Environmental Waste Act (Act 59 OF 2008) was a key milestone in South Africa's environmental policy and legislation, and gives effect to the principles of the Constitution, NEMA and the White Paper on Integrated Pollution and Waste Management (IP&WM). Apart from providing a coherent regulatory framework for sound waste management practices, it presents a great opportunity to ensure that the country's approach to waste management contributes to environmental wellness as well as support the country's economic and social priorities. Waste management also has an important role to play in mitigating climate change, and successful implementation of the waste of the waste hierarchy is part of a range of responses aimed at reducing the country's greenhouse gas emissions. A transition to a low carbon "green" economy as anticipated in a coherent national response to climate change would see a proliferation of green jobs in the waste sector in the waste sector ranging from life-cycle engineering to informal waste recovery.

The Integrated Waste Management Plan (IWMP) must as a minimum contain all aspect listed in Section 12 of NEM: WA from generation of waste, through to primary storage, collection, transport, and separation alternative waste treatment and final disposal of the waste. Financial planning, funding of the services, setting of tariffs, participation of the community, partnerships with others role players, and the

suppliers of equipment should all be covered in Koukamma Municipal Integrated Waste Management Plan.

The primary objective of integrated waste management planning is to optimise waste management, in order to maximise efficiency and minimise the associated environmental impacts and financial cost, and to improve the quality of life of all people residing in Koukamma area. Koukamma Municipality's long - term goal is to become a recycling society avoiding waste and using unavoidable waste as a resource wherever possible. Guidelines have been set on the municipal by-law for landfill sites on the waste acceptance criteria (for example in a communal site there cannot be more than 25 tons of waste per day).

3.8.4. Annual performance as per key performance indicators

Indicators are outlined and discussed in the table below namely:

Indicator	Action taken	Cost	Progress	Intervention
Fencing of Woodlands landfill Sites	Funding through DEDEAT	R1 166 000	Applied for funding	Appointment of Service Provider for implementation
Fencing of the Coldstream Landfill site	Funding through DEDEAT	R435 600	Applied for funding	Appointment of a service provider for implementation
Covering of waste	Budget	R0	Applied for funding	Internally
Waste collection	Budget	R0	Source funding	Budget to purchase a waste truck
Cleaning of illegal dump sites	Budget	R0	Source funding	Application for permit
Putting up of illegal dumping prohibiting signage	Funding through DEDEAT	R0	Source funding	Develop signage

3.8.5. Major challenges and remedial actions

Challenges	Remedial Actions
Limited capacity relating to waste management within Koukamma Municipality	Clarify structure and responsibilities for all waste management positions, and identify gaps in the Koukamma Municipality
Disposal Sites not managed to legal standard	Ensure sound budgeting and financing of waste management
Waste management services are not financially sustainable	Ensure a sustainable budget for waste management services
Waste recovery and recycling initiatives are limited	Establish recycling cooperatives in Koukamma Municipality

Waste management by-laws and enforcement	Appoint peace officers to enforce waste management by-laws
Public and community education /awareness on waste management	Promote public awareness concerning waste management and littering
Waste management services not prioritised	Invest in adequate and functional waste management equipment

3.9. Refuse Collection and Cleansing of Parks

It is the planning, organizing, control and alignment of all refuse collection and transportation services that provides for specific waste management measures and norms and standards. The primary objective of refuse collection and cleansing of parks is to keep the area clean and ensure that communities live in a clean environment that is maintained and managed in a sustainable manner.

3.9.1. Delivery strategy and main role-players

Waste Management Strategy: Section 6(1) of the Waste Act requires the development of a waste management strategy which gives effect to the objectives of the Act, which are: to protect health, well-being and environment by providing reasonable measures for – minimising the consumption of natural resources; avoiding and minimising the generation of waste; reducing, re-using, recycling and recovering waste; treating and safely disposing of waste as a last resort; preventing pollution and ecological degradation; securing ecologically sustainable development while promoting justifiable economic and social development; promoting and ensuring the effective deliver of waste services; remediating land where contamination presents, or may present, a significant risk of harm to the health or the environment; to provide for compliance with measures set out in paragraph (a) and generally, to give effect to section 24 of the Constitution in order to secure an environment that is not harmful to health and well-being.

The key stakeholders that have been part of the development and implantation of the Koukamma Municipality Integrated Waste Management Plan (IWMP) are Sarah Baartman District Municipality, Local Communities, Koukamma Municipal Officials: Regulatory departments, Department of Economic Development, Environmental Affairs and Tourism, Department of Water and Sanitation, Department Environment, Forestry and Fisheries.

Koukamma Municipality collects domestic waste from approximately 5 978 residents, approximately 141 businesses and approximately 2 601 indigent (urban, township and informal settlements) and also provides black refuse bags to all serviced households. Commercial waste is also collected from businesses.

A municipality must be able to set up effective and efficient waste collection systems within its area of jurisdiction. In order to do so, it must know;

- ❖ the quantities and types of waste that are produced in an area;
- ❖ what equipment is appropriate;
- ❖ what management systems will be most effective;
- ❖ what is required to educate communities receiving the service to use the service correctly and pay for it; and
- ❖ what systems are most suitable for outlying rural areas?

A regular waste removal service is provided in all households and businesses within the major towns of the municipal area, except to the households in rural areas. The waste collection to all households and businesses is provided weekly (at least 1 day per week). Communities have a crucial role to play in working with the local municipality towards managing waste as efficiently and effective as possible. The municipality collects bulky waste, commercial, industrial and domestic waste.

SCHEDULE OF WASTE AND REFUSE COLLECTION SERVICES IN KOUKAMMA

Collection day	Area	Type
Monday	Kareedouw Central, Mountain View, Kagiso Heights, New Rest, Uitkyk, Assegaaibosch	Business
Tuesday	Kareedouw Central, Mountain View	Garden Refuse
Wednesday	Kareedouw Central, Mountain View, Kagiso Heights, New Rest, Uitkyk, Assegaaibosch	Domestic
Thursday	Kagiso Heights, New Rest, Uitkyk	Garden Refuse
Friday	Mountain View, Kagiso Heights, New Rest, Uitkyk	Garden Refuse, EPWP, Waste Management refuse

Collection day	Area	Type
Monday	Stormsriver Brigde, stormsriver	Domestic
Tuesday	Stormsriver	Business
Wednesday	Nompumelelo Village,	Domestic and business
Thursday	Coldstream	Domestic, Business
Friday	Upper Tsitsikamma	Garden Refuse, EPWP, Waste Management

Collection day	Area	Type
Monday	Sandrift / Blikiesdorp	Business /domestic
Tuesday	Koomansbos, Hermanuskral, Kwaaibrand, Vans Garage	Domestic, Business
Wednesday	Woodlands,	Domestic , business,
Thursday	Clarkson	Domestic, Business
Friday	Eersteriver, Tsitsikamma	Domestic, business

Collection day	Area	Type
Monday	Ravinia	Domestic, business
Tuesday	Joubertina Town	Domestic
Wednesday	Krakeelriver, Louterwater, Misgund	Domestic, business
Thursday	Joubertina Town	Business
Friday	Langkloof	Garden refuse, EPWP, Waste Management Team refuse

3.9.2. Waste characterisation and quantification results

Waste characterisation and quantification is currently not done at all disposal sites, due to the lack of capacity.

a) COMMUNITIES: GENERATING OF WASTE

The communities are the clients who are serviced by the Municipality they generate the refuse and place it in the refuse bag for collection. The communities have a responsibility to pay for the services rendered.

Waste Disposal at Landfills prescribes that the daily tonnages of waste generated should be obtained by applying per capita waste generation rates to the figures for the population served.

These rates vary with the socio-economic standing of the population, from 0.2 kg per capita per day in the poor areas, to 1 kg per capita per day in the affluent areas. Based on the above, the mathematical estimation of the amount of waste generated within the municipal area.

b) BUSINESS

There are three main aspects of collection services are (a) the waste receptacles, (b) collection frequency and (c) position of receptacles.

The collection of business or commercial waste is frequently done due to its weight and volume of waste generated, the availability of the equipment and the level of service is very important as this is the sector that usually pay for the services rendered and for the image of their businesses.

c) GARDEN REFUSE

Bulk garden waste can be collected on request at a specific fee or residents should take it to the disposal sites themselves. Some residents make use of garden services to remove their garden refuse. Disposal of garden waste by private persons are free of charge at the disposal sites. A private company is currently in the process of determining the feasibility of composting garden waste in Koukamma. This service need to be controlled because it is the main culprit for illegal dumping.

d) MEDICAL WASTE

The primary health care facilities within the Koukamma Municipal area consist of:

- Hospital and Clinic Medical waste from the medical health facilities should be taken away by a private contractor for incineration.
- The Municipal Environmental Health should monitor this process

3.9.3. Waste stream composition

A waste characterisation exercise was not undertaken at Koukamma Municipality, because estimates of waste quantities can fall within a wide range and be complicated by technical factors, a formal waste stream investigation should be done in the area to be serviced. This should include actual sampling and analysis of the

waste stream and can then also serve the purpose of estimating the recyclable portion of the waste stream.

Methodology

No waste is characterised per income in an area. As the services are paid per area, it is not done as yet as no survey has been conducted. Waste is supposed to be categorised as per high income area, medium and low income areas (indigenous income earners).

Waste quantity is usually measured by mass (kilograms or tonnes) but it can also be less accurately estimated as volume (cubic metres). The formula used to estimate waste quantities is as follows: i.e.

- Annual total tonnes waste from an area equal to average amount of waste produced by one person in one day (kg) multiply by number of people in the area and then multiply by 365 days over 1000.

These quantities will differ depending on the socio- economic status of the community.

3.9.4. Domestic refuse removal

Domestic waste is waste that is generated as a result of the ordinary day-to-day use of a domestic premise and is either: collected by or on behalf of a local government as part of a waste collection and disposal system. Koukamma Municipality is servicing approximately 11 261 households. A regular waste removal is provided to all households and businesses within the major towns of the municipal area, except to the households in rural areas.

The majority of the population in semi-rural areas either buries or burn their waste. There is only one private waste contractor active in Kareedouw town and townships. The municipality provides a weekly (1day per week) waste collection service to all the households in the following wards:

Ward	Town	Settlements	No of businesses	Location of landfill site
1	Misgund & Louterwater	New Extension Old Louterwater Smartie Town Rondomskrik	5	200m North East of Louterwater
2	Krakeel & Coldstream	Joubertina Town, Brandhoek	13	500m North of Coldstream
3	Ravinia/ Joubertina Town	Heights, Twee Riviere	18	
4	Kareedouw	Uitkyk, Kagiso Heights, New Rest, Mountain View, Town Central.	51	3km North of Kareedouw
5	Clarkson Woodlands, Eerste Rivier, Kwaaibrandt	Bazia Kerk straat Smartie Town Landsdown	13	2km North East of Joubertina

	Hermanus Kraal Wittekleibos Guava Juice Snyklip & Palmietvlei			
6	Nompumelelo Village Storms River Blikkiesdorp Thornham Koomansbos	Mandela Park, Sandrift	11	Not applicable

3.9.5. Annual performance as per key performance indicators

Type of waste collected	Estimated Quantities	Areas	Storage	Cost
Domestic	Not quantified	Kareedouw, Blikkiesdorp, Sanddrift, Wittekleibos; Nompumelelo Village, Storms River, Coldstream; Misgund, Twee Riviere,Ravinia, Louterwater, Krakeel and Joubertina Town.	Blikkiesdorp, Sanddrift, Wittekeibos, and Kareedouw disposed to Woodlands Nompumeleo Village, Storms River and Coldstream dispose to Coldstream site; Misgund, Twee Riviere, Ravinia, Louterwater, Krakeel and Joubertina disposed to Twee Riviere landfill site	No cost
Garden	Not quantified	Kareedouw, Blikkiesdorp, Sanddrift, Wittekleibos; Nompumelelo Village, Storms River, Coldstream; Misgund, Twee Riviere,Ravinia, Louterwater, Krakeel and Joubertina Town.	Blikkiesdorp, Sanddrift, Wittekleibos, and Kareedouw disposed to Woodlands Nompumeleo Village, Storms River and Coldstream dispose to Coldstream site; Misgund, Twee Riviere, Ravinia, Louterwater,	No cost

			Krakeel and Joubertina disposed to Twee Riviere landfill site	
Business	Not quantified	Kareedouw, Blikkiesdorp, Sanddrift, Wittekleibos; Nompumelelo Village, Storms River, Coldstream; Misgund, Twee Riviere, Ravinia, Louterwater, Krakeel and Joubertina Town.	Blikkiesdorp, Sanddrift, Wittekeibos, and Kareedouw disposed to Woodlands Nompumelelo Village, Storms River and Coldstream dispose to Coldstream site; Misgund, Twee Riviere, Ravinia, Louterwater, Krakeel and Joubertina disposed to Twee Riviere landfill site	No cost
Community generated	Not quantified	Kareedouw, Blikkiesdorp, Sanddrift, Wittekleibos; Nompumelelo Village, Storms River, Coldstream; Misgund, Twee Riviere, Ravinia, Louterwater, Krakeel and Joubertina Town.	Blikkiesdorp, Sanddrift, Wittekeibos, and Kareedouw disposed to Woodlands Nompumelelo Village, Storms River and Coldstream dispose to Coldstream site; Misgund, Twee Riviere, Ravinia, Louterwater, Krakeel and Joubertina disposed to Twee Riviere landfill site	No cost

3.9.6. Major challenges and remedial actions

Challenges	Remedial Actions
Separation of waste	Put in a weigh bridge or weigh pads
Quantification of waste	Separate waste at source

Reducing of waste arriving at disposal sites	Establish recycling coops
Illegal dumping of waste	Provision of signage to the dumping sites
Lack of proper management	Supervision of the site and ensure that there is an employee that is always on the site.
No alternative dumping site where site is closed	Create/establish an alternative site after closing the dumping site to ensure that communities will have a place.

3.10. Sports and Recreation facilities

Recreation facilities means those facilities constructed or installed within the Local Community Residential Area (LCRA) for recreational use by the public or for support of such recreational use. It refers to a park, playground, recreation center, bathing beach, swimming pool or wading pool, gymnasium, sports field, or sports facility, including the parking area and land surrounds any of the aforementioned facilities, which is owned by or under the jurisdiction of any department, agency, or authority of the municipality.

3.10.1. Delivery strategy and role players

Section 156 of the Constitution of the Republic of South Africa, 1996 emphasis the provision of recreation facilities as the function administered by municipalities. In 2012, South Africa finalised the revised White Paper on Sport and Recreation for the third time leading to the development of the National Sport Recreation Plan (NSRP). The strategic focus of the NSRP is to reconstruct and revitalise the delivery of sport and recreation towards building an active and winning nation that equitably improves the lives of all South Africans.

On the 13 November 2006, Koukamma Municipality gazetted the Sporting Facility by-law to ensure that communities utilise the facility and accepts the responsibility to maintain these facilities. Hence the municipality has established Local Sport Council in some of the wards to take control of the sports facility.

3.10.2. Level and standard

In designing and constructing the sport facilities, it is important that all facilities conform to the South African standard Code of Practice for the application of the National Building Regulations (SABS 0400 – 1990) and applicable revisions as published by the Council of South African Bureau of Standards (SABS).

In addition to the above, all sporting facilities have to comply with the Municipal By-Laws. The zoning standard in terms of the Municipal By- Law and Town Planning Ordinances and the land use in general. In cases where the equipment is imported and does not have SABS rating applicable, ISO 900 ratings is applicable.

3.10.3. Annual performance as per key performance indicators

Type of Sportfield	Area constructed	Cost	Progress	Intervention
Rugby	Coldstream, Storm River ,	No cost	Maintenance	Investment Upgrading

	Nompumelelo Village, Woodlands and Clarkson			Fencing
Soccer	Coldstream, Storm River , Nompumelelo Village, Woodlands and Clarkson	No cost	Maintenance	13 Soccer teams in Louerwater and 3 Rugby teams
Netball	Coldstream, Kareedouw and Krakeel	No cost	Maintenance	Dual usage of Sportfield
Training	Kareedouw	No cost	Maintenance	Need space for all areas

3.10. 4. Major challenges and remedial actions

Challenges	Remedial actions
Vandalism	Establish Sport Council to watch on vandalism
No lights	Install lights
Lack of management of sports field	Appoint Caretakers to manage fields
Not all areas have Sports Council to take care of the sports field	Establish Sports Council to all areas
Some Sportfield not having fence	Budget for fencing of sportfield
Dual usage of sportfields which creates conflicts among team members	Create specific fields for specific sporting codes

3.11. Cemeteries

A cemetery means a land or part of land within the municipal areas set aside by the municipality to enable communities to bury their loved ones.

3.11.1. Delivery strategy and main role players

The Constitution of the Republic of South Africa, 1996 states that municipalities have a responsibility to establish cemeteries for the communities in their jurisdiction. Chapter 9, Section 50 of the Municipal By law suggests that the municipality can establish one or more of the following sections in the cemetery:

- (a) Monumental Section;
- (b) Garden of Remembrance;
- (c) Heroes acre;
- (d) Aesthetic Section; and
- (e) Panoramic Section.

According to Chapter 10 of the Koukamma Municipal By – Law Section 57 (1); No person may, without the prior consent of the municipality establish a private cemetery, and no proprietor of a private cemetery already in existence may, if the use

of the cemetery was not previously authorised by municipality continue to use the existing cemetery for burial purposes.

Section 2 of the by-law states that a person who wishes to apply for the municipality's consent to establish a cemetery or use it as contemplated in subsection (1) must submit a written application to the Municipal Manager together with-

(a) A locality plan to a scale of not less than 1: 10 000 which shows-

(i) the position of the proposed cemetery or existing one in relation to the boundaries of the land on which it is proposed to establish it or upon which it is situated;

(ii) the registered description of the site;

(iii) all streets, public places and privately owned property within a distance of 100 metres of the site;

(b) A "BLOCK" plan to a scale of not less than 1:500 showing the position of the external boundaries, internal roads and path, subdivisions, grave sites, drainage and any buildings existing or proposed to be erected.

3.11.2. Level and standard

Koukamma Municipality had established cemeteries in the area of Koukamma as follows:

Area	Available facility	Required	Intervention
Coldstream	Fenced, clean	Ablution facility and shelter	budget
Storm river	ROD	Ablution block and shelter	budget
Woodlands	Fence, clean	Ablution facility, shelter and extension of land	budget
Nompumelelo Village	Fence but vandalised, proper lay out, record - keeping	Ablution facility, shelter	budget
Eerste Rivier	None	None	
Clarkson	None	Fencing, cleaning, and shelter	budget
Kareedouw (uitkyk)	None	Fencing, cleaning, and shelter	budget
New Rest	None	Fencing, cleaning, and shelter	budget
Mountain View	None	Fencing, cleaning, and shelter	budget
Ravinia	Reached its capacity	Fencing, EIA to be conducted	Dept. of Environmental Affairs
Joubertina	Almost full	Fencing and cleaning	budget

Krakeel		Finalisation of decision between Municipality and owner, fencing, ablution block and shelter	budget
Louterwater	Clean	Fencing, cleaning, ablution and shelter	budget
Misgund		Fencing, cleaning, ablution and shelter	budget

3.11.3. Annual performance as per key performance indicators

No of cemeteries established for 2019/20	Areas where established	Cost	Intervention	Comment
1	Krakeel :extension of the grave yard	R75 000	Budget	Need budget to create other cemeteries before the one used are full.

3.11.4. Challenges and remedial actions

Challenges	Remedial Actions
No fencing	To budget and procure for the fencing
No ablution facilities	To budget and procure for the ablution facilities
No cemetery register/record keeping of grave sites	Develop a register and keep records of grave sites
Vandalism	Educate and create awareness to communities for the importance of fencing the cemeteries
Poor management of grave sites	Appoint the Caretaker to manage the grave yard
No shelter for the Caretaker	Budget and Procure shelter for the caretaker
Non cleaning of the cemetery	Facilitate with Public Works to provide EPWP for assisting in the cleaning of grave yard whilst not appointed the Caretaker.
Lack of involvement of the funeral undertakers to buy gravesites	Conduct a public participation process to invite undertakers in the process of owning some of the grave and ensure some still belong to municipal for poor people.

3.12. Parks and Open Spaces

Parks and open space refers to land that has been reserved for the purpose of formal and informal sport and recreation, preservation of natural environments, provision of green space and/or urban storm water management.

Open space is any open piece of land that is undeveloped (has no buildings or other built structures) and is accessible to the public. Open space can include: green space includes parks, community gardens, and cemeteries.

3.12.1. Delivery strategy and role -players

The Department of Environment Affairs, Fisheries and Forestry in recognising its Constitutional obligation, promulgated the National Environmental Management Act, 1998 in support of environmental management function in all spheres of government.

Sarah Baartman District Municipality in assisting Koukamma Municipality to provide parks and open space services had established a project called, "Thuma Mina Green Deeds implemented by SALP Holdings PTY LTD. The project duration is twenty four month effective 1 September 2019 and the end date is 30 August 2021.

3.12.2. Level and standard

The project was aimed at encouraging better environmental management practices through street cleaning, clearing of illegal dumping and public spaces as well as conducting of environmental education.

Twenty two participants have signed contracts in the month of September 2019. Koukamma Municipality consists of seven awareness campaigns and fifteen general assistants as per the signed Business Plans.

3.12.3. Annual performance as per key performance indicators

The project has resulted in the appointment of twenty two participants in the Thuma Mina Projects in all the areas of Koukamma for the period of twenty four months at the cost of R15 837 104.

3.12.4. Major challenges and remedial actions

Challenges	Remedial Actions
Lack of development of a sustainable municipal open space plan	That the Council ensure sufficient land provision on the Spatial Development Framework for new developments and recreational facilities
No new playing equipment in various play parks	Budget for procurement of new playing equipment in various play parks
Non-upgrading of existing play parks to set standards	Upgrade existing play parks to set standards
No attraction of community members to various play parks	Plant trees at the various play parks side walks
Lack of introduction of tariffs	Introduce tariffs through a public participation programme

3.13. Safety and Security

3.13.1. Traffic Law Enforcement

3.13.1.1. Service Delivery strategy and role players

Provision and maintenance of the protection of law enforcement services and further performs other functions such as provision and maintenance of emergency services. The rendering of Licensing function on an agency basis by Koukamma Municipality on behalf of the Provincial Department of Transport through the service level agreement.

The role players assisting the department:

- Eastern Cape / Western Cape Provincial Law Enforcement Traffic
- South African Police Services
- Eastern Cape Department of Transport
- Road Traffic Management Corporation
- Department of Justice
- EMS
- SANRAL (Roads)
- Provincial Department of Roads

3.13.1.2. Level and standards

Traffic Law Enforcement manage the implementation, monitoring, evaluation, and reporting sequences of outcomes associated with plans and programs designed to accomplish key services delivery objectives with respect to traffic control and law enforcement through the co-ordination of operations associated with the enforcement of laws, By-Laws and maintaining road safety in order to ensure the risk of damage of property and loss of lives is limited through prompt and efficient execution of sequences and applications.

The traffic law enforcement must be seen to be fair, impartial, effective, efficient, decisive, focused and results driven. The driving licence and vehicle testing comply with legislation set out by the MEC of Transport for serving our clients.

Legislation governs the conditions

- National Road Traffic Act - Act 93/1996
- Health and Safety Act – Act 85/1993
- Provincial Archives and Records Act – Act 1 of 2003
- Municipal Finance Management Act – Act 5/2003

Staff component: Law Enforcement and Licensing Services

The traffic law enforcement component consist of seven (7) permanent staff and one (1) contractual worker, with one (1) back office support staff appointed by the service provider TMT.

The Traffic administration (DLTC) component consist of six (6) permanent staff and two (2) contractual workers, appointed on two (2) years contractual basis.

The service providers:

- Renewal of Drivers Licence cards
- Renewal of PRDP's
- Learners Licence Tests
- Drivers Licence Tests

- Exchange of Foreign Drivers Licence
- Motor Vehicles Renewal
- Testing for Motor Vehicle Fitness

Activities conducted by the Law Enforcement

- Speed Monitoring
- Roads Management
- Intoxication Driving
- Public Transport Compliance
- Special Operations
- Corridor operations

3.13.1.3. Annual performance as per key indicators

Digital Camera Operations during the months of July 2019 till February 2020 was doing well and it was clear that the violations rate was increasing. On 26 March 2020, the President of South Africa Mr Cyril Ramaphosa declared a state of Disaster due to CORONAVIRUS (COVID-19) and a National Lock Down was implemented, that caused people to stay at home. During this time NO camera operations were conducted, and all cases going to court for the issuing of warrants of Arrested were scrapped of the court role. The contract with the Service Provider TMT is running for 30 months and during this period a total of 169877 violations were issued to offenders. The recovery of fines was R 11 188 922.95 with a balance of R 32 105 420 outstanding. The Municipality conducted Roadblocks with the ANPR Bus for the 30 Months and that resulted in a further income of R 241 050.

LEDGER DESCRIPTION	ALLOCATION	TOTAL ACTUAL
Fines	Vote no. 9/415-101-2271	R 11 188 922.95
Contractor TMT	Vote no. 9/415-342-2287	R 3 089 857.90
	Net Income for Municipality	R 8 099 065.05

Since the announcement of the lock down due to COVID-19 all the Drivers Licence Testing Centres (DLTC's) country wide were closed down on the 26th Mach 2020. The re-opening of the DLTCs announced by the Minister was only during level 3 but all the DLTC's had to comply with the Disaster Management Act Regulations.

On the 29th May 2020, the Koukamma Municipality (DLTC) received an inspection from the Department of Transport Inspectorate to confirm if the DLTC complied with the operational requirements set out by the regulations under the Disaster Management Act. It was found that the Joubertina DLTC did comply and that operations could be conducted from the 1st of June 2020.

The opening of the DLTC was only to deal with the backlog of Learners, Driving Licensing and no new bookings were allowed. The Motor Vehicle Registrations and Vehicle Testing functions were fully operational.

The number of Transactions conducted at the DLTC from July 2019 till March 2020, were as follows:

DLTC	
Total Transaction Count	14995
Net Income for Municipality	R 19 407 898

A fully digital camera monitoring system was used to monitor all conducted operations at the DLTC centre and the Inspectorate from the Department of

Transport conducted site visits on a regular basis to inspect the footage on the camera system to see that the Municipality is fully compliant and that no fraudulent activities are conducted.

JULY 2019 – JUNE 2020

DLTC	
Total Income	-R 5 300 190.61
Paid to Department Of Transport (DOT)	R 1 820 894.90
Final Net Income for Municipality	R 2 982 849.00

The Law Enforcement Team (COVID-19)

Traffic Officers were deployed during the Lock down period to attend 24/7 roadblocks at both Provincial Borders – N2 Toll Gate Eastern Cape/ Western Cape and R62-Misgund Eastern Cape/ Western Cape.

At these roadblocks, the following role players were deployed:

- Department of Health
- South African Police Services
- South African National Defence Force
- Provincial Traffic- Eastern Cape and Western Cape
- Koukamma Traffic
- EHP (Koukamma and Bitou Municipalities) and (Environmental Health Practitioners

Operations conducted by services

- Counting Vehicles passing – Eastern/Western Cape
- Searching of Vehicles
- Persons Screening
- Persons searching
- Persons Testing
- Temperature Taken
- Traffic Fines Issued
- Checking of valid permit for grossing the provincial borders

A Joint Operational Centre (JOC) was also established during the lock down consisting of all government stakeholders

3.13.1.4. Major challenges within the Law Enforcement and DLTC

- Lack of reliable patrol vehicles and high millage as indicated below:
V/W Polo Reg No: HGS 086 EC with Kilometres: 324000 Km
V/W Polo Reg No: HGS 084 EC with Kilometres: 380000 Km
Isuzu LDV Reg No: HGV 270 EC with Kilometres: 258977 Km
- These vehicles that are used by the Traffic Officials are at high risk due to their bad mechanical state.
- Lack of manpower- at least 4 additional Traffic Officers are required to operate optimally with a shift system applying.
- A Roads Maintenance is needed to assist with the potholes, road signs and road marking
- Fire Arms and Bullet proof vests are needed for night shift operations.
- Problems with Internet connection at the DLTC.

- The Absence of a receptionist at the DLTC.

Remedial action

- To secure three new patrol vehicles for law enforcement
- To appoint four permanent traffic officers for the implementation of a 24 hour shift system
- The appointment of a new service provider for digital cameras operations
- To conduct more operations with the ANPR bus to enhance revenue collection.
- To ensure the filling of crucial vacant positions for compliance purposes.
- To ensure the establishment of a Warrants collection section for outstanding fines
- To procure two-way radios for all officers to improve communication.
- To focus on the establishment of a satellite office at the Sanddrift Municipal Offices that would deal with learners licence and renewal of motor vehicle licences.

3.14.2. Security Services

3.14.2.1. Delivery strategy and role players

The security services are established in terms of chapter 11 Section 198 of the Constitution of the Republic of South Africa, 1996, Act 108; and stipulate the principles governing the National Security. The Republic of South Africa Constitution, Section 199 (3) and (4) of the above act states that security services must be established in terms of the National Legislation.

Security Officers are required to have a certain level of qualifications and must be registered to a professional body, namely the Private Security Industry Authority (PSIRA).

PSIRA derives its mandate from the Private Security Industry Regulation Act 56 of 2001. The primary objective of the Private Security Regulatory Authority (PSIRA) is to regulate the private security industry and to exercise effective control over the practice of the occupation of security service provider in the public and national interest and in the interest of the private security industry itself.

3.14.2.2. Levels and standards

The Koukamma Municipality contracted a PSIRA registered service provider called Messrs Watcharm Security on 22 August 2018 to provide security services for a 3 Year period at the below Municipal Sites, namely:

Municipal Site	Guard frequency	Shifts worked	Cost per site
Kareedouw Head offices at no.5 Keet Street, Kareedouw	(24hr Shift with both day and night Officers)	2 day and 2 night shift Officers	R28 626,80
Joubertina Workshop	24hr Shift with both day and night Officers)	2 day and 2 night shift Officers	R17 438,40
Joubertina Drivers Licence Testing Centre(DLTC)	24hr Shift with both day and night Officers)	2 day and 2 night shift Officers	R15903,60

Sanddrift/Blikkiesdorp Fire station	24hr Shift with both day and night Officers)	2 day and 2 night shift Officers	R17438,40
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3.14.2.3. Annual performance as per key performance indicators

PSIRA also provides for minimum standards of occupational conduct that the Security guards and the Service Provider must abide by their Code of conduct. The service provider provided 15 Grade D registered security guards who guard the abovementioned municipal premises.

3.14.2.4. Major challenges and remedial actions

The Koukamma Municipal area has experienced incidences of vandalism of infrastructure as well as theft incidences. The service levels of the appointed Company were also not up to standard and meetings were held with them to get an improved service level.

It must however be mentioned that the following challenges were experienced in the municipal buildings namely:

Challenges	Remedial actions
Theft	In certain places two guards were allowed per shift system to allow for increased patrols. The security fence in Kareedouw was repaired and Security lights were installed. The perimeter fence would be electrified in the next financial year and the provision of intruder beams would also be explored.
Vandalism of Municipal buildings and infrastructure	All windows to be fitted with burglar bars and tint. Installation of more armed response monitoring sites with alarms. Brick walling of access doors to water treatment plants that are remote, to prevent access.
Break-ins over the festive period and at night.	Additional security measures such as more lighting and burglar proofing would be provided. The installation of CCTV cameras and armed response services would also be explored in future. This matter would further be dealt with in terms of the criminal procedure of the SA Police Service.
Co-vid Pandemic Measures	The advent of the Co-vid Pandemic and the subsequent lockdown period necessitated that the access control function of the security officials be upgraded, with them testing the temperatures of all visitors to the building and sanitizing their hands and insisting on mask-wearing.

3.15. Fire and Disaster Management

3.15.1. Delivery strategy and role players

The fire brigade services act 99 of 1987 defines Fire services as; provision of the establishment, maintenance, employment, co-ordination and standardisation of fire brigade services; and for matters connected therewith.

- (a) Preventing the outbreak or spread of a fire;
- (b) Fighting or extinguishing a fire;
- (c) The protection of life or property against a fire or other threatening danger;
- (d) The rescue of life or property from a fire or other danger;
- (e) Subject to the provisions of the Health Act, 1977 (Act 63 of 1977), the rendering of an ambulance service as an integral part of the fire brigade service; or
- (f) The performance of any other function connected with any of the matters referred to in paragraphs (a) to (e).

3.15.2. Levels and standards

Section 84(1)(j) The divisions of functions and powers of fire services between district and local municipalities states that the district municipalities are responsible for mountain and veld fires, chemical incidents as well as training of Fire Officers and the Local municipalities are responsible for structural fires, rescue and extrication and fire prevention.

Koukamma local municipality has a service level agreement with Sarah Baartman district municipality, where Koukamma fire services renders the full fire fighting function which are as follows:

- Mountain & veld fires
- Structural fires formal and informal dwellings
- Hazardous chemical incidents
- Rescue & extrication
- Public Fire safety awareness education
- Enforce fire safety by-laws of Koukamma local municipality
- Fire safety compliance inspections
- Risk visits to buildings and high risk areas
- Cutting of fire breaks at strategic areas in and around high risk residential areas

3.15.3. Annual performance as per key performance indicators

Veld fires can bring disasters to populated areas, in hot dry conditions with large fire fuel loads, veld fires can take hold with terrifying speed fuelled by strong winds, they race across vast distances destroying vast areas of natural habitat, plantations, crops, and buildings

The first quarter of the year the fire department experienced a high number of veld fires due to extreme weather conditions, overgrown vegetation and negligence from the public. The highest number of emergency incidents consisted of mountain & veld fires with limited manpower and resources the task of combating fires is quite

difficult. The areas are wide spread between Tsitsikamma & Kareedouw up to the Misgund border in the Langkloof which has an effect on response times to incidents.

Since last year the staff compliment consists of x3 Platoon Commanders, x1 Fire Fighter, Control room operator and a Chief Fire Officer was appointed in February 2020.

In March 2020 there was a mountain & veld fire in Louterwater that was burning for 3 days consecutively. The fire burned up in the mountain and Aerial assistance was needed, there were joint operations between Koukamma municipality, Sanparks and South cape Fire protection association (SCFPA).

No properties were damaged and no injuries were sustained during the fire. At the beginning of June 2020 there was a incident in Nompumelelo village aka Mandela Park. It was shack alight and 2 children were trapped inside the dwelling and unfortunately they did not survive the blaze. A total of 11 people lost their lives in 2019/2020 due to fires and motor vehicle accidents in the Koukamma jurisdiction

The Fire crews also supplied potable water as needed on a weekly basis so the community can have drinking water especially in the Langkloof area. On numerous occasions the Fire crews assisted Saps and Traffic with lockdown operations to keep people indoors during level 5 lockdown.

Fire awareness campaigns

Fire awareness campaigns were conducted the first quarter of the year July – September 2019, Door to door campaigns were held, Safety talks and displays at schools were conducted. A total number of 500 people were made aware of the dangers of fires. The second half of the year no awareness campaigns were held due to the National Lockdown of the Covid 19 pandemic.

Attached with this report is a detailed breakdown of all the incidents and activities for 2019/2020 year.

3.15.4. Major challenges

- Staff shortages
- Response times to fires and other emergencies
- Communication system
- Limited equipment
- Inadequate Vehicle fleet
- Need more fire stations in other areas
- Training needs
- Fire breaks in residential areas
- Refuse dumped on fire breaks

Remedial actions

- More staff need to be appointed
- Satelite stations in Kareedouw & Joubertina
- Radio communication system must be installed
- Tools of trade
- New Fire engine
- Rescue equipment and other basic fire fighting equipment
- Training courses must be provided

CATEGORY	1st Quarter July - September 2019	2nd Quarter October - December 2019	3rd Quarter January - March 2020	4th Quarter April - June 2020	Grand Total 2019/2020	SUSPECTED CAUSES
1	NUMBER OF FIRES AS FOLLOWS					
	BUILDINGS	1	0	0		1
	DWELLINGS (formal - brick & mortar)	3	1	4		8
	INFORMAL DWELLINGS (Shacks/mud/hut etc.)	2	3	2	6	13
	ELECTRICAL	0	0			0
	RUBBISH	4	5	5		14
	VEGETATION	30	10	14	12	66
	TRANSPORT (Cars/busses/trains/aircraft/s hip)	0	0			0
	OTHER (not specified above)	0	1	2		3
	SUB TOTAL	40	20	27	18	105

2	NUMBER OF SPECIAL SERVICES	1st Quarter July - September 2019	2nd Quarter October - December 2019	3rd Quarter January - March 2020	4th Quarter April - June 2020	Grand Total 2019/2020	SUSPECTED CAUSES

ACCIDENTS (Cars/busses/trains/aircrafts etc.)	5	0	1	2	8	UNKNOWN
RESCUE (people/animals trapped/lost from machinery or water etc.)	0	0	0			0
SPILLAGES (oil, diesel on road services)	0	0	0			0
MISCELLANEOUS (any other not specified)	0	0	1			1
HAZMAT SPILLAGES (chemicals ect.)	0	0	0			0
SUB TOTAL	5	0	2	2	8	1

3	ACCUMALATED HOURS FOR DURATION OF INCIDENT	1st Quarter July - September 2019	2nd Quarter October - December 2019	3rd Quarter January - March 2020	4th Quarter April - June 2020	Grand Total 2019/2020
	Vegetation	107	39	67	17	230
	Hazmat	0	0	0	0	0

(LMs: SBDM requires this information for the SLA)

4	NUMBER OF ANCILLARY SERVICES	1st Quarter July - September 2019	2nd Quarter October - December 2019	3rd Quarter January - March 2020	4th Quarter April - June 2020	Grand Total 2019/2020
	Provision of Potable Water	30	42	33	15	120

Locked premises	0	0	0	0	0
Any other types of humanitarian services	7	7	0	0	14
SUB TOTAL	37	49	33	15	134

5	NUMBER OF NO - SERVICES	1st Quarter July - September 2019	2nd Quarter October - December 2019	3rd Quarter January - March 2020	4th Quarter April - June 2020	Grand Total 2019/2020
	Extinguish before arrival	2	1	2	2	7
	False Alarm Good Intent	2	2	1		5
	False Alarm Malicious	0	0		1	1

SUB TOTAL	4	3	3	3	13
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GRAND TOTAL OF INCIDENTS.	86	72	65	38	259
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6	NUMBER OF PEOPLE INVOLVED IN:	1st Quarter July - September 2019	2nd Quarter October - December 2019	3rd Quarter January - March 2020	4th Quarter April - June 2020	Grand Total 2019/2020
	Fires	19	43	60	35	157
	Accidents	9	1		4	14
	TOTAL	28	44	60	39	171

7	NUMBER OF FATALITIES	1st Quarter July - September 2019	2nd Quarter October - December 2019	3rd Quarter January - March 2020	4th Quarter April - June 2020	Grand Total 2019/2020
	Fires	2	2	0	2	6
	Accidents	3	0	0	2	5
	TOTAL	5	2	0	4	11

8	NUMBER OF INJURIES:	1st Quarter July - September 2019	2nd Quarter October - December 2019	3rd Quarter January - March 2020	4th Quarter April - June 2020	Grand Total 2019/2020
	Fires	0	1	0	0	1
	Accidents	3	0	0	0	3
	TOTAL	3	1	0	0	4

		1st Quarter July - September 2019	2nd Quarter October - December 2019	3rd Quarter January - March 2020	4th Quarter April - June 2020	Grand Total 2019/2020
9	ESTIMATED DAMAGES (inclusive of Contents and Building/land)		R100 000,00	R200 000	R180 000,00	R480 000,00
	ESTIMATED VALUES (Contents and Building)		R160 000	R70 000	R400 000	R630 000,00

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	1st Quarter July - September 2019	2nd Quarter October - December 2019	3rd Quarter January - March 2020	4th Quarter April - June 2020	Grand Total 2019/2020
10 ESTIMATED DAMAGES (Veld Fires)		R1 400 000,00		0	R1 400 000
ESTIMATED VALUES				0	0

11	NO. OF STAFF (Full Time)	AREA /MUNICIPAL	TOTAL FILLED	TOTAL VACANT
	Chief Fire Officer	KOU KAMMA MUNICIPAL AREA	1	0
	Assistant/Deputy Chief			
	Divisional Commanders			
	Disaster Management Co- ordinator		0	1
	Station Commanders			
	Platoon Commanders	SANDRIFT	3	

Senior / Leading Fire fighters			
Fire Fighters	SANDRIFT	1	5
Control Room Operators	SANDRIFT	1	3
Reservist/Volunteer Fire fighters	SANDRIFT		9
Admin staff			
Other staff			
TOTAL		6	18

12	NUMBER OF VEHICLES	AREA /MUNICIPAL	CURRENT TOTAL	AGE AND CONDITION	TOTAL REQUIRED	ESTIMATED COST
	Major Fire Pumpers	KOU KAMMA AREA	0		1	R4 000 000
	Medium Pumper Fire Engines	KOU KAMMA AREA	1	14 YEARS & OLD	1	R2 500 000
	Light Rescue vehicles	KOU KAMMA AREA	0		1	R1 500 000
	Heavy Duty Rescue	KOU KAMMA AREA	0			
	LDV Fire Skid units	KOU KAMMA AREA	2	1 YEAR	1	R850 000
	Portable skid units	KOU KAMMA AREA	1	OUT OF COMMISION	4	R150 000
	Fire fighting trailers	KOU KAMMA AREA	2	OUT OF COMMISION	2	R250 000
	Water Tankers	KOU KAMMA AREA	0			
	Hazmat trailer / vehicle	KOU KAMMA AREA	0	0	1	

Hydraulic Platforms	KOU KAMMA AREA	0			
Turntable Ladders	KOU KAMMA AREA	0			
OTHER	KOU KAMMA AREA	0			
TOTAL		6		11	R9250 000

13	FIRE SERVICES VEHICLES	TYPE	NUMBER	SINCE WHEN
	Vehicles involved in Accidents	LANDCRUISER	1	2019
	Vehicles Out of Commission	NISSAN DOUBLE CAB	1	2016
	TOTAL		2	

14	BUILDINGS / FIRE STATIONS	CURRENT	REQUIRED	ESTIMATED COSTS
	Location of fire stations	BLIKKIESDORP	JOUBERTINA KAREEDOUW	R2.400 000
	No. of fire stations (Includes Satellites)	1	2	
	TOTAL	1	2	R2.400 000

15	TRAINING & DEVELOPMENT OF STAFF	ALL STAFF TRAINED TO DATE (NOT ONLY DURING THIS QUARTER)
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Number of staff trained in:	FIRE FIGHTER 1	FIRE FIGHTER 2	HAZMAT OPERATIONS	HAZMAT AWARENES S	BASIC AMBULANCE ASSISTANT
TOTAL	4	4	4	4	1

	1st Quarter July - September 2019	2nd Quarter October - December 2019	3rd Quarter January - March 2020	4th Quarter April - June 2020	Grand Total 2019/2020
16					
IN- SERVICES TRAINING TO FIRE STAFF	0	0	0	0	0
<u>Specify subjects covered (e.g. ropes/ship/aircraft fire fighting/hazmat)</u>	0	0	0	0	0
Number of hours i.r.o theoretical and practical	0	0	0	0	0
TOTAL	0	0	0	0	0

	1st Quarter July - September 2019	2nd Quarter October - December 2019	3rd Quarter January - March 2020	4th Quarter April - June 2020	Grand Total 2019/2020
17					
FORMAL TRAINING BY FIRE STAFF					
Specify type of training (Eg.	0	0	0	0	0

FF1/FF2/BAA/Hazmat etc.)					
Number of Staff Trained during the Quarter	0	0	0	0	0
TOTAL	0	0	0	0	0

		1st Quarter July - September 2019	2nd Quarter October - December 2019	3rd Quarter January - March 2020	4th Quarter April - June 2020	Grand Total 2019/2020
18	AWARENESS AND TRAINING					
	Number of civilians made aware	500	0	0	0	500
	Specify the type of institutions visited (e.g. Old age home/Hospital / Clinic / Factory / Govt. buildings / Library etc.)	BUSINESSES IN KAREEDOUW,JO UBERTINA AND CLARKSON	0			
	Number of children and teachers made aware		0		0	0
	Number of schools covered		0		0	0
	TOTAL	500	0	0	0	500

19	FIRE SAFETY (number of inspections conducted)	1st Quarter July - September 2019	2nd Quarter October - December 2019	3rd Quarter January - March 2020	4th Quarter April - June 2020	Grand Total 2019/2020
	General Inspections	2	3	2		7
	Flammable Liquid	3	5	0	2	10
	Building Plans	0	1	0		1
	Fire Hydrants(specify the area)	8	0	0		8
	Burning Permits Issued	8	7	5	7	27

20	NUMBER OF FINES ISSUED AND PROSECUTED	NO. ISSUED	NUMBER PROSECUTED	CHALLENGES	REMEDIAL MEASURES
				NO PEACE OFFICER IN THE FIRE BRIGADE	FIRE FIGHTERS MUST DO A PEACE OFFICERS TRAINING COURSE
	TOTAL	0	0		

21	FUNDING (MUNICIPAL / DISTRICT / PROVINCIAL)				
	2019/2020 BUDGET ALLOCATION	EXPENDITURE	BALANCE	NARRATIVE OF EXPENDITURE (ON WHAT!!!!)	EXPLANATION FOR UNDER EXPENDITURE

R2 123 182,00	R 700 612,50	R 67 014,01	Employee related cost	The CFO only started on the 01st Feb and 2 fire fighters which were budgeted for has not yet been appointed.
R 37 213,00	R 17 190,56	R 4 245,06	Maintenance of Vehicles	
R 295 187,00	R 20 695,18	R 94 705,34	Fuel & Oil	
R 4 320,00	-	R 1 320,00	License Fees	
R 470,47	-	R 1,00	Uniforms	

R 141 800,53	R 9 732,68	R 88 306,09	General Expenditure
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This includes refreshments and S&T's

2 2	PLANS / POLICIES/ IN PLACE	YES OR NO	REMARKS	
	Fire Season Readiness Plans	YES	2019 / 2020	For which period
	By-laws	YES	2006	When promulgated
	Fire Risk Assessment Study conducted	YES	2018	When
	Mutual Aid Agreements in Place	YES	SLA WITH SBDM	With whom?
	Fire Awareness Plans in place	YES		State period of Plan
	Fire Services Tariffs in place	YES	2019/2020	
	Vehicle Replacement policy in place	NO	NONE	

2 3	Challenges	Strategies to deal with challenges	
	MANPOWER	RECRUITMENT OF 2 PERMANENT FIRE FIGHTERS & 6 VOLUNTEERS	

FIRE FIGHTERS CURRENTLY WORKING MONDAY TO FRIDAY	IMPLEMENTATION OF A SHIFT SYSTEM
CURRENTLY 1 STATION AT BLIKKIES DORP TO COVER THE WHOLE MUNICIPAL AREA	PLANS IN PLACE TO BUILD TWO SATELITE STATIONS
VEHICLES NOT SUFFICIENT	WE NEED MORE VEHICLES
EQUIPMENT NOT SUFFICIENT	WE NEED MORE EQUIPMENT

3.16. Environmental Health Services

3.16.1. Delivery strategy and main role players

Health is defined as “a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity”. This is according to the definition as per the World Health Organization

Environmental Health further addresses all physical, chemical, and biological factors external to a person, and all related factors impacting behaviours. This further encompasses the assessment and control of those environmental factors that can potentially affect health. Environmental Health is targeted towards preventing diseases and creating health-supportive environments. By definition, this excludes behaviour not related to environment, as well as behaviour related to the social and cultural environment, as well as genetics.

As stated by section 24 of the Constitution of the Republic of South Africa Act, 1996, everyone has the right -

- to an environment that is not harmful to their health or well-being;
- to have the environment protected, for the benefit of present and future generations, through reasonable legislative and other measures that –
- prevent pollution and ecological degradation;
- promote conservation; and
- Secure ecologically sustainable development and use of natural resources while promoting justifiable economic and social development.

As per the National Environmental Health Policy that was gazetted on 04 December 2013, Environmental Health Services is further defined as the assessment, monitoring, correction, control and prevention of environmental factors that can adversely affect human health. It includes but not limited to anticipation and identification of environmental health hazards and risks regarding:

- a) water quality monitoring;
- b) food control;
- c) waste management;
- d) surveillance health of premises
- e) surveillance and prevention of communicable diseases, excluding immunisations;
- f) vector control;
- g) environmental pollution control;
- h) disposal of the dead;
- i) chemical safety and noise control
- j) Port Health and;
- k) Malaria Control;
- l) Hazardous Substance Control;
- m) Air Quality Management

Environmental Health does not exist within a vacuum but is further supported by other organizations which include WHO, National Health Laboratory Services (NHLS), Provincial Health Forum and the Sarah Baartman District Municipal Forum.

3.16.2. Level and standard of Environmental Health Services

According to the National Health Act, 2003 (Act 61 of 2003), Municipal Health Services, for the purpose of this Act, includes – Environmental Health Services as stated above, but excludes port health, malaria control and control of hazardous substances.

Section 84 (1) (i), with regards to the Division of functions and powers between district and local municipalities, of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998), provides that Municipal Health Services be the function of a district municipality, which in this case is the Sarah Baartman District Municipality. The Sarah Baartman District Municipality entered into a Partnership Performance Service Level Agreement (PPLSA) with the Koukamma Local Municipality, in the year 2006, to perform the functions of Environmental Health Services on behalf of the Sarah Baartman District Municipality.

3.16.2.1. Legislative Requirements

- a) The Constitution of the Republic of South Africa Act, 1996
- b) The National Health Act, 2003 (Act 61 of 2003)
- c) The National Environmental Management Act, 1998 (Act 107 of 1998)
- d) The National Environmental Health Policy, Gazetted on 04 December 2013
- e) the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998)
- f) The Partnership Performance Service Level Agreement (PPLSA) for Environmental Health Services.

3.16.2.2. Financial implications

Due to the fact that Environmental Health Services are services rendered by Koukamma Municipality on behalf of the district; it is required as per the Constitutional obligation charged to the district, that the district pay the services rendered by Koukamma as well as ensuring that resources are available to enhance Koukamma to effectively and efficiently provides this service to the community in their jurisdiction.

Hence a Service Level Agreement is signed yearly between Koukamma Municipality and the District for operational and strategic service delivery. It was agreed that Sarah Baartman District Municipality provide a subsidy transfer payment, for July 2019 to June 2020 financial year for the purpose of rendering the agreed Municipal Health Services to the Koukamma Local Municipality as follows:

Quarterly Periods	Total Rands for EHS
Quarter 1:Period: 1 July to 30 September 2019	R 250 000.00
Quarter 2:Period: 1 October to 31 December 2019	R 250 000.00
Quarter 3:Period: 1 January to 31 March 2020	R 250 000.00
Quarter 4:Period: 1 April to 30 June 2020	R 250 000.00
TOTAL ALLOCATION	R 1000 000.00

3.16.3. Annual performance as per key performance indicators

3.16.3.1. Water sampling

According to the National Health Act, 2003 (Act No. 61 of 2003): National Environmental Health Norms and Standards for Premises and Acceptable Monitoring Standards for Environmental Health Practitioners states that Environmental Health

Practitioners should monitor all water that has the potential to impact human health. This can be achieved through a water quality monitoring programme as set out by the above mentioned norms and standards together with the South African National Standards 241 (SANS 241). A Standard Analysis Method is used during testing of samples to ensure microbiological safety of the drinking water in question. The determinants used in the above mentioned are as follows:

- Total bacterial count: - gives a quantitative idea about the presence of microorganisms such as bacteria in a sample. To be specific, the count actually represents the number of colony forming units (cfu) per ml of the sample and should not exceed 100 cfu per ml in drinking water.
- Total faecal coliform count: are microbes found in the digestive systems of warm-blooded animals which serve as an indication that a source of drinking water is contaminated with faecal matter. The coliform count should not exceed 10 per 100ml.
- E. coli count: are a species within the faecal coliform group that is often used as an indicator organism that indicates that drinking water is contaminated with human faecal matter and may contain enteric pathogens (disease causing microbes). The E.coli count should not exceed 1 per 100ml.

If it is found that the water quality report received from the National Health Laboratory Services (NHLS) yields non-compliant results, the Environmental Health Practitioners writes a memorandum to the Technical & Community services directorate requesting that corrective measures be put in place. Alternatively, boil notices will be circulated to communities with the aim of minimizing the Health Risks associated with the usage of such water sources.

The table below shows the results of water samples taken in July 2019 - June 2020

NUMBER OF WATER SAMPLES COLLECTED FOR ANALYSES	NUMBER OF WATER SAMPLES COMPLIANT	NUMBER OF WATER SAMPLES NON COMPLIANT	COMPLIANCE PERCENTAGE (%)
101	80	21	79 %

Health surveillance of premises

Residential, business and public and private premises are monitored in order to identify, assess, control and manage health hazards and risks emanating from the use of such premises. The legislative requirements with regards to the below mentioned premises is as follows:

- a. The Constitution of the Republic of South Africa Act, 1996 (Act No. 108 of 1996)
- b. the Local Government: Municipal Systems Act of 2000 (Act No. 32 of 2000)
- c. National Environmental Management Act, 1998 (Act No. 107 of 1998)
- d. National Environmental Management: Waste Act, 2008 (Act No. 59 of 2008)
- e. National Health Act, 2003 (Act No. 61 of 2003) National
- f. Environmental Health Norms and Standards for premises and acceptable Monitoring Standards for Environmental Health Practitioners gazetted on 24 December 2015.

- g. Regulation 375 Government Gazette 23 May 2014: Regulations Relating to Health Care Waste Management in Health Establishments.
- h. The Regulations Relating to Hygiene Requirements for Milking Sheds, the Transport of Milk and Related Matters – Regulation 961 of 23 November 2012
- i. Regulations Governing General Hygiene Requirements for Food Premises and the Transport of Food and Related Matters– Regulation 638 of 22 June 2018
- j. The Businesses Act, 1991 (Act no 71 of 1991).
- k. Koukamma Municipality: Environmental Health Child Care Centre Guidelines Policy (endorsed by Council on the 08 December 2015).
- l. Koukamma Municipality: Street Trading By-law Gazetted 13 November 2006.
- m. The Koukamma Municipality’s Prevention of Public Nuisances and Keeping of Animals By-Law Gazetted 13 November 2006.
- n. The Koukamma Municipality’s Solid Waste Disposal By-Law Gazetted 13 November 2006.
- o. Kou-Kamma Local Municipality: Municipal Health Services By-laws Gazetted 06 August 2018

If it is found during inspections that the premises as stated below does not comply with the above mentioned legislative requirements, a written notice will be granted to the owner of such a premises, which instructs such an owner to rectify all non-complying factors within a stipulated period that should not exceed 30 days from the date the notice was given. A follow up inspection will then be conducted. If three notices is served in the period of 90 days, where no remedial actions was instituted by the owner, a statutory notice will be given to the owner and a legal case will be opened.

If an Environmental Health Practitioners believes that a delay in remedial actions, which has to be instituted by an owner or person in charge of premises, would significantly compromise public health, he/she can issue a notice prohibiting the further use of the premises, until such a time that the public health risk is removed/mitigated.

When a premise complies with all legislative requirements, a Health Certificate will be granted to the premises and must be displayed in a conspicuous place.

A businesses licence is also awarded to applicants if the premises comply with all other relevant by-laws and applicable legislation apart from health legislation.

Below you will find all premises inspected during the period of July 2019 - June 2020:

FOOD PREMISES

NUMBER OF PREMISES INSPECTED	COMPLIES WITH THE FOODSTUFFS COSMETICS AND DISINFECTANT ACT, 1972 (ACT No. 54 OF 1972) AND APPLICABLE	NOTICES ISSUED	BUSINESSES LICENCES ISSUED	CERTIFICATE OF ACCEPTABILITIES ISSUED

	HEALTH REGULATIONS			
5	4	1	0	4

ACCOMMODATION ESTABLISHMENTS

NUMBER OF PREMISES INSPECTED	COMPLIES WITH THE FOODSTUFFS COSMETICS AND DISINFECTANT ACT, 1972 (ACT No. 54 OF 1972) AND APPLICABLE HEALTH REGULATIONS	NOTICES ISSUED	BUSINESSES LICENCES ISSUED	CERTIFICATE OF ACCEPTABILITIES ISSUED	HEALTH CERTIFICATES ISSUED
12	5	7	0	0	3

MILKING SHEDS

NUMBER OF PREMISES INSPECTED	COMPLIES WITH THE FOODSTUFFS COSMETICS AND DISINFECTANT ACT, 1972 (ACT No. 54 OF 1972) AND APPLICABLE HEALTH REGULATIONS	NOTICES ISSUED	CERTIFICATE OF ACCEPTABILITIES ISSUED
6	6	0	1

SPAZA SHOPS

NUMBER OF PREMISES	COMPLIES WITH THE FOODSTUFFS COSMETICS AND DISINFECTANT ACT, 1972 (ACT No. 54 OF 1972) AND APPLICABLE	NOTICES ISSUED	BUSINESSES LICENCES ISSUED

	HEALTH REGULATIONS		
17	11	5	11

CHILD CARE CENTRES

NUMBER OF PREMISES	COMPLIES WITH THE FOODSTUFFS COSMETICS AND DISINFECTANT ACT, 1972 (ACT No. 54 OF 1972) AND APPLICABLE HEALTH REGULATIONS	NOTICES ISSUED	CERTIFICATE OF ACCEPTABILITIES ISSUED	HEALTH CERTIFICATES ISSUED
5	5	0	2	5

PUBLIC AND PRIVATE SCHOOLS

NUMBER OF PREMISES	COMPLIES WITH THE FOODSTUFFS COSMETICS AND DISINFECTANT ACT, 1972 (ACT No. 54 OF 1972) AND APPLICABLE HEALTH REGULATIONS	NOTICES ISSUED	CERTIFICATE OF ACCEPTABILITIES ISSUED	HEALTH CERTIFICATES ISSUED
5	0	5	0	0

COMPLIANT INVESTIGATIONS

NUMBER OF HEALTH COMPLAINTS RECEIVED	NUMBER OF HEALTH COMPLAINTS INVESTIGATED
2	2

COVID 19 SURVEILLANCE INCIDENTS

NUMBER OF DISEASE SURVEILLANCE INCIDENTS RECEIVED	NUMBER OF DISEASE SURVEILLANCE INCIDENTS INVESTIGATED
1	1

COVID 19 QUARANTINE FACILITIES

NUMBER OF IDENTIFIED FACILITIES INSPECTED	NUMBER OF IDENTIFIED FACILITIES COMPLIANT
1	1

DECONTAMINATION OF BUSINESSES AND STATE OWNED PREMISES DUE TO COVID 19 CASES

NUMBER OF BUSINESS/ STATE OWNED PREMISES CLOSED	NUMBER OF EMPLOYEES TESTING POSITIVE FOR COVID 19	NUMBER OF BUSINESS/ STATE OWNED PREMISES DECONTAMINATED BY THE MUNICIPALITY	NUMBER OF BUSINESS/ STATE OWNED PREMISES DECONTAMINATED BY THE OWNER/PERSON IN CHARGE
10	10	7	3

COVID 19 PATIENTS VISITED AND CONTACT TRACING

A total of **twenty-nine (29)** cases of COVID 19 were reported and isolated in the Tsitsikamma Area, with a total of **152 contacts** being traced and put into quarantine by the Department of Health in collaboration with the Environmental Health Practitioner.

COVID 19 BURIALS

A total of **one (1)** COVID 19 burial was conducted at the Storms River Burial Site.

MEETINGS AND WORKSHOPS

A total of **thirty nine (39)** meetings and workshops were attended by Environmental Health Practitioners:

3.16. 4. Major challenges and remedial actions

Challenges	Remedial Actions
Sharing of fleet with other departments which reduces productivity in Environmental Health Services	Fleet designated to EHS must only be utilised by EHP Practitioners.

Shortage of EHS staff as per the norm of 1:10 000 populations.	Create two (2) additional posts for EHS Practitioner to comply with the National Norm of 1:10 000, preferably senior posts (Senior EHP's) in order to aid in effective coordination and rendering of the function as prescribed by the National Environmental Health Policy, 2013.
No provision of administrative staff to EHS	Provide administrative staff to assist EHP in executing the administrative responsibilities of the function.
The EHS are dependent on the Grant Funding received from the SBDM in its totality, which is not provided as per the National Norm for Environmental Health	Advocate for more Grant Funding from SBDM for EHS/MHS for EHP's to effectively render services. The services is currently under funded which becomes a loss to the Koukamma Local Municipality.
Offices for the EHP's in Joubertina & Tsitsikamma are in a poor structural and hygienic condition with a lack of infrastructure including ICT equipment.	Providing alternative office accommodation for EHP in Joubertina or provided suitable infrastructure. Providing ICT equipment EHP for servicing Tsitsikamma as to make the services more accessible to affected community.

3.17. Special Programmes Unit

3.17.1. Special programme delivery strategy and main role players

The following acts and policies outline the delivery strategy followed by Koukamma Local Municipality in insuring that all the vulnerable groups considered and that there various role players that the municipality interact with for effective and efficient implementation of the programme.

Act	Expectation	Role players
Older Persons Act, 2006(Act No 13 of 2006)	To give care, support, facilitate process of elderly clubs and homes	Department of Social Development Koukamma Elderly Forum Elderly Clubs SASSA South African Older Persons Forum
National Youth Policy 2020 South African Youth Council Youth Development Framework	Disadvantage youth must be empowered through effective institutions, forums and council to overcome conditions that disadvantage them, marginalised youth those fallen out of educational, social and	South African Youth Council Sarah Baartman District Municipality Koukamma Youth Council

	economic mainstream must be re-integrated through supportive measures.	
Strategic Framework on Gender and Women's Economic Empowerment	To facilitate programmes and create the conducive environment for women empowerment	Sarah Baartman District Municipality Koukamma Women's Forum S.A Gender Equality
Section 28 of the Bill of Rights in Constitution	To support in education, social and health rights of children	Department of Social Development Department of Education SASSA
Constitution of South Africa 1996-PLWD	To facilitate the mainstreaming of disability issues into all policies, plans, programmes and activities of the local Municipality	Sarah Baartman District Municipality Disabled Forum SASSA
South African National Plan on HIV\AIDS 2017-2022	To give support, education and programmes which will reduce the number of people with HIV/AIDS, STDs, TB	District Aids Council Koukamma Local Aids Council Department of Health
Substance and Drug Act, Act 70 of 2008 Central Drug Authority (CDA)	Provides for the establishments of programmes for prevention and treatment of drugs dependence	Department of Social Development Koukamma Local Drug Action Committee SAPS

3.17.2. Level and standard of Special Programme Unit

The constitution of the Republic of South Africa, Act No. 96 of 108, Chapter 2 Bill of Rights Section 9 (1) states that everyone is equal before the law and has the right to equal protection and benefit of the law. Subsection (3) further explains that the state may not unfairly discriminate directly or indirectly against anyone on one or more grounds, including race, gender, sex, pregnancy, marital status, ethnic or social origin, colour, sexual orientation, age, disability, religion, conscience, belief, culture, language and birth.

Section 10 states that everyone has inherent dignity and the right to have their dignity respected and protected. Hence the office of the Mayor is tasked amongst other responsibilities with the Special Programmes that had to protect and promote the elderly, women, youth, people living with HIV/AIDS and people with disability. Various legislation frameworks and policies are guiding the implementation of the HIV/AIDS and other related diseases as follows:

- **Constitution of Republic of South Africa, Act No. 108 of 1996 as amended**
- **Promotion of access to information Act, No. 2 of 2000**
- **National Health Act, No 61 of 2003**

- **Statistics Act, No 6 of 1999**
- **Promotion of Administrative Justice Act, No.3 of 2003**

Population

Gender	Number of Population in 2019	%	Number of Population in 2019	%
Male	20405	50.2	21953	50.3
Female	20258	49.7	21735	49.8
Age	Number	%	Number	%
0-14	12 087	29.7	14 416	33.0
15-34	13 708	33.7	14 936	34.2
35-64	13 023	32.0	11 143	25.5
65+	1846	4.5	3 193	7.3

Education

Level of Education	Number of scholars in 2019	%	Number of Scholars in 2019	%
No Schooling	1345	5.3	566	2.2
Some Primary	5744	22.6	3875	15.3
Completed Primary	2611	10.3	1912	7.5
Some Secondary	10203	40.2	11527	45.5
Grade12/ Matric	4524	17.8	5791	22.9
Higher	884	3.5	1457	5.8
Drop outs in High School(3)	2019-65	-	2019-65	-
Drop outs in Primary School(14)	2019-39	-	2019-39	-
Junior Secondary (5)	2019-63	-	2019-63	-
Other	75	0.3	202	0.8
Crèches	10 crèches funded by Department of Social Development	-	13 none funded crèches	-

Active Senior Citizens

Settlement	Clubs	Active/ Not Active	Number
Krakeel	Pink Lady	20	20
Joubertina	Huis Formosa Old Age House	-	55
Ravinia	Dalia	20	20
Kareedouw	Nerifolia	20	20
Clarkson	Guava Juice Sonskyn	25	25
Woodlands	Everlife Old Age Group	22 not funded	22
Thornham	Thornham Senior Club	22 not funded	22
Coldstream	Blue Mountain	15 not funded	15
Total of elderly people who were active in club activities	-	-	19

3.17.3. Annual performance as per key performance indicators

Designated groups	Programme	Date
Youth/ Sport Recreation	District Youth council elections Sport review strategic plan	07/06 March 2020 23 March 2020
Children	None	None
Elderly	None	None
HIV/AIDS	HIV/AID Review strategic plan in Port Alfred	25/26 February 2020
Women's	Women's Parliament District workshop GBV and Covid19 Provincial Women's Parliament	21 August 2020 27 August 2020
Initiation Forum	None	None
Moral Regeneration	None	None

3. 17.4. Major challenges and remedial actions

Challenges	Remedial actions
1.Budget is not sufficient	Proper budget planning for efficient and effective functioning of designated group programmes
2.Lack of office space	Develop a plan for office space and allocate accordingly
3.Need for Computer training and Project Management training	Skills Audit Plan to be submitted

HIV and TB Statistics

Date elements	Numbers
Antenatal clients started on ART	50
HIV test 15 years and older (excl ANC)	3556
Delivery in facility 5-15 years old	84
Live birth from HIV positive mothers	103
Infant PCR done around 10 weeks	137
Infant PCR test positive around 10 weeks	0

Screen for TB symptoms 5 years and older	15475
Screen for TB symptoms under 5 years	3853
TB asymptomatic contact under 5 years	30
TB client 5 years and older start on treatment	82
TB client under 5 years start on treatment	3

3.18. Library Services

3.18.1. Delivery strategy and role players

The National Library and Information Services Act and the Constitution of the Republic of South Africa, No 108 of 1996, and Schedule 5 Part A vested the function of the libraries to the Provincial Department of Sports, Recreation, Arts and Culture (DSRAC). Koukamma Local Municipality renders the library services on behalf of DSRAC on agency basis through a Service Level Agreement (SLA).

Public awareness strategy to promote use of libraries is one of the key main areas to focus on to attracting new members. It is important to place libraries at the core of fighting illiteracy through promotion culture of reading.

3.18.2. Level and standards

Level and standard service delivery in the different library sectors are lacking. Norms and standards are needed for libraries in the different sectors with regard to services, management, staffing, resources, infrastructure, ICT and access.

The National Department of Sports, Recreation, Arts and Culture (DSRAC) has drafted a South African Public Library and Information Services Bill, 2012 to ensure consistency in the delivery of library services, put in place measures to redress the inequalities of the past and to provide principles, norms and standards for the provision of public library and information.

Section 9 (1) of the Bill requires the municipality that is providing library services to take all the reasonable steps to “provide public library and information services that comply with the minimum national norms and standards contemplated in this Act, and execute its functions in accordance with the National norms and standards for public libraries and information services.

Koukamma Municipality Libraries in partnership with DSRAC is rendering free services, easy access and promoting reading through the following library programmes:

- Storytelling
- Indoor games
- International Literacy Day
- South African National Book Week
- Funda Msansi Championship
- Library week
- Read Aloud
- Book Club Programme
- Book review
- Spelling Bee

These programmes have played a positive role to our community as most of the learners are unable to read and write, all these programmes had responded with a positive change to our community needs.

3.18.3. Annual performance as per key indicators

LIBRARY	BOOKS CIRCULATED	WALK-INS	NEW MEMBERSHIP	NEWSPAPERS	PHOTOCOPY
KAREEDOUW	7487	5092	139	Yes	Yes
JOUBERTINA	2076	590		Yes	Yes
NOMPUMELELO	1736	1823	35	Yes	Yes
CLARKSON	970	357	27	Yes	Yes
THORNHAM	1653	1728	36	Yes	Yes
WOODLANDS	-	-	-	Yes	No

3.18.4. Major challenges and remedial actions

CHALLENGES	RECOMMENDATIONS
Internet connection	The Municipality to subsidize the libraries with the internet.
Short staff	The Municipality needs to appoint a permanent library assistant for Joubertina and a cleaner in Thornaham

Library equipment and broken material	The falling ceiling, broken windows, toilets, cleaning material needs to be attended to all the libraries.
In Joubertina Library the children's section is currently in a small place that is not really suitable for children	The children library could move into the opposite office of the main library
Transport	Libraries to have their own vehicle for the purpose of meetings, library visits and delivering of newspapers.
Circulation System	Libraries need an automated library management system for example SLIMS or symphony to check in/out books.

Component C: Local Economic Development (LED) and Tourism

3.19. Local Economic Development (LED) and Tourism

The Local Economic Development section of Koukamma Municipality comprises of the following strategic areas: Enterprise Development, Agricultural Development, Tourism Development & Creative Industries (*The concept: "creative industries" refers to a range of economic activities which are concerned with the generation or exploitation of knowledge and information. As of 2015 the Department for Digital, Culture, Media & Sport (DCMS) in the UK Government recognized nine creative sectors, namely: Advertising and marketing, Architecture, Crafts, Design: product, graphic and fashion design, Film, TV, video, radio and photography, Information Technology, software and computer services, Publishing, Museums, galleries and libraries and Music, performing and visual arts).*

3.19.1. Delivery strategy and role player

The Local Economic Development Strategy of Koukamma Municipality was previously reviewed through utilizing the services of Urban Econ in 2009 and is currently out-dated. The municipality, in pursuit of ascertaining that the Local Economic Development Strategy is revised and encompass current and future projects, appointed the Centre for Small Town Regeneration (CSTR) during the 2015/16 financial year and would be implemented for a five year period, subject to be evaluated and reconsidered annually as of 2016 to 2021 financial periods. However, since management of Koukamma wasn't convinced with the work done and demanded that the service provider considers tabling the document and present its contents to a multi-stakeholder platform, this demand was never met and thus the document remained unacknowledged by both management and council and the Finance Department of Koukamma Municipality withheld the final invoice that was due to the Centre for Small Town Regeneration until date.

Subsequent to the failure of the Centre for Small Town Regeneration's attempt to develop an amicable strategy for the municipality, the organization approached the Department of Corporate Governance and Traditional Affairs (COGTA)'s Local Economic Development Section in pursuit of seeking assistance with the development of the strategy according to the acceptable framework. Upon agreement between the parties, a Task Team consisting of both Koukamma Municipality and the Corporate Governance and Traditional Affairs' staff during an inception meeting that was held on the 24th June 2019 to expedite the arrangement and allocation of available resources for the development of the draft within a specific period towards completing a more detailed LED Strategy which will serve as a 5 Year Local Government Strategic Agenda in alignment with the IDP of the municipality.

However, the World Health Organization declared the Covid 19 outbreak, a Public Health Emergency of International Concern has declared on 30 January 2020 and a pandemic on 11 March which resulted to the South African President, Cyril Ramaphosa announcing drastic measures to combat the spread of the Covid-19 coronavirus in South Africa. The first lockdown was prompted to last for 21 days, taking effect from midnight on Thursday, 26 March to Thursday 16 April and included other than other measures, that:

- All South Africans had to stay at home.
- Exempted: health workers in public and private health sectors; emergency personnel; security services such as police and soldiers; those involved in the production and supply of food and basic goods; those working in essential services.
- People were only allowed to leave their homes to buy food, visit the pharmacy, or seek medical care; or to collect a social grant.
- Shelters for homeless people have identified, as well as quarantine areas for those who could not self-isolate at home.
- All businesses had to close – only medical facilities pharmacies, laboratories, petrol stations and food stores were allowed to remain open;
- Essential transport services could also continue.

The unprecedented pandemic drastically affected the country and unambiguously hindered the projects of the development of the Local Economic Development of Koukamma Municipality as the lockdown was from time to time extended and led to the Task Team not being able to finalize the scope of work as scheduled in the process plan. However, the parties have thus far rejuvenated their interfaces and aim to finalize the work done in order to present the final LED Strategy to council by or before the end of the second quarter of the 2020/2021 financial years.

Political Role Players

The unit reports to the LED Portfolio Committee which is chaired by the Portfolio Chairperson for LED.

Staff Role Players

The composition of the personnel within the LED Unit is as follows:

The Local Economic Development Section of Koukamma reports directly to the Municipal Manager subject to the abolishment of the resolution of council in 2016 to abolish the position of the Director Strategic Planning and Local Economic Development and appoint a Local Economic Development and Tourism Manager at a middle management level to close the gap. Thus far, the LED section as placed under the office of the Municipal Manager is under staffed and comprises of the following staff complement as per the 2018/19 staff establishment:

- Local Economic Development and Tourism Manager (vacant)
- Agricultural Coordinator and
- Tourism Officer.

In the main, the LED Unit of Koukamma is overloaded as the Expanded Public Works Programme (EPWP) and the Community Works Programme are also managed within the unit. These programmes, though contributing to Local Economic Development in the form of creation of job opportunities, they are more carrying out Community & Social and Technical & Infrastructure related duties.

Other role players.

Due to non-strategically location of Local Economic Development in the organogram of the municipality which has resulted to serious understaffing, the Local Economic Development section has established and nurtured good relations with a number of strategic partners with relevant mandates within the economic space, these includes national, provincial and local bodies that exists to drive the LED mandate in the region. Amongst the variety of stakeholders, the LED unit interfaces and source assistance with information, financial and non-financial support from the following associates to ensure that the LED agenda is a going concern in Koukamma: National Department of Tourism (NDT), National and Provincial Department of Corporative Governance and Traditional Affairs (Cogta) Department of Environment, Forestry and Fisheries (DEFF), Eastern Cape Department: Rural Development and Agrarian Reform (DRDAR), Eastern Cape Department: Rural Development and Land Reform (DRDLR), Department of Water Affairs (DWA), Department of Social Development and Special Programmes, (DSDSP), Department of Small Business Development (DSDB),

[Eastern Cape Department: Economic Development, Eastern Cape Development Corporation \(ECDC\), Small Enterprise Development Agency \(SEDA\)](#), Eastern Cape Socio-Economic Consultative Council (ECSECC), Sarah Baartman District Municipality (SBDM), Koukamma Business Development Forum (KBDF), Cacadu Development Agency (CDA) Four Returns Foundation, Agricultural Research Council (ARC), Tsitsikamma Tourism Association (TTA) and Mountain to Ocean (MTO) and various other non-state entities.

Community role players

The Local Economic Development Section occasionally interacts with the South African National Roads Agency (SANRAL) in connection to create employment opportunities and contracting for the Small, Medium and Micro Enterprises (SMME's) operating in the local space. The Koukamma Business Development Forum (KBDF) is the main channel of communication between the local municipality and the informal business actors, however, there is a dire need to review the structure in the 2020/21 financial period to certify conformity and ascertain full representation and operation of the latter.

The municipality is also in constant interaction and is in a sustainable collaboration with the Tsitsikamma Community Wind Farm Trust (TCWF) and the Coastal Six Wind Farms in terms of tapping into their Economic Development (ED) and Socio-Economic Development budget to ensure beneficiation of locals in the Independent Power Producer Procurement Programme. Furthermore, the LED unit is diligently having daily interactions with local SMME's that seek assistance for various services in pursuit of ensuring compliance and in search of available opportunities.

Enterprise Development

The Local Economic Development section of Koukamma Municipality is consistently engaging with relevant stakeholders in terms of establishing healthy networks with the main objective of sourcing all the necessary assistance with regards to ensuring that local SMME's are capacitated and comply with the statutory requirements in the specific field. Essentially, the municipality also ensures that on an annual basis, the Local Economic Development section embarks on processes to review the Business Development Forum to safeguard the beneficiation of locals and that there is an appropriate channel for SMME's to discuss serious issues that affect them.

Though the Koukamma Local Municipality's Local Economic Development wishes to withdraw from totally depending on other organizations to be the main funders and implementers of projects locally, it becomes very difficult in that the revenue collection in the district is slow-moving and projects no improvement any time soon.

It is however highly anticipated that if the municipality could set aside a small amount that will benefit the SMME's in each financial cycle, would be a clear indication that the municipality is involved and is in favour of ensuring that the SMME's are contributing to the poverty alleviation and comply with the Millennium Development Goals (MDG) of government.

Subsequent to the unavailability of a ring fenced fund that will serve as an operational budget for the local Business Development Forum, the structure struggled to operate optimally. The few endeavours that the Business Development Forum planned to implement under the auspices of Koukamma Local Economic Development section to in pursuit of promoting the area whilst also building active networks with relevant institutions and levelling the ground for local SMME's to thrive, are the following but not limited to:

- Conduct annually Small Business Imbizo's (creation of a networking platform).
- Conduct annually the Tourism / Festive season Opening Ceremony.
- Conduct Business Training interventions for new entrants.
- Rejuvenation of dilapidated municipal properties for utilization by small businesses, etc.

Tourism and Creative Industries

Integration of black SMME's in the Tourism Industry

Subsequent to the appointment of the Tourism Officer in March 2020, Koukamma Municipality embarked on a process of utilizing the services of the incumbent to establish good relations that were non-existent between the municipality and the only existing tourism association in the region and thus far, constant interfaces with the Tsitsikamma Tourism Association's (TTA) Board of Directors is maintained. The Tsitsikamma Tourism was in the previous years under full control of thriving white owned businesses until the latter unconditionally decided to also embrace new entrants in the market by encouraging black owned tourism related businesses to join and obtain membership of the respective organization.

As a measure to improve the relations between main role players and emerging black businesses in the area, the Tsitsikamma Tourism Association appointed one amongst the small number of black business owners subscribing with the association, Mr. Lee-Marque Jansen to serve as the Chairperson of the Association. It is quite remarkable to overhear the degree to which the association's membership appreciation and applaud the strategic move since the inception of Mr. Jansen as the chairperson of the organization.

As the chairperson Mr. Jansen is enthusiastic to bring all relevant stakeholders on board in aspiration to also embrace and revive tourism in the Langkloof side and make provision for a Koukamma wide marketing campaign. Since the appointment of the Tourism Officer on the 1st of March 2020, the municipality also became involved in tourism discussions and planning intervention, and that move is highly regarded by the sector.

However, despite of the challenges that Koukamma might be faced with in tourism development, the municipality boast of its Tsitsikamma Section of the Garden Route where the National Park was declared in 1964 and encompasses a marine reserve made up of over 80km of coastline. Amongst other excursions that exist in the area is the Stormsriver Mouth rest camp of the Tsitsikamma Section of the Garden Route National Park which is very scenic and a must-visit. There is also number of short hiking trails (2-6km) to allow tourists to explore the coastal bush and rocky shoreline. Storms River Mouth offers the visitor magnificent scenery, a small beach, restaurant and shop.

The famous Storms River Suspension Bridge spans the river mouth and this walk is the most popular within the reserve. The SANParks conserves a considerable portion of the natural biota (all living organisms) of the Garden Route. The primary vegetation biomes consist of Mountain Fynbos, Coastal Fynbos, Afro-montane Forest and the Marine herb-land-, inter-tidal-, and sub-tidal zones. This is one of the largest single unit 'no take' (including fishing) Marine Protected Areas (MPA) in the world, conserving 11 percent of South Africa's Temperate South Coast rocky shoreline and provides a 'laboratory' for fisheries baseline research on endangered line fish species. In 1964 when it was proclaimed, it became the first Marine National Park to be proclaimed in Africa. Park Visitors area spoilt with choices and can choose to stay in a number of different accommodation units in the three different camps, Storms River (Tsitsikamma Section), Nature's Valley (Tsitsikamma Section) and Wilderness (Wilderness Section).

Complementary to the scenic beauty of the Tsitsikamma, visitors may then travel in the direction of the lesser-known section of Route 62, the Langkloof; where towns such as Kareedouw, Twee Riviere, Joubertina, Krakeel, Louterwater and Misgund form part of South Africa's Fruit Route, an area boasting pink and white blooming fruit orchards in spring and white snow-covered mountain peaks during winter.

The Langkloof is a haven of tranquility, a secret hideaway, with its wild proteas next the road, scenic mountain vistas and secluded, quiet farm stays. The area also offer guaranteed rest and for adventure seekers, this section of the Koukamma region is also known for its hiking trails, such as the formidable Peak Formosa, the highest in

the Tsitsikamma mountain range, with a height of 1 665m above sea level, 4x4 routes, horse riding and dirt roads waiting in anticipation to cover mountain bikes in dust and adrenaline.

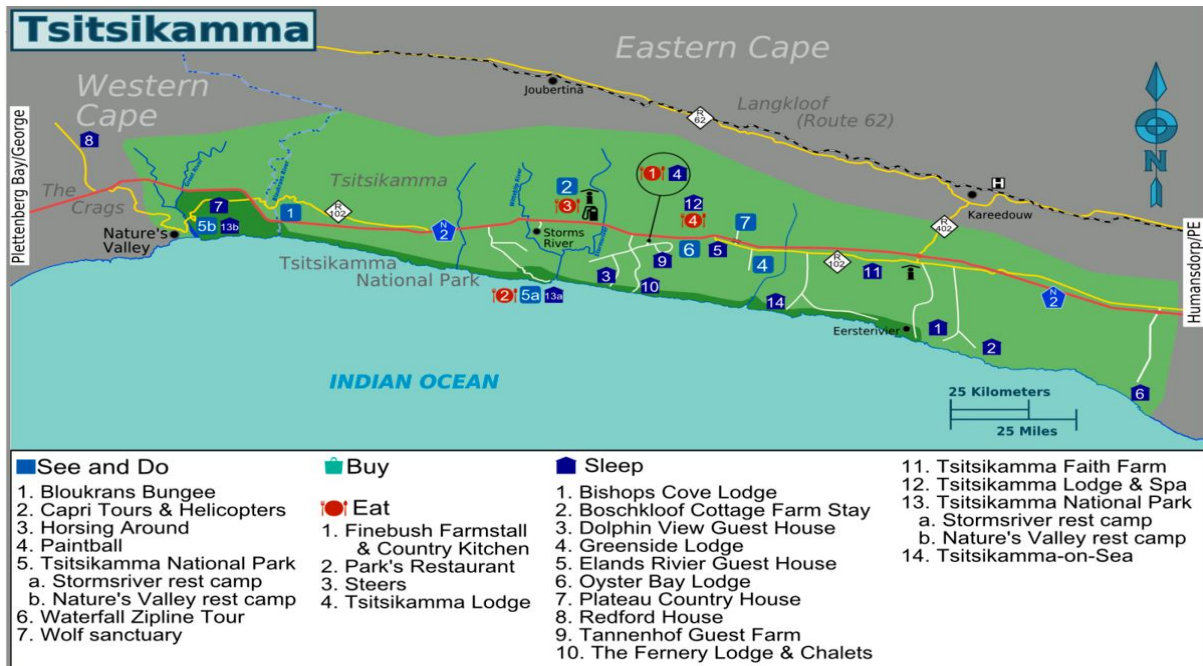


Figure 1: Map of Tsitsikamma and expeditions.



Figure 2. Map of the R 62 (Cape Route)

Agricultural Development in Koukamma.

Agricultural development is one of the most powerful tools to end extreme poverty, boost shared prosperity and feed a projected 9.7 billion people by 2050. Growth in the agriculture sector is two to four times more effective in raising incomes among the poorest compared to other sectors. 2016 analyses found that 65% of poor working adults made a living through agriculture. Agriculture is also crucial to economic growth: in 2014, it accounted for one-third of global gross-domestic product (GDP).

Koukamma has been blessed with 2 diverse areas: the coastal (Tsitsikamma) and the inland (Langkloof) streams. In the coastal zone, the soils are fertile and are very productive soils with good water drainage systems and contributes a heavily to both

dairy farming as well as crop production, whereas in the inland, cattle farming is slightly rare and the climate not very much favourable to dairy farming, but however splendid in deciduous fruit farming.

Though the milk and deciduous fruit production elevates the contribution of Koukamma in the Gross Domestic Product contribution, it however could have been more if there were internal value adding initiatives that would also increase the number of job opportunities that are created in the respective industry.

Koukamma Municipality was also earmarked for the development of a Farmer Production Support Unit (FPSU), under the Agri-Park concept that was an initiative of the former Minister for Agriculture, Rural Development and Agrarian Reform. The Department of Rural Development, Agrarian Reform and Land Reform in pursuit of ascertaining the concept becomes a going concern, made provision for 2 tractors and specific implements to ensure that farmers in the Langkloof where the FPSU is aimed to be established to service the whole of Koukamma is functional and provide assistance to farmers that reside in that visit as a temporary arrangement. An interim Local Agri-Park Management Committee was elected to ensure that the implements and the tractors are well managed and distributed to farmers for effective usage.

Non-involvement / participation of locals in the Creative Industry.

The contribution of creative goods and services has been recognised as an important pathway to economic development. The key goods and services may variously also be referred to as the cultural industries or the creative economy, and most recently they have been denominated as the Orange Economy other parts of the world. Creative Economy comprises advertising, architecture, art, crafts, design, fashion, film, music, performing arts, publishing, R&D, software, toys and games, TV and radio, and video games.

The creative industries have been seen to become increasingly important to economic well-being, proponents suggesting that "human creativity is the ultimate economic resource" and that "the industries of the twenty-first century will depend increasingly on the generation of knowledge through creativity and innovation".

Though the creative industry forecast great potential and rapid economic spin-offs, there seem to be very little interest in venturing in this biosphere amongst the entrepreneurs in Koukamma and the general assumption regarding this phenomenon being that the market for these products is dying out at a momentous speed due to persistent changes in technology. Most SMME's depend on already

existing businesses that render these services and sometimes have to travel far and at a cost to access the latter.

3.19.2. Level and standard of LED services

National government provides infrastructure subsidies to ensure that all households have access to a basic level of infrastructure services. The benefits of this intervention are well known, particularly in relation to the public good characteristics of many municipal services.

In the context of the principles outlined above, the key objectives of the Municipal Infrastructure Grant are to:

- a) Fully subsidize the capital costs of providing basic services to poor households: this implies that priority must be given to meeting the basic infrastructure needs of poor households, through the provision of appropriate bulk, connector and internal infrastructure in key services;
- b) Distribute funding for municipal infrastructure in an equitable, transparent and efficient manner, which supports a co-ordinated approach to local development and maximizes developmental outcomes;
- c) Assist in enhancing the developmental capacity of municipalities, through supporting multi-year planning and budgeting systems; and
- d) Provide a mechanism for the co-ordinated pursuit of national policy priorities with regard to basic municipal infrastructure programmes, while avoiding the duplication and inefficiency associated with sectorally fragmented grants.

For 2019/2020 Koukamma received support from various forms of conditional grant funds to uplift the standard of living of the local residents and these are outlined in the table below:

No	Project Name (IG)	Project Start Date	Project End Date	Project Budget
1	Community Environmental Project	01 July 2019	30 June 2020	R 511 453
2	Water Leaks and Sewer Spillages	01 July 2019	30 June 2020	R 535 115
3	EPWP Support	01 July 2019	30 June 2020	R 40 432
No	Project Name (MIG)	Project Start Date	Project End Date	Project Budget
1	Construction of Louterwater Multipurpose Centre	01-Jul-19	30-Dec-19	R 12 500000.00
2	Refurbishment of Twee Riviere WWTW	01-Apr-19	30-Jul-19	R 5 757 188.98
3	Upgrading of Krakeel Internal Roads	09 Nov- 2018	30-June-19	R 3 275 460.00

No	Project Name (Other Grants)	Project Start Date	Project End Date	Project Budget
1	Woodlands and Sanddrift Water Treatment Plants	01-Jan-19	30-Jun-19	R 9 371 235.00
2	Replacement of leaking reservoir in Blikkiesdorp	01-Jan-19	30-Jun-19	R 1 135 000.00
3	Joubertina water supply (boreholes)	01-Jan-19	30-Jun-19	R 1 491 000.00
4	Joubertina Water Conservation and Demand Management	01-Apr-19	30-Jun-19	R 2 560 000.00
5	Langkloof - Incremental Groundwater Development	01-Mar-19	30-Jun-19	R 8 000 000.00
6	Clarkson Water Supply	01-Mar-19	30-Jun-19	R 1 200 000.00
9	Community Services Casuals	01-July-19	30-Jun-20	R 11 8043
11	Finance Interns	01-July-19	30-Jun-20	R 435 000

These projects do not limit the municipality to only addressing basic infrastructure needs, but also cater for job creation, onsite and accredited training as well as economic participation for Small, Medium and Micro Enterprises in the areas where they are implemented. Some of the projects also contributed largely to the grading of local construction and civil companies to such an extent there will in future be no expectation to source the services of contractors that are not from this vicinity.

3. 19. 3. Annual Performance as per Key Performance Indicators in Local Economic Development (2019/2020 FY).

No.	Indicator name	Objective	Target set for the year	Achievement level during the year	Percentage of achievement during the year
01	Development of the honey bush tea industry in Koukamma	Development of a partnership agreement and facilitate engagement with the stakeholders	Conduct a number of stakeholder engagements to ensure the signing of partnership agreements	Due to unhealthy relations between parties, only 2 engagements could be successfully convened with the Honey Bush Tea project leaders.	50 % achievement.
02	Monitoring and evaluation of the finalisation of the Rock Art Centre	Monitor the progress on the finalisation of the Rock Art Centre through the Department of Tourism	Conduct a number of engagements with the Department of Tourism	Subsequent to the GTAC feedback meeting held on 25 July 2019 the project came to a stand still	25 % achievement.
03	Ensure the implementation of the Agri - park business model	Facilitate the establishment of a Farmer Production Support Unit under the Agri-park business model in Misgund	Facilitate a number of stakeholder engagements and progress reports for the establishment of the FPSU in Misgund	No stakeholder engagements were conducted. No progress report received.	0 % achievement.
04	Implementation of the EPWP program	Job creation through the EPWP programme	Number of jobs created through EPWP	40 jobs were created and participants signed 12 months contracts. 4 Quarterly Reports and the Annual Report was submitted to the Department of Public Works	100 % achievement.
05		Reporting on EPWP implementation to public Works	Submit a number of EPWP reports to Public Works		

06	Monitor the implementation of the CWP program	Monitor implementation of the CWP program through conducting LRC meetings	Conduct a number of LRC meetings	Due to a number of postponements and absence of members, no LRC meetings were held for the entire FY	0 % achievement.
07	Reviewal of Local Economic Development Strategy	Council approval of the Local Economic Development Strategy	Development of a Local Economic Development Strategy	Due to the Covid-19 pandemic, the Task team couldn't continue with the finalization and presentation of the draft to the PSC, Portfolio Committee and Council	50 % achievement.
08	SMME Support	Support and development of the SMME's in Koukamma through the Business development forum	Conduct a number of Business development forum meetings	3 Business Development Forum meetings conducted successfully	75 % achievement.

3.19. 4. Major challenges and remedial actions

Challenges	Remedial Action
LED strategy not finalised	Finalise LED Strategy
Non – functioning of the Honey -Bush Tea	Develop new strategic objectives for the Honey Bush Tea
Non – finalisation of the Rock Art Centre	Seek for assistance from the Department of Tourism
Non- functionality of the Agri – Park Business Model	Establish a District Agri- Park Management Committee to oversee effective implementation of Farmer Production Support Unit (FPSU)
Lack of establishment of Tourism Council in the Koukamma Area	Establish a Tourism Council
Ineffective marketing of Koukamma as a Tourism destination	Utilise the Website by showcasing all the heritage sites and other artefacts in existence in Koukamma
Lack of attracting investors to invest in businesses at Koukamma Municipal area	Establish Koukamma Local Tourism Organisation (KLTO)
Poor methods applied on job creation	Develop strategies for job creation
Inactive LED business forums	Review LED Business Forums
Non – review of Tourism Sector Plan	Review Tourism Sector Plan
Non- functioning or non – existence of Koukamma Arts Council	Establish Koukamma Arts Council
Lack of maintenance of tourism and heritage assets	Maintain tourism and heritage assets
Ineffective or non – existence of events committee	Establish events committee
Non – existence of the Heritage Council	Establish Heritage Council
Lack of space / venue where exhibits can be done	Identify space or building where exhibition can take place
No funding to plan for events	Source funding for planning events

Component A: Introduction to municipal workforce

Section 66 (1) of the Municipal Systems Act, 2000 requires that the Municipal Manager must develop a staff establishment with a number of positions, job description remuneration packages attached to such positions and that these positions must be evaluated to determine the salary packages relevant to such positions. In turn, the staff establishment must be tabled to Council for approval, but before the tabling to the Council, the staff establishment must be aligned to budget and no person must be appointed in a position which is not available or reflecting in the staff establishment and not funded.

4.1. Total workforce

The total workforce refers to the total number of employees employed in the municipality, whether these employees are employed permanently, and or on contractual basis. During 2019/20 financial year, Koukamma Municipality had one hundred and sixty three (163) total employees. This total workforce is made up of five directorates namely:

- Community Services,
- Technical and Infrastructure Services,
- Finance Services,
- Corporate Services, and
- Local Economic Development and Tourism.

During the year under review, the organogram was approved by Council as it was in 2018/19 financial year; due to the fact that scarce skills and critical identified positions were not filled and the municipality is still requiring these positions for ensuring effective and efficient service delivery.

Technical and Community Services directorate had a substantial number of positions that became vacant which were funded but due to cash-flow challenges the positions were not filled. The only position which was filled was the Water and Sanitation Technician.

Political Leadership and top management had a view that the total salary budget must not exceed thirty eight per cent as the Treasury requirement as per the salary norm is forty per cent of the operating budget. This determination was made to ensure that the Treasury norm is not exceeded. Although this decision was taken, the total salary of the operating budget during 2019/20 financial year was 51%; exceeding the Provincial Treasury norm by 11%.

The total workforce in Koukamma Municipality is aligning with employment equity as follows:

TOTAL WORKFORCE

OCCUPATIONAL LEVELS	MALE				FEMALE				TOTAL	FILLED	VACANT
	A	C	I	W	A	C	I	W			
Top Management	1	0	0	0	0	0	0	0	1	1	0
Senior Management	0	0	0	0	1		0	1	2	2	1
Middle management	6	1	0	1	1	2	0	0	11	11	4
Professionally qualified and experienced specialist	6	4	0	1	1	1	0	0	13	13	4
skilled technical and academically qualified workers, junior management, supervisors, foreman, and superintendents	6	14	0	0	8	8	0	0	36	36	10
Semi-skilled and discretionary decision making	18	18	0	0	17	9	0	0	62	62	56
Unskilled and defined decision making	19	19	0	0	5	7	0	0	50	50	31
Total Permanent											
Temporary employees	2	2	0	0	5	1	0	0	10	10	
Grant Total	58	58	0	2	38	28	0	1	185	185	106

4.1.1. Employee totals, turnover and vacancies

The table below reflects the total number per department and the vacancy rate:

Department	No of position filled	No. of position not filled	Vacancy Rate
Office of the MM	9	4	30.8%
Corporate Services	20	9	31.03%
Budget & Treasury	30	10	33.3%
Technical & Community Services	116	87	75%

The table below reflects the staff turn- over rate per department as follows:

Department	Designation	Reason for termination	Date
Technical & Community Services	Director: Technical & Community Services	Deceased	8/10/2019
Technical & Community Services	Technician: Water & Sanitation	Resigned	31/07/2019
Technical & Community Services	Waste Water Treatment Operator	Deceased	09/09/2019
Technical & Community Services	General Labourer	Dismissed	05/02/2020
Corporate Services	Cleaner	Early Retirement	31/08/2019
Budget & Treasury	Budget & Treasury Officer	Resigned	31/12/2019
Office of the MM	SPU Co-ordinator	Resigned	31/12/2019

The table reflects the overall turn –over rate percentage for the 2019/20 financial year:

Total appointment as at 1 July 2019	Total terminations for the year ending 30 June 2020	Turn-over rate %
175	7	4 %

4.1.2. Leave Management

In terms of the legislation, employees are allowed to take leave when they are sick, when their family members such as spouse, children, mother and father and in-laws are sick. Also when there is death or they are going to write exams. In the year 2019/20, various types of leave which was taken by employees were:

Type of leave taken	No. of days
Annual Leave	1417
Sick Leave	141
Family Responsibility Leave	29

Special Leave/ Study Leave	5
IOD	Depends on the extent of the Injury not limited

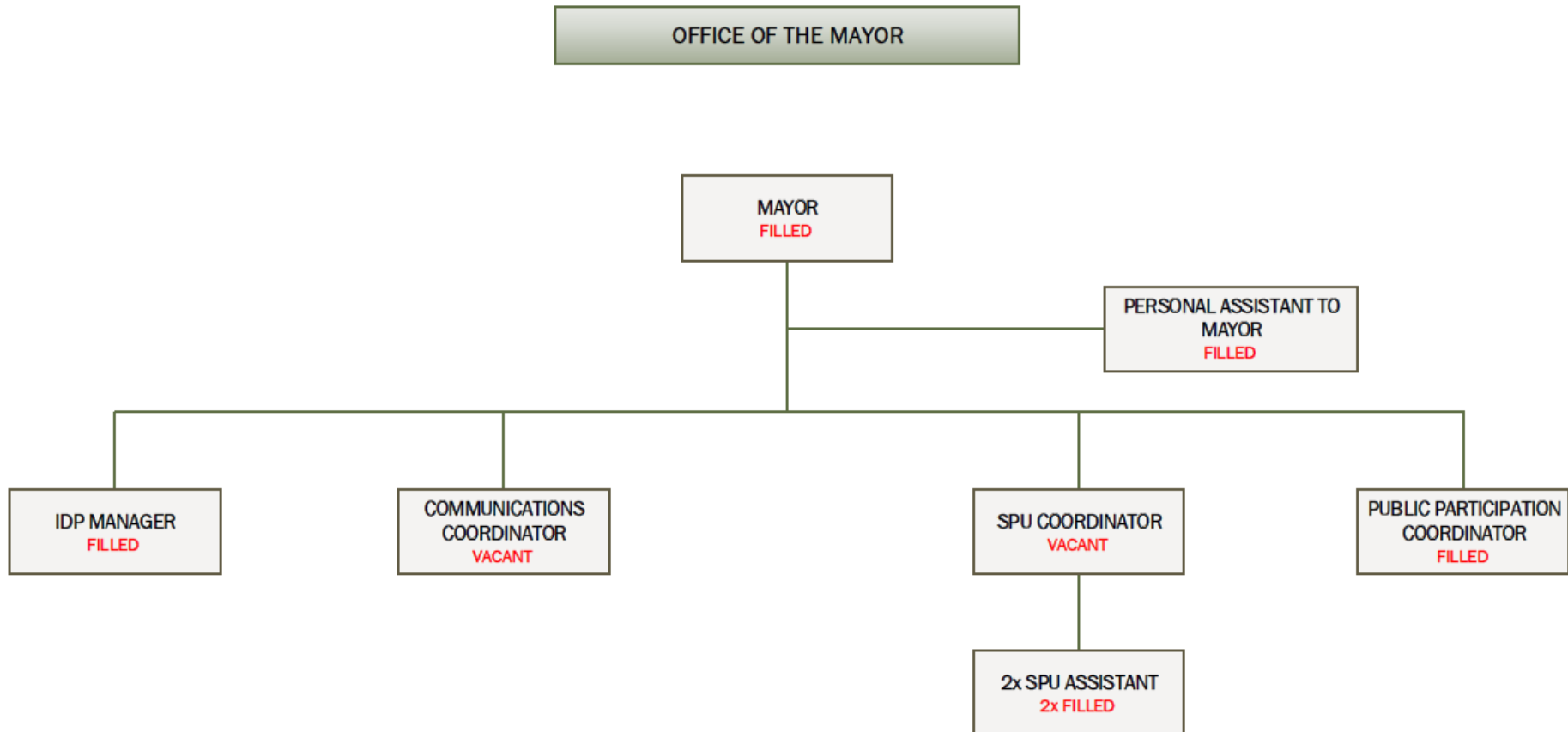
Leave is regulated in the Basic Conditions of Employment Act, and therefore no employee is allowed to abuse leave hence when employees are taking sick leave are required to bring sick certificate from the medical practitioner as a proof that indeed was sick. In taking annual leave employees are required to fill in the form requesting the leave prior taking it. The form is the integral part of leave management policy.

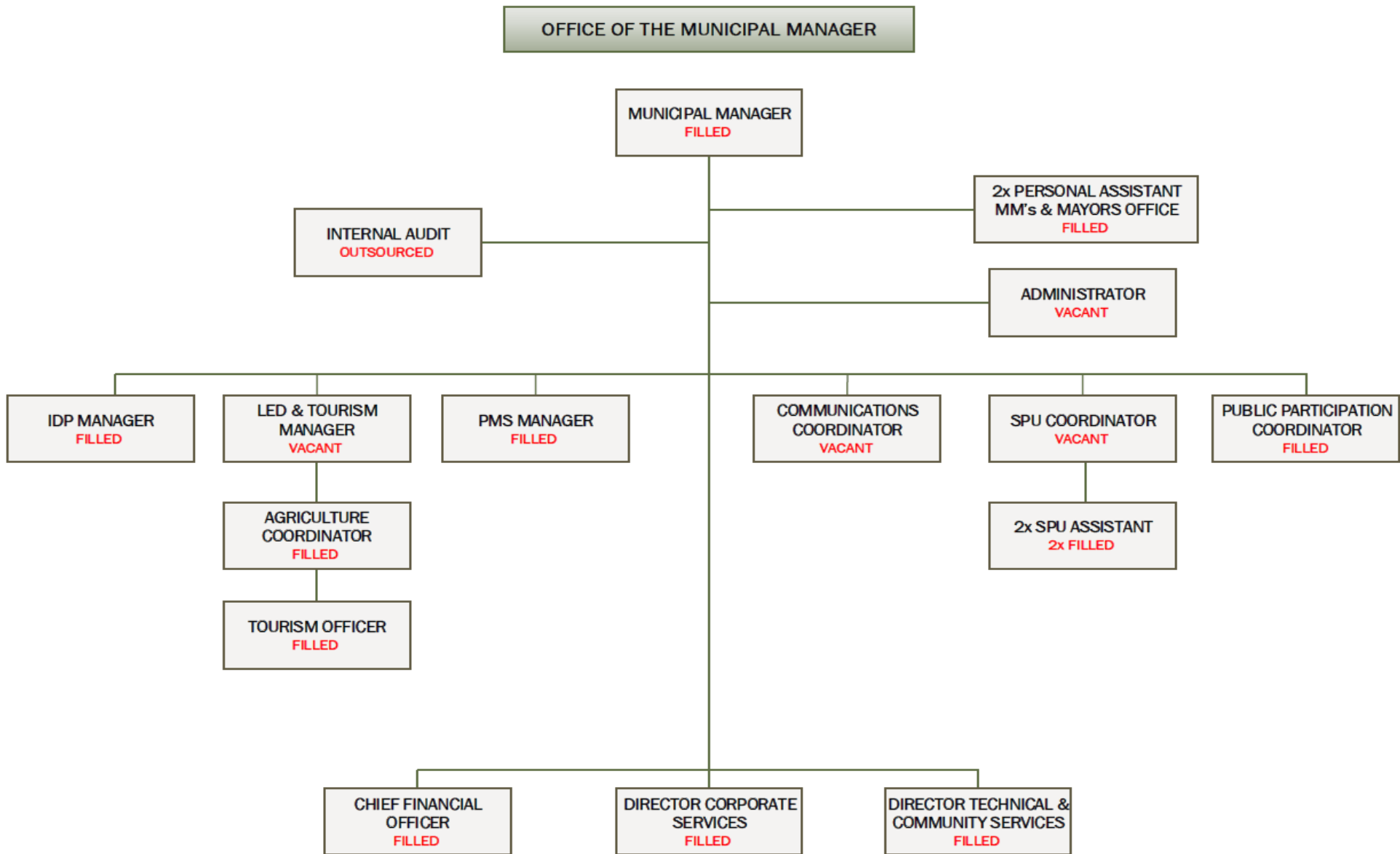
Every directorate has a responsibility to manage their employee's leave and submit such leave forms to human resource for capturing in the system. The supervisor prior approving leave must check the availability of leave. Annual leave is discussed between the immediate supervisor and the employee before employees' sign the leave book and the leave must agree upon by both the employee and the supervisor.

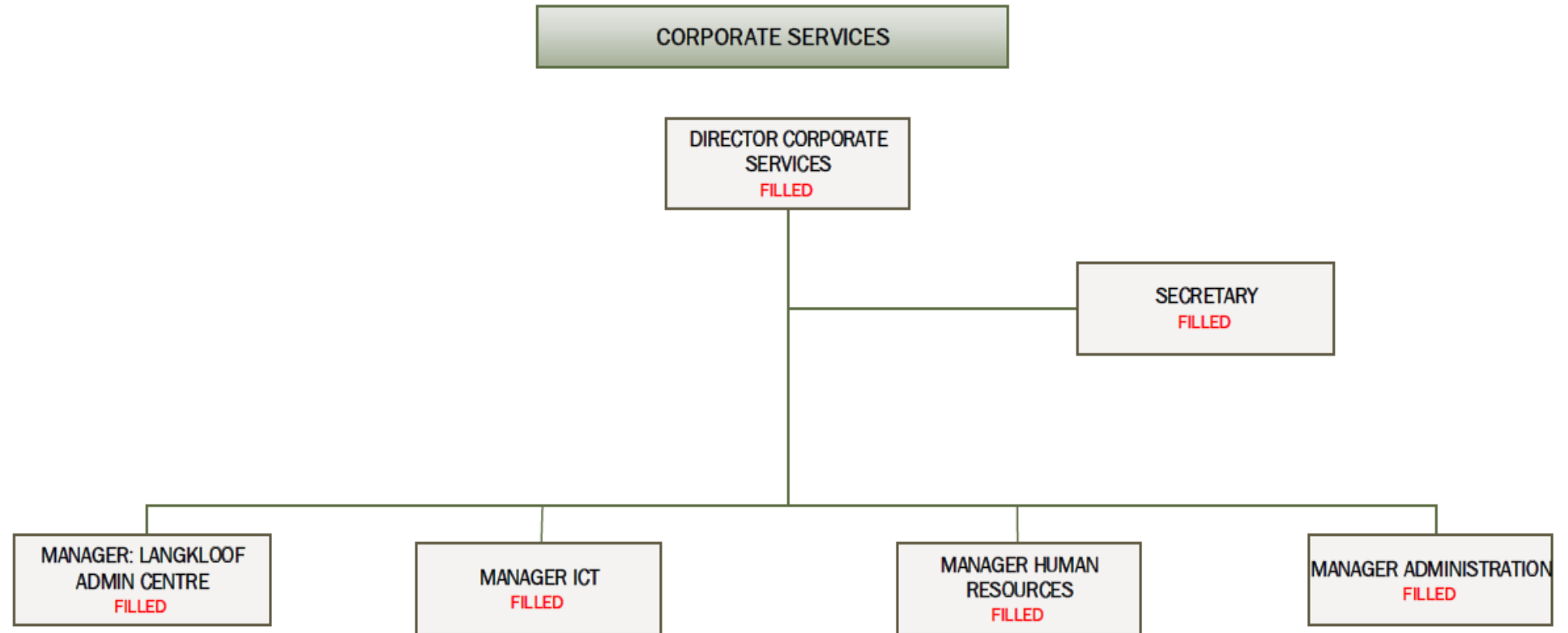
Leave is updated on the system by HR Practitioners in the system. It is therefore important for supervisors to manage the leave book to ensure leave book is signed everyday so that there is correlation between what is in the system and the leave book.

Component B: Managing the municipal workforce on reporting level

4.2. Organisational Structure







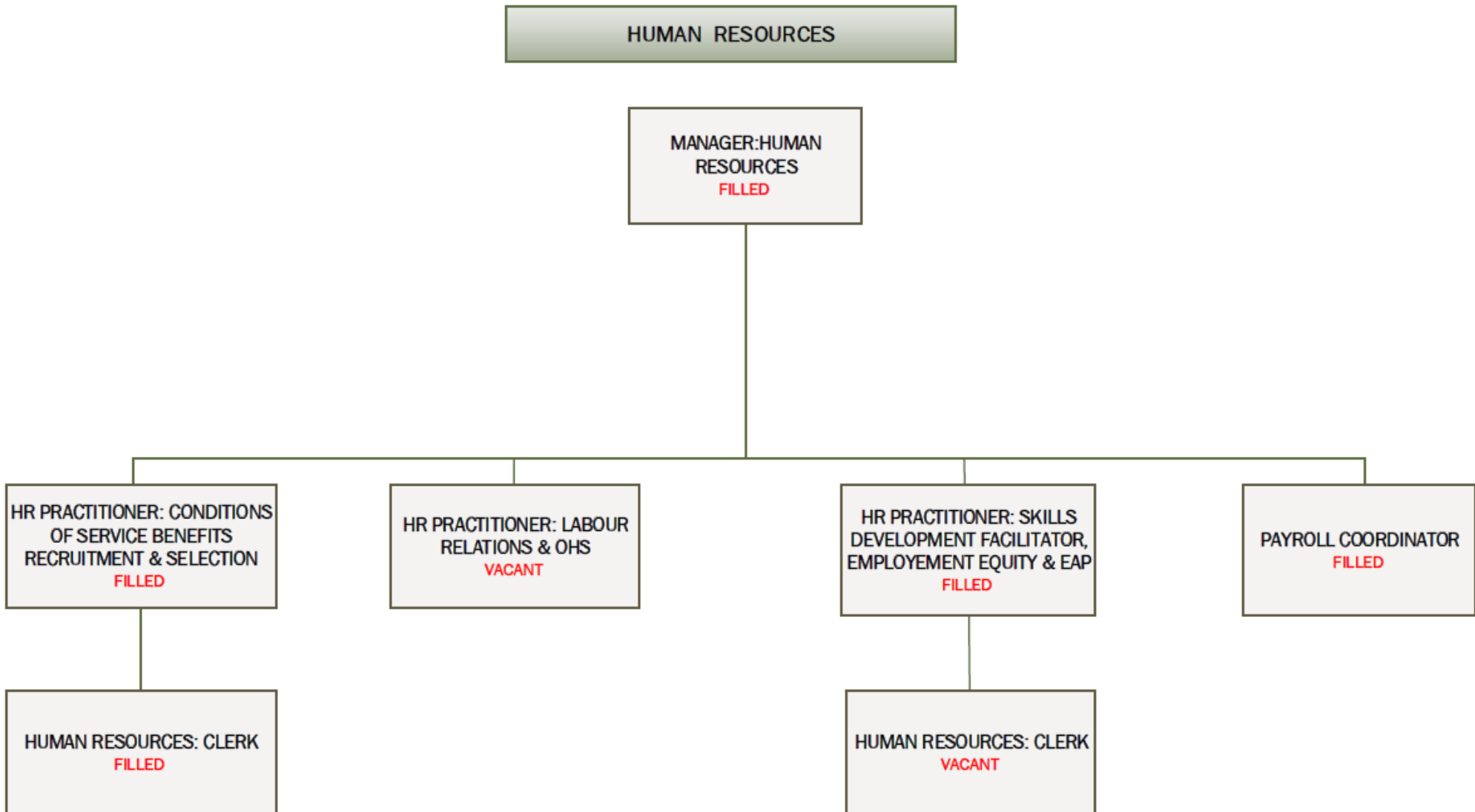
INFORMATION COMMUNICATIONS
TECHNOLOGY

MANAGER: ICT
FILLED

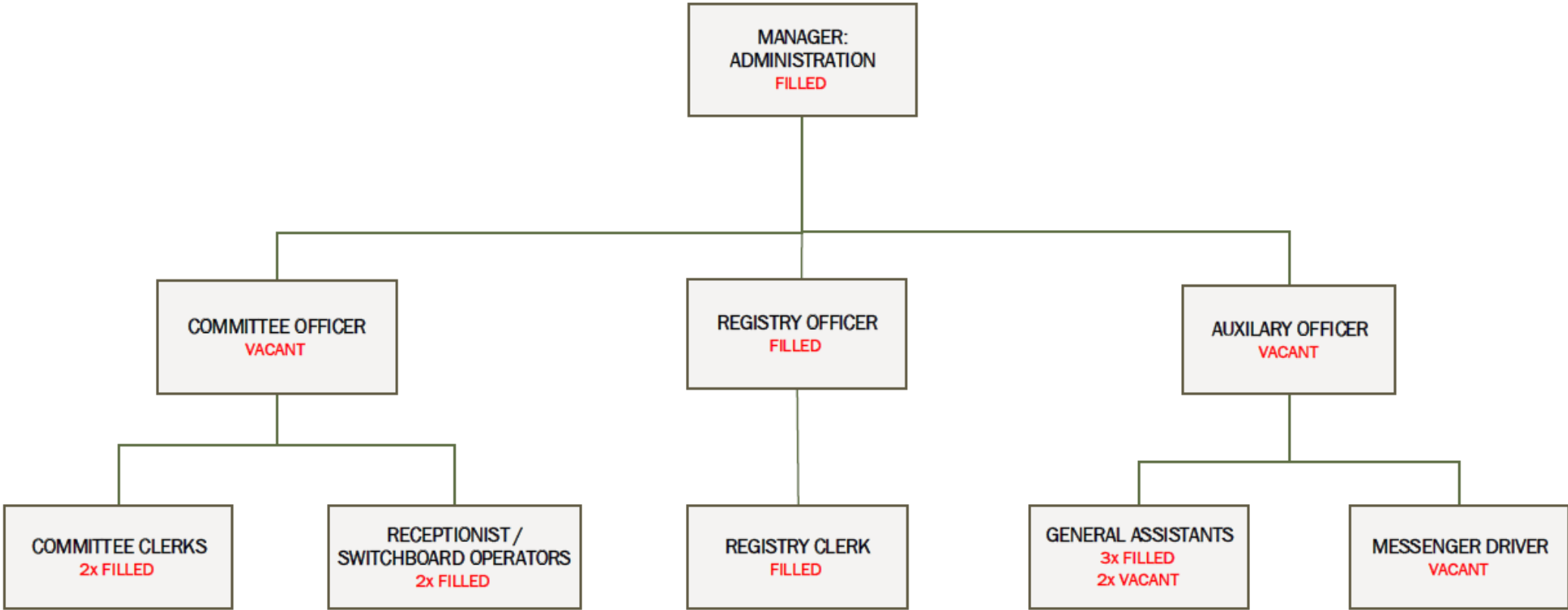
SYSTEMS ADMINISTRATOR
FILLED

LAN TECHNICIAN
VACANT

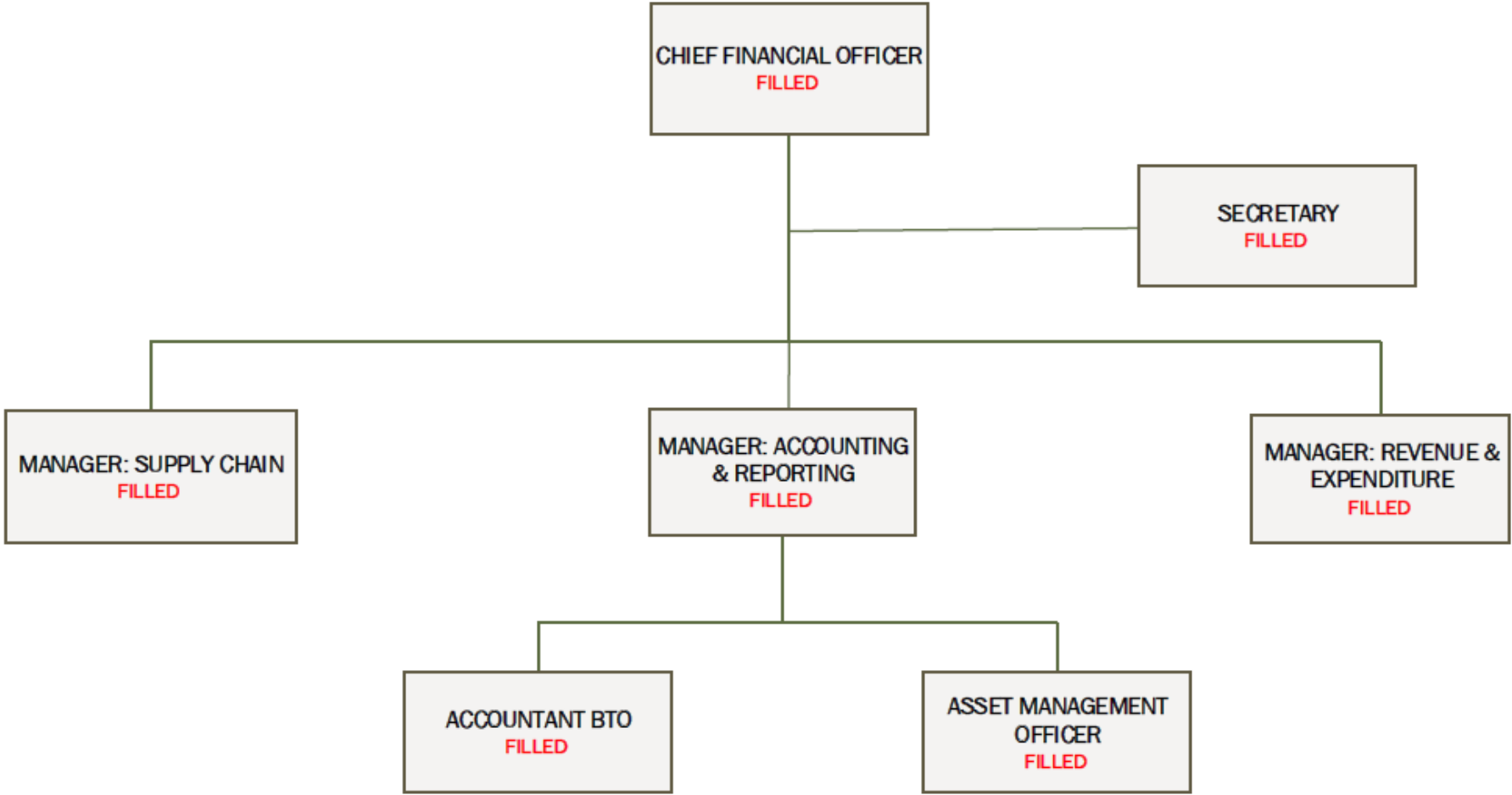
HELPDESK TECHNICIAN
FILLED



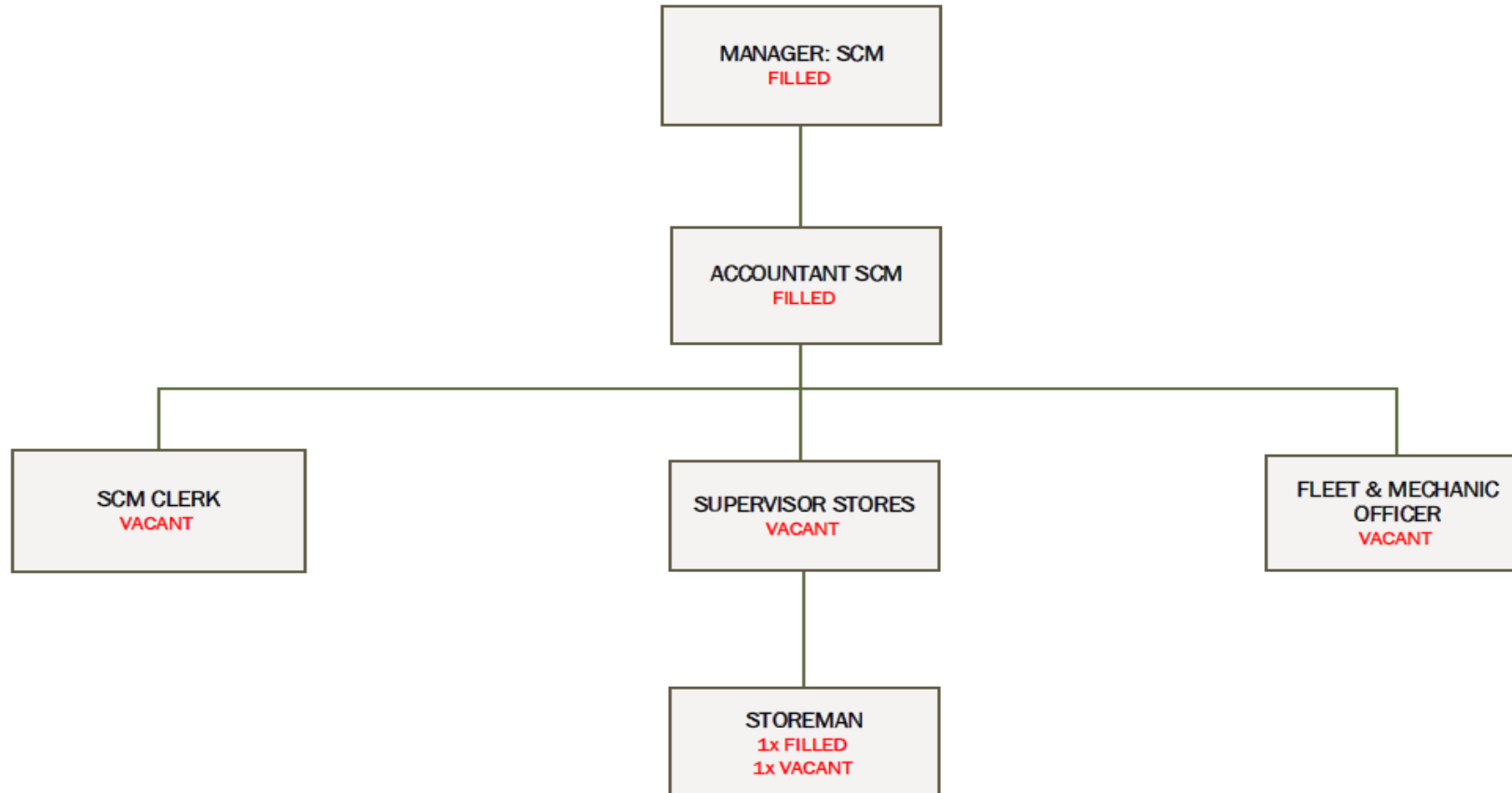
ADMINISTRATION



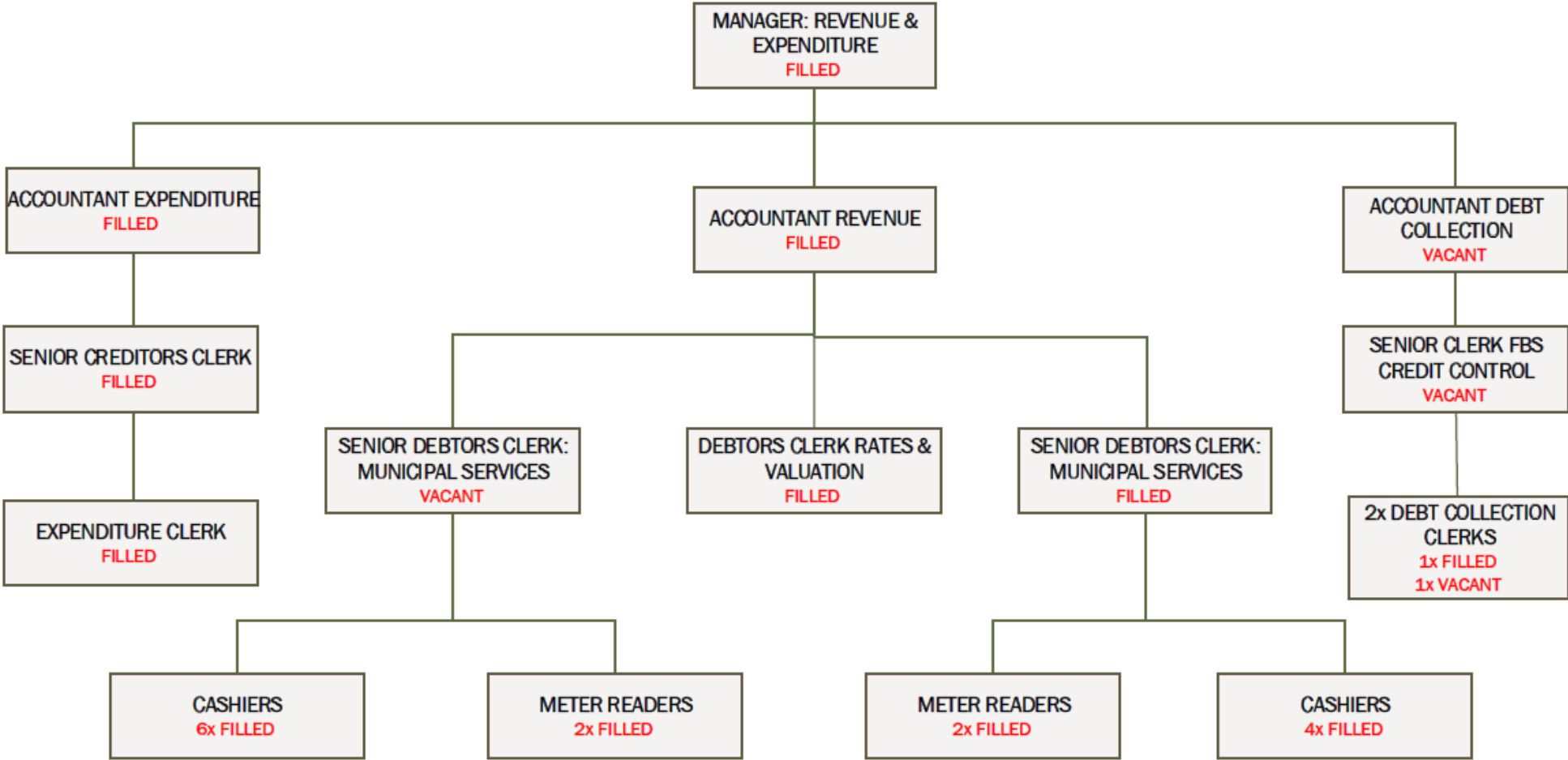
BUDGET & TREASURY OFFICE

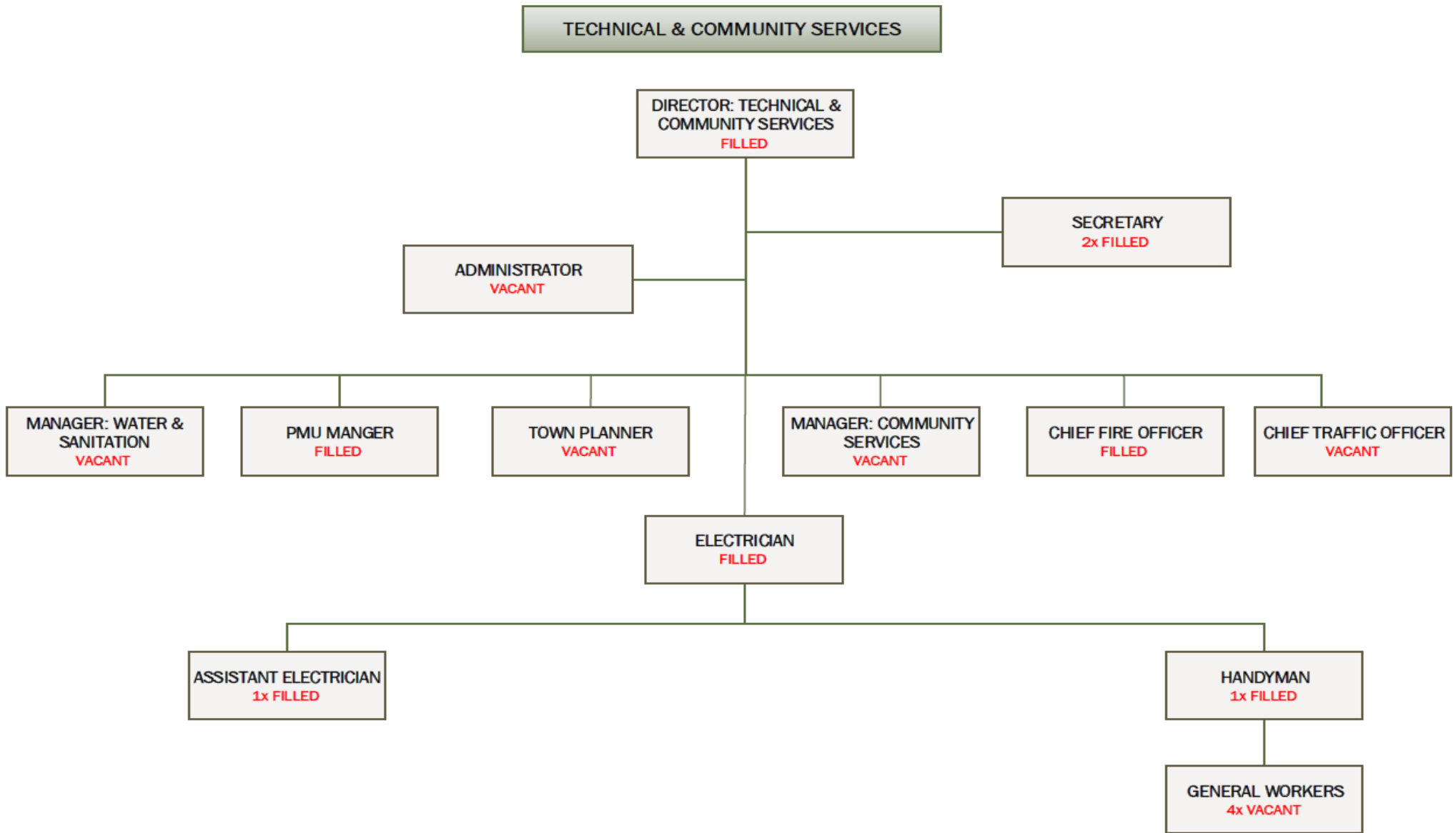


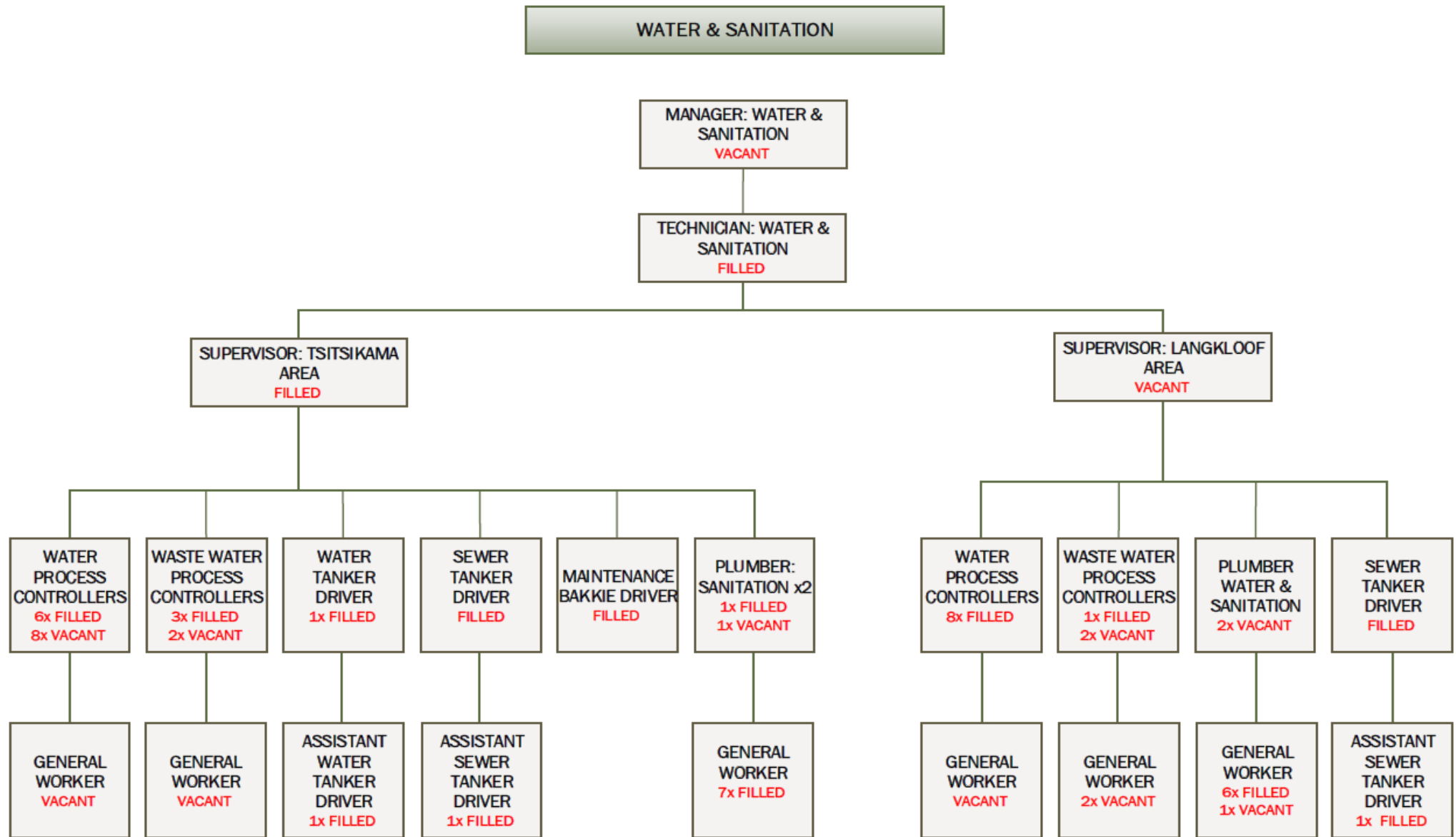
SUPPLY CHAIN MANAGEMENT

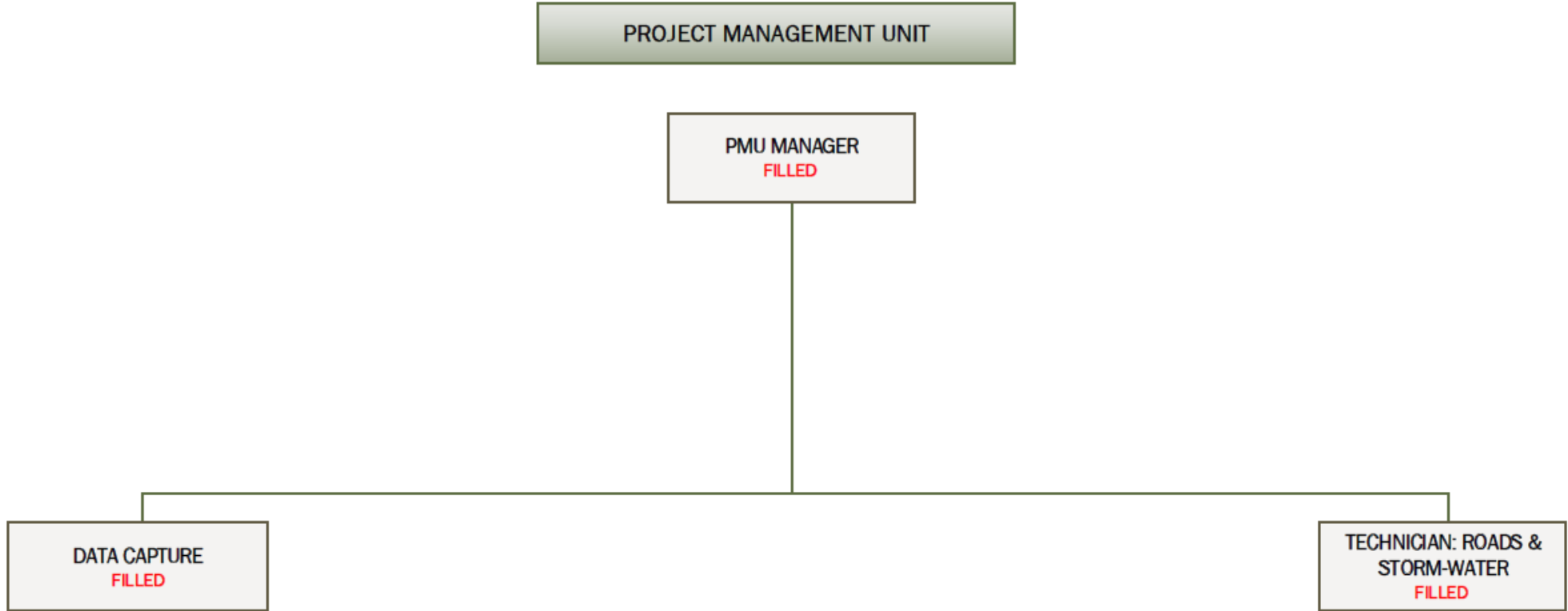


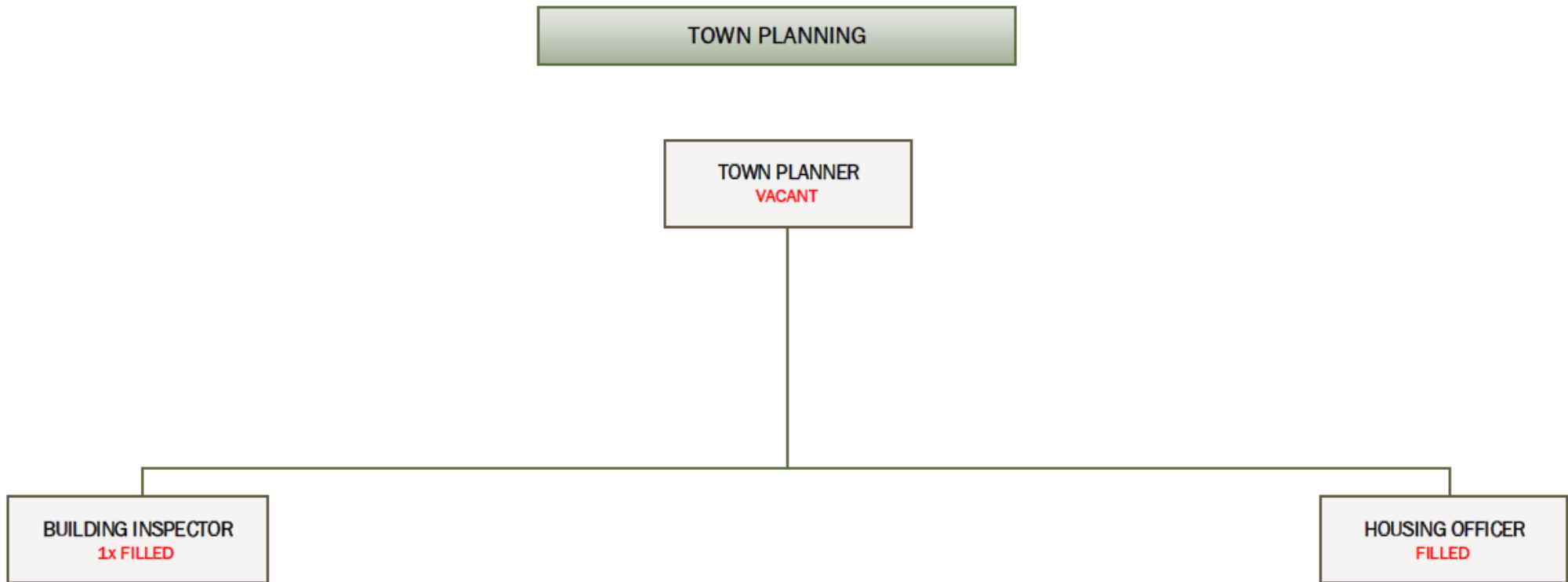
REVENUE & EXPENDITURE

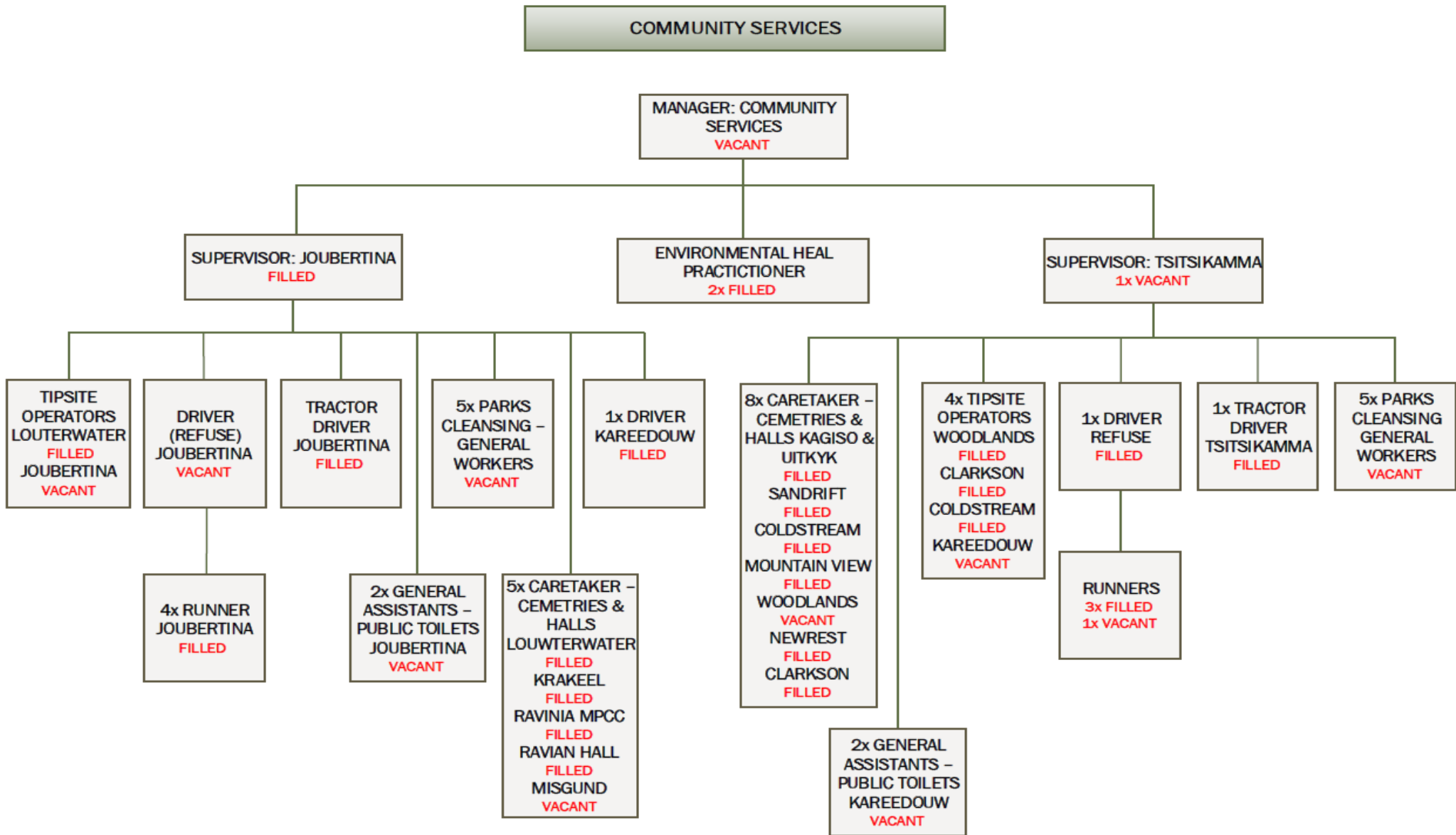












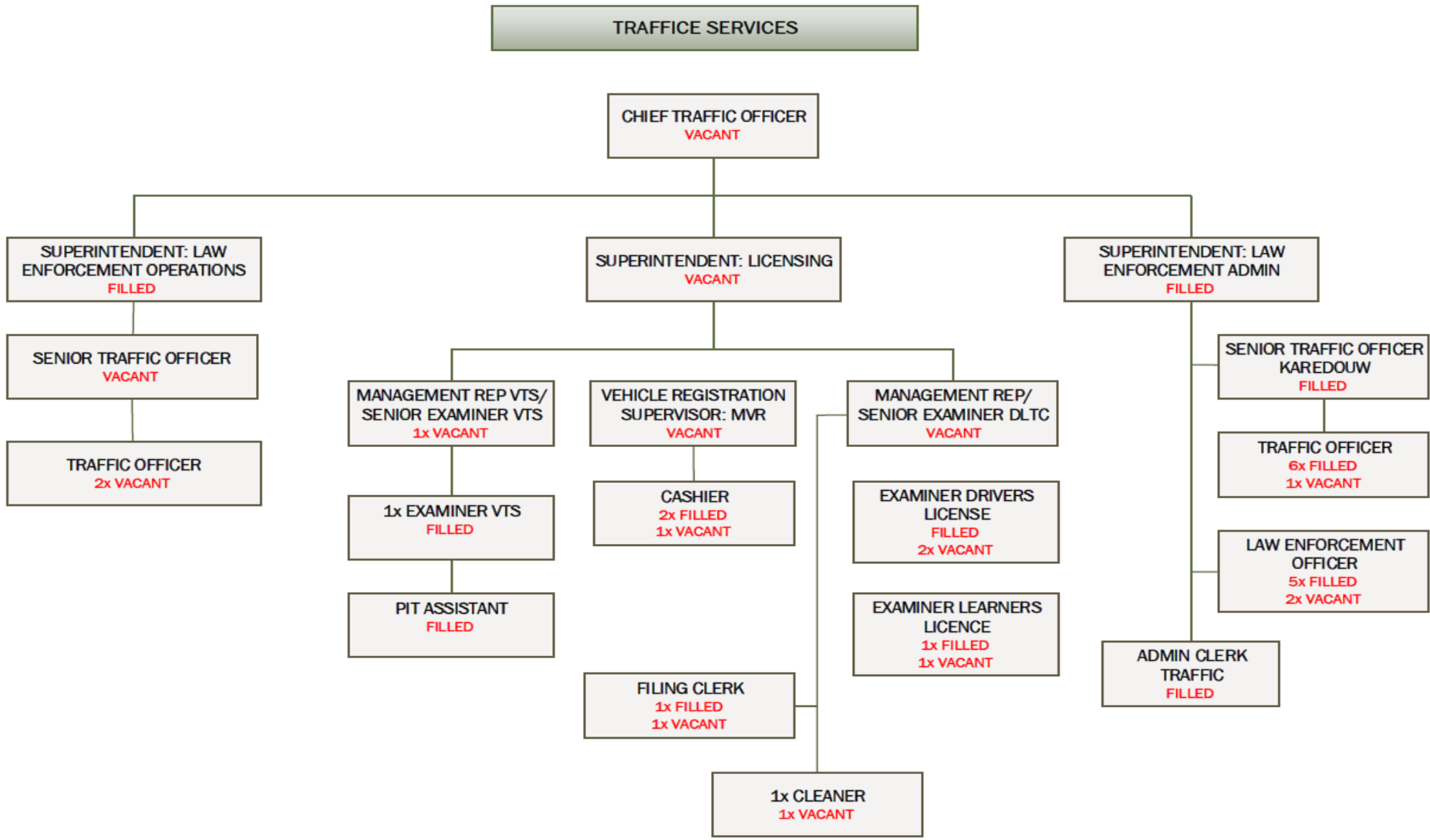
COMMUNITY SERVICES

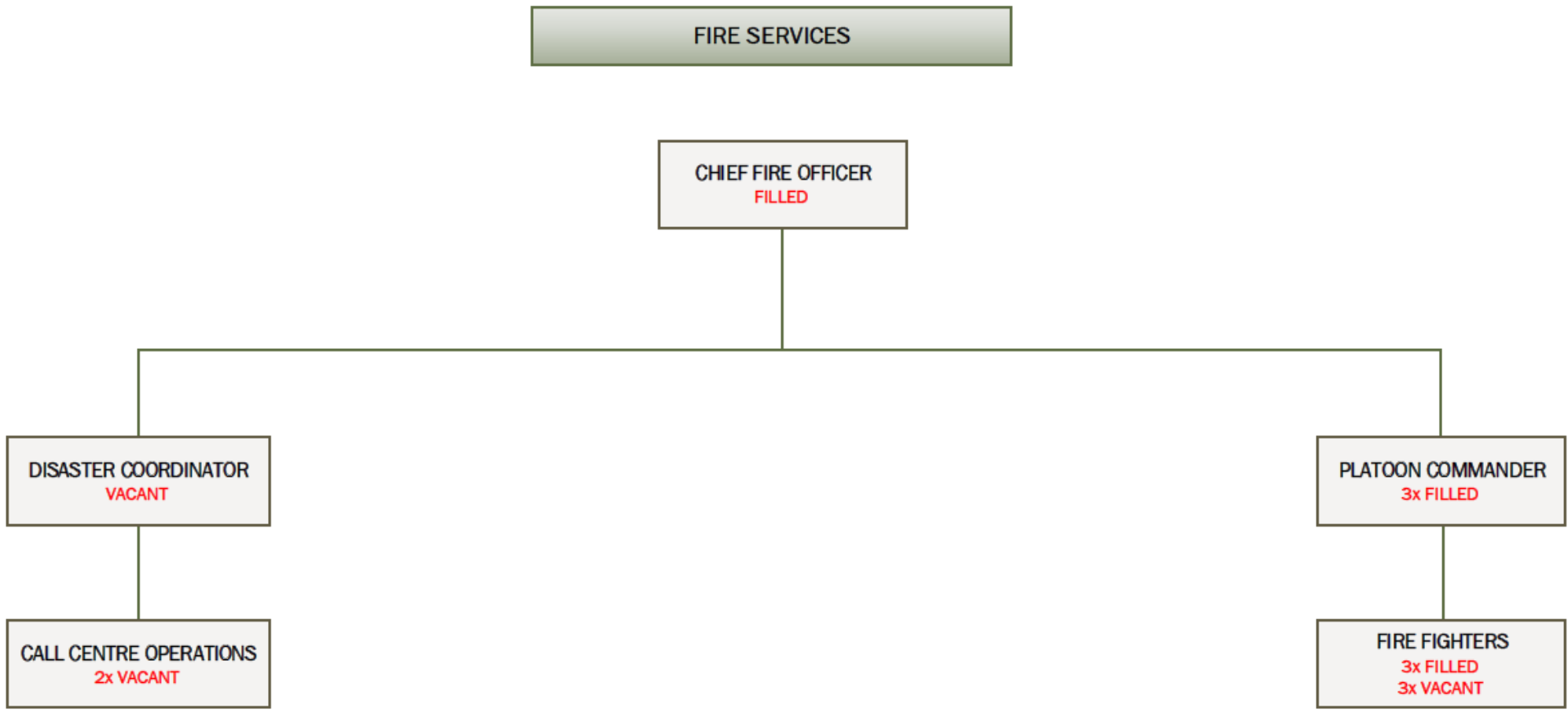
MANAGER: COMMUNITY SERVICES
VACANT

ASSISTANT LIBRARIANS
TSITSIKAMMA
WOODLANDS - FILLED
NOMPUMELELO - FILLED
THORNHAM - FILLED
STORMSRIVER - VACANT
COLDSTREAM - VACANT

ASSISTANT LIBRARIANS
KAREEDOUW
1x FILLED
3x VACANT

ASSISTANT LIBRARIANS
LANGKLOOF
JOUBERTINA - VACANT
LOUTERWATER - VACANT
KRAKEEL - VACANT





4.2.1. List of medical aid schemes to which employees belong

Koukamma Municipality's employees belong to the following medical aid schemes during 2019/20 financial year:

Name of medical aid	No of employees
Key Health Medical Aid	2
LA Health Medical Aid	33
Bonitas	31
Samwu Medical Aid	11
Hosmed	1

4.2.2. List of pension funds to which employees belong

During 2019/20 employees belong to the following pension funds:

Name of pension fund	No. of employees
Municipal Workers Retirement Fund	54
Cape Joint Retirement Fund	108
Municipal Council Pension Fund	4
Sala Provident Fund	1

4.2.3. Labour Relations

The Labour Relations Act, 1995 was designed to protect everyone in the workplace and to promote economic development, fair labour practice, peace, democracy and social development. It also requires that corrective measures be implemented as per the Main Collective Agreement: Disciplinary Procedure.

Disciplinary action is not a punitive measure but a corrective measure which must be implemented fairly, consistently, progressively and promptly. The maintenance of discipline is the responsibility of management and falls within the control function of supervisory position.

During 2019/20, Koukamma Municipality reported the disciplinary cases as follows:

NUMBER OF CASES	DECIDED AGAINST THE EMPLOYER	DECIDED AGAINST THE EMPLOYEE	INTERNAL , CCMA OR SALGBC	RESOLVED	OUTSTANDING
3	0	0	Internal	NO	Yes
1	0	Settlement Agreement		Yes	
1	0	Still pending	CCMA	No	Refereed to SALBC
1	0	Still pending	SALGBC	No	Yes

4.2.4. Performance Management System (PMS)

Performance Management System (PMS) is the tool used to measure the performance of the municipality and the individual performance of the Municipal Manager and the managers directly reporting to the Municipal Manager. The Audit Committee, the Municipal Public Accounts Committee (MPAC) and Councillors through this system are given an opportunity to play their oversight role.

Performance Management is regulated through the provisions of the Local Government: Municipal Systems Act and regulations promulgated in terms of this act. In compliance with the legislative provisions the Integrated Development Plan (IDP) for 2019/20 financial year forms the basis for the development of institutional Service Delivery and Budget Implementation Plan (SDBIP).

The SDBIP is developed annually and forms the integral part of the individual agreements of Municipal Manager and Directors. The SDBIP is developed to give effect to the projects under the predetermined objectives in line with the IDP. Performance agreements are signed annually on or before 31 July of each year between the Mayor and the Municipal Manager and between the Municipal Manager and the Directors.

Performance reviews must be conducted on a quarterly basis with the annual performance review conducted by an Evaluation Panel appointed in terms of the Performance Management Regulations. Although quarterly reviews and annual performance review was conducted during 2019/20 financial year, but none of the Senior Managers received bonuses.

The payment of bonuses for the Municipal Manager and Directors is subject to the adoption of the annual report by Council in respect of the year under review and as such the performance bonus cannot be paid on the year under review, but during the next financial year if such a performance bonus was approved by Council. During the year under review, only the Municipal Manager and the Directors that have signed the performance plans.

Below the level of the Directors no employees sign performance management, due to the fact that the performance system for developing their performance plan is not available which then make it difficult to cascade the performance management to all levels. This situation makes it difficult for the Directors to achieve their set goals as

some of those goals are dependant to their subordinates and yet there is no tool to measure the subordinates' performance.

Component C: Capacitating municipal workforce

4.3. Skills Development

The following schedule reflects the skills development conducted during 2019/20:

NUMBER OF BENEFICIARIES	DEPARTMENT	START DATE	END DATE	INTERVENTION	Training complete /complete	Cost of training
14	Mayor's Office Corporate Service BTO Community Service	05 February 2018	28 February 2020	Human Resources Development for good Municipal Governance	complete	Donor Training
15	ALL Department	04 March 2019	12 Oct 2019	MFMP	Complete	R480 000
	All Department	29 July 2019	29 July 2019	Risk & Fraud workshop	Complete	Donour
10	BTO	Nov 2019	Nov 2019	Bathopele Principals	Complete	R30 000
14	All Departments	March 2019	05 June 2020	Public Admin	Complete	R230 000.00
2	MM's Office Corporate Services	05 Dec 2019	Dec 2019	Performance Management	Complete	Donor
3	Corporate Services	10 Feb 2020		Promun (Payroll) workshop	Completed	N/A

Training Conducted for unemployed from 2019/2020

Programme	Type of learning intervention	Contract Amount	Number of Learners	No of learners completed programme	Status / Comment
FETC: Road Transport Management in the Public Sector	Learnership	M/A	12	7	In progress
FETC: Community Water, Health and Sanitation Facilitation	Learnership	N/A	12	9	In progress
Work Integrated learning HR, Admin & Finance	Work Integrated Learning	N/A	4	4	In progress
Youth graduate programme: Environmental Affairs	Graduate programme	N/A	1	1	In Progress

4.3.1. LEVEL OF EDUCATION AND SKILLS

Total number of staff	Number of staff without grade 12	Number of staff with senior certificate only	Number of staff with Tertiary/ accredited professionals training
164	55	52	57

4.3.2. TECHNICAL STAFF REGISTERED WITH PROFESSIONAL BODIES

Water and Electricity	Total Number of Technical Service Managers	Total number reregistered in the accredited professional body	Total number pending registration confirmation in the accredited professional body	Total number not yet registered in
30	1	0	0	1

Component D: Managing the workforce expenditure

4.4. Trends on Personnel Expenditure

There has been a growth in the total operating budget for staff salaries in particular 2019/20 which is exceeding the Treasury Norm as reflected below.

Financial year	Total No. of Staff	Actual operating expenditure	Personnel Expenditure	% of personnel expenditure
2017/18	Permanent Staff -146 Councillors – 11 Section 56 &57 Managers - 3	R126 724 000	R42 883 443 (excl councillors)	34.5%
2018/19	Permanent Staff – 157 Councillors – 11 Section 56 & 57 – 5	R128 381 000	R44 600 000	35%
2019/20	Permanent Staff – 15 Councillors – 11 Section 56 & 57- 4	R110 002 000	R 56 397 000	51%

4.5. Salary Disclosure

The MFMA 2003 requires that the salaries of the Councillors and the Senior Management be disclosed. The salaries are as follows:

4.5.1. Councillors

Designation	Salary Benefit	2016/17	2017/18	2018/19	2019/20
Mayor	Annual Remuneration	711 400.00	815 251.00	846 635.00	854 441.00

4.5.2. Section 56 and Section 57

Designation	Salary Benefit	2016/17	2017/18	2018/19	2019/20
Municipal Manager	Annual Remuneration	204 179.00	935682	935708	969583
	Car and Other Allowances	7 674.00	240 108.00	274 108.00	274 108.00
	Company Contributions to UIF, skills	2565	12703	13 403.00	13 748.00
CFO	Annual Remuneration	677 999.00	801 771.00	849 323.00	892 035.00
	Car and Other Allowances	116 000.00	144 000.00	144 000.00	144 000.00
	Company Contributions to UIF, skills	10 935.00	10 832.00	11 430.00	11 857.00
	Termination leave	173 962.00			
Director: Corporate Services	Annual Remuneration		360 065.00	526 925.00	523 083.00
	Car and Other Allowances		215 222.00	440 952.00	512 952.00
	Company Contributions to UIF, skills		6 569.00	11 393.00	11 665.00
Director: Technical Services	Annual Remuneration	385 903.00	161 628.00	542 266.00	204 856.00
	Car and Other Allowances	576 780.00	240 325.00	135 000.00	97 957.00
	Company Contributions to UIF, skills	10 383.00	5 492.00	7 841.00	3 521.00
	Termination leave		119 092.00		
Director: Community Services	Annual Remuneration	723 607.00	192 341.00		
	Car and Other Allowances	377 648.00	59 769.00		
	Company Contributions to UIF, skills	12 605.00	4 833.00		
	Termination leave		184 400.00		

Component A: Statement of financial performance

5.1. Audited Financial Statements

Section 126 (1)(a) of the MFMA provides that the Annual Financial Statements must be submitted to the Auditor-General for auditing by the 31 August. The preparation and adoption of annual report according to section 121(3)(a) of the MFMA must include the Annual Financial Statements.

The Audited 2019/20 annual financial statements are attached, and include:

- Statement of financial position (balance sheet),
- Statement of financial performance (operating statement),
- Cash flow statement,
- Statement of changes in net assets
- Statement of comparison of budget and actual amounts
- Supporting notes to the financial statements.
- Remuneration of councillors, Directors and officials.

The Annual financial statements were submitted within the set timeframes.

See attached as Volume II

5.2. Accounting and reporting

5.2.1. Budget to actual comparison (line item)

The Final budget 2019/20 was adopted by council on the 28th May 2019 and the adjustment budget was adopted by 26 Feb 2020. A further special adjustments budget was adopted by council on the 12th June 2020 as result of Covid 19 impact on budgetary processes.

The following table highlights budget vs actual performance per line item:

KOU-KAMMA MUNICIPALITY
APPROPRIATION STATEMENT FOR THE YEAR ENDED 30 JUNE 2020
STATEMENT OF FINANCIAL PERFORMANCE: COMPARISON OF BUDGET VS ACTUAL AMOUNTS

Description	Original Budget	Budget Adjustments (i.e. s28 & s31 Of The MFMA)	Final Budget	Actual Income & Expenditure	Variance	Variance percentage	Actual Income As % Of Final Budget	Actual Outcome As % Of Original Budget	Notes
Financial Performance									
Property Rates	18 948 191	(4 816 224)	14 131 967	16 008 510	1 876 543	13%	113%	84%	N1
Service Charges	27 267 734	1 058 185	28 325 919	28 361 788	35 869	0%	100%	104%	
Rental of Facilities and Equipment	882 255	773 262	1 655 517	1 054 784	(600 733)	-36%	64%	120%	N2
Investment Revenue	317 315	612 637	929 953	805 733	(124 220)	-13%	87%	254%	N3
Interest earned:outstanding debtors	14 316 934	4 319 025	18 635 959	16 933 380	(1 702 579)	-9%	91%	118%	
Fines	15 025 000	5 425 691	20 450 691	19 407 898	(1 042 794)	-5%	95%	129%	N4
Income for the agency fees	1 994 585	1 611 657	3 606 242	2 982 849	(623 393)	-17%	83%	150%	N5
Government grants and subsidies	86 235 000	16 619 995	104 932 742	95 233 018	(9 699 724)	-9%	91%	110%	
Other Own Revenue	13 594 543	(2 382 420)	11 212 123	3 328 253	(7 883 870)	-70%	30%	24%	N6
Gain on disposal of assets				11 083					
Total Revenue (Excluding Capital Transfers & Contributions)	178 581 557	23 221 808	203 881 113	184 127 295	(19 753 818)	-10%	90%	103%	
Employee Costs	(59 650 017)	3 276 594	(56 373 423)	(53 857 355)	2 516 068	-4%	96%	90%	N7
Remuneration Of Councillors	(3 944 915)	-	(3 944 915)	(3 843 067)	101 848	-3%	97%	97%	
Debt Impairment	(37 349 158)	(7 277 716)	(44 626 874)	(48 210 257)	(3 583 383)	8%	108%	129%	N8
Depreciation & Asset Impairment	(27 457 523)	-	(27 457 523)	(20 861 721)	6 595 802	-24%	76%	76%	N9
Finance Charges	(1 250 000)	926 653	(323 348)	(1 363 975)	(1 040 627)	322%	422%	109%	N10
Bulk Purchases	(4 761 718)	(1 588 430)	(6 350 148)	(4 335 227)	2 014 921	-32%	68%	91%	N11
Other Materials	(7 138 578)	(487 127)	(7 625 705)	(4 442 320)	3 183 385	-42%	58%	62%	N12
Contracted Services	(11 202 092)	(1 473 952)	(12 676 045)	(7 964 486)	4 711 559	-37%	63%	71%	N13
Other Expenditures	(23 816 879)	(1 790 417)	(25 607 296)	(17 835 028)	7 772 268	-30%	70%	75%	N14
Impairment loss	-	-	-	(409 559)	(409 559)				
Loss on disposal of asset	-	-	-	(20 440)	(20 440)				
Total Expenditure	(176 570 880)	(8 414 396)	(184 985 276)	(163 143 436)	21 841 841	-12%	88%	92%	
Surplus/(Deficit)	2 010 677	14 807 412	18 895 837	20 983 859	(41 595 659)	-220%	111%	1044%	
Capital Expenditure	29 468 200	18 015 804	47 484 004	32 185 558	(15 298 446)	-32%	68%	109%	

Notes and Legends:

- N1** The increase in property rates relates to the implementation of the supplementary valuation roll
- N2** As result of the closure of the community halls for a period 3 months during the financial year, this resulted in a decrease in revenue
- N3** The municipality has less funds available on short term investments than anticipated
- N4** The accrual for fine revenue has not yet been accounted for
- N5** As result of the closure of the DTLC for a period 3 months during the financial year, this resulted in a decrease in revenue
- N6** The municipality has budgeted other income as part of the revenue enhancement plan, but due to staff shortages in this section, the actual results were lower
- N7** As result of the National Lockdown and financial impact, a number of budgeted positions was not filled at year-end
- N8** The impairment of fines issued not yet collected has not yet been accounted for
- N9** As a result of not all projects being completed as expected, depreciation was lower than expected.
- N10** Due to the increase in creditors, interest incurred during the financial year was higher than anticipated
- N11** The result of the decrease is due to the changing of bulk tariffs through Eskom
- N12** Due to cost containment measures, the municipality curbs non essential expenditures
- N13** Due to cost containment measures, the municipality curbs non essential expenditures
- N14** Due to cost containment measures, the municipality curbs non essential expenditures

The table below highlight budget vs actual comparison per municipal vote

5.3. BUDGET VS ACTUAL PER MUNICIPAL VOTE

Department	Adjustments budget	Actuals	Difference
Mayor and Council			
Revenue	- 2 518 000.00	- 2 518 000.00	-
Expenditure	5 648 605.00	4 968 398.58	680 206.42
	3 130 605.00	2 450 398.58	
Municipal Manager			
Revenue	- 27 375 590.00	- 27 375 590.00	-
Expenditure	10 227 328.00	8 424 443.87	1 802 884.13
	- 17 148 262.00	- 18 951 146.13	
Budget and Treasury			
Revenue	- 50 995 807.00	- 41 297 313.60	- 9 698 493.40
Expenditure	52 138 367.00	34 551 092.61	17 587 274.39
	1 142 560.00	- 6 746 220.99	
Corporate services			
Revenue	- 2 475 220.00	- 1 249 888.02	- 1 225 331.98
Expenditure	22 392 600.00	15 809 596.75	6 583 003.25
	19 917 380.00	14 559 708.73	
Community and Technical Services			
Revenue	- 120 516 526.00	- 109 403 858.99	- 11 112 667.01
Expenditure	89 146 824.00	68 847 281.45	20 299 542.55
	- 31 369 702.00	- 40 556 577.54	

Component B: Spending against Capital Expenditure 5.4. Revenue and expenditure

5.4. DEBTORS:

5.4.1 REVENUE COLLECTION PER SOURCE

The table below reflects the revenue collection per source.

SOURCE	BILLING	COLLECTION	%
RATES	16 008 510.00	5 438 582.00	
SEWERAGE	6 342 700.00	- 3 426 249.00	
REFUSE	3 375 374.00	- 1 190 924.00	
WATER	16 031 514.00	- 2 683 953.00	
ELECTRICITY	2 612 199.00	2 694 170.00	
RENT	1 054 784.00	6 543.00	
SUNDRY	43 650.00	99 907.00	
TOTAL	45 056 757.79	938 076.00	2.08%
Excluding rates	29 048 247.79	- 5 598 937.00	-19.27%

The collection rate for the 2019/20 financial year was 2.08% and -19% excluding rates. Large amounts were collected in 2019/20 year for outstanding debt for Government Departments which relates to prior years. The decrease in the collection rate during the current financial year was as result of the debt collection team appointed whose contracts expired and was only appointed one out of the three (3) in March 2021.

5.4.2 ARREARS IN PROPERTY RATES AND SERVICE CHARGES (JUNE AGING)

Debtors Age Analysis By Income Source	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Trade and Other Receivables from Exchange Transactions - Water	3 459 618.35	1 429 461.00	1 351 660.56	1 164 844.13	1 162 762.68	1 075 428.89	1 153 403.61	44 301 121.34	55 098 300.56
Trade and Other Receivables from Exchange Transactions - Electricity	4 062.05	3 624.91	3 624.91	2 517.71	3 006.35	1 077.80	5 063.87	312 518.44	335 496.04
Receivables from Non-exchange Transactions - Property Rates	848 230.03	504 236.79	454 789.29	434 071.87	466 278.94	402 343.95	389 625.12	33 410 523.99	36 910 099.98
Receivables from Exchange Transactions - Waste Water Management	1 183 556.90	506 681.47	502 735.56	498 764.69	496 236.79	493 016.83	489 440.49	30 106 203.70	34 276 636.43
Receivables from Exchange Transactions - Waste Management	562 538.99	267 850.18	262 553.58	257 930.06	251 971.91	245 254.06	242 315.56	14 028 500.35	16 118 914.69
Receivables from Exchange Transactions - Property Rental Debtors	52 027.05	51 715.99	48 715.99	48 715.99	47 059.30	43 195.55	43 195.51	658 281.23	992 906.61
Sundry	0.00	0.00	0.00	0.00	0.00	0.00	0.00	14 503.31	14 503.31
	6 110 033.37	2 763 570.34	2 624 079.89	2 406 844.45	2 427 315.97	2 260 317.08	2 323 044.16	122 831 652.36	143 746 857.62

Total debt outstanding as at the end of the financial year is at R143 746million, of which 85% of this has been outstanding for over one year.

5.4.3 ARREARS PER CONSUMER CODE

CONSUMER	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	TOTAL
Organs of State	151 043.48	102 570.19	85 748.92	73 683.85	66 362.04	59 585.29	57 786.94	9 950 374.90	10 547 155.61
Commercial	621 166.80	309 651.88	287 895.22	266 698.20	322 176.67	235 225.13	289 075.33	10 114 386.67	12 446 275.90
Households	5 337 823.09	2 351 348.27	2 250 435.75	2 066 462.40	2 038 777.26	1 965 506.66	1 976 181.89	102 766 890.79	120 753 426.11
	6 110 033.37	2 763 570.34	2 624 079.89	2 406 844.45	2 427 315.97	2 260 317.08	2 323 044.16	122 831 652.36	143 746 857.62

The table below reflects amounts outstanding per consumer code, of the R143 746 Million outstanding at year end, R120 753million or 84% is for Households.

5.4.4 ARREARS PER SUBURB

The below table highlights debtors outstanding per suburb

Suburb	CURRENT	30 Days	60 Days	90 Days	120 Days	150 Days	180 Days	210 Days	240 Days	270 Days	300 Days	PENALTIES	AGREEMENTS	TOTAL
KAREEDOUW (SENTRAAL) (10)	415 862.11	204 926.01	171 294.15	133 894.20	154 159.51	105 796.48	134 501.87	123 244.49	101 309.63	167 173.03	3 363 364.82	1 393 976.41	310 454.91	6 779 957.62
KAGISO HEIGHTS (11)	157 872.57	97 133.80	93 291.15	72 218.39	113 269.04	71 156.82	103 752.87	73 473.12	69 475.42	84 005.73	3 336 706.64	1 389 064.34	161 985.73	5 823 405.62
MOUNTAIN VIEW (12)	91 515.25	89 738.59	89 578.36	88 632.67	88 182.31	87 299.37	86 824.02	86 643.18	85 784.55	85 826.24	4 235 137.65	1 883 103.23	376 819.22	7 375 084.64
NEW REST (13)	210 973.99	133 403.96	121 496.35	103 117.48	142 398.42	75 280.54	95 427.04	107 492.71	108 973.69	94 641.61	4 916 579.49	2 003 234.38	142 218.32	8 255 237.98
UITKYK (14)	279 638.81	138 322.53	131 374.64	146 830.83	180 406.01	78 048.47	134 213.94	104 652.41	132 957.67	110 537.69	3 461 180.86	1 469 579.05	271 202.56	6 638 945.47
HUMANSDORP RD (30)	273 671.62	135 299.52	117 155.80	106 399.13	110 365.16	91 816.79	136 422.08	105 595.13	83 319.50	2 032 606.98	8 669 949.73	3 631 117.19	-	15 493 718.63
EERSTERIVIER (31)	196 468.31	58 500.61	56 382.05	54 847.22	54 797.12	54 797.12	52 712.67	52 712.67	57 788.79	206 010.44	1 853 781.53	720 702.56	-	3 419 501.09
JOUBERTINA (40)	403 634.34	204 744.93	177 772.53	160 238.58	141 725.21	133 568.46	130 586.09	136 699.59	131 185.14	344 045.78	4 049 646.97	1 589 603.81	642 402.34	8 245 853.77
RAVINIA (41)	322 785.20	255 307.69	252 715.09	220 585.44	216 435.46	247 628.20	216 621.42	223 033.99	236 040.42	288 237.79	10 399 862.64	4 361 909.94	328 195.12	17 569 358.40
LOUTERWATER (42)	1 950 260.59	307 834.37	303 901.13	226 321.92	209 274.45	229 795.80	225 501.48	227 277.43	218 100.69	275 285.59	11 912 848.43	4 989 860.72	7 978.68	21 084 241.28
KRAKEEL (43)	66 224.51	67 002.25	66 462.42	66 128.94	65 984.19	65 611.94	64 765.39	64 777.06	62 371.71	79 261.83	3 514 571.62	1 482 290.64	17 282.11	5 682 734.61
MISGUND (44)	280 109.21	148 690.04	136 637.12	136 953.32	82 729.27	82 704.45	82 580.23	82 474.67	82 477.49	82 421.92	3 687 141.28	1 445 648.43	-	6 330 567.43
JOUBERTINA RD (60)	90 686.87	73 596.71	69 019.57	67 116.46	113 594.02	57 864.33	55 845.98	54 618.74	52 846.42	408 617.93	2 963 058.96	1 247 614.35	20 097.25	5 274 577.59
STORMSRIVIER GOLF ESTATE (70)	3 996.45	3 894.38	3 840.67	3 839.46	3 839.46	3 839.46	3 839.46	3 839.46	3 839.46	245 323.21	5 655 981.19	3 148 663.77	-	9 084 736.43
STORMSRIVIER VILLAGE (71)	68 799.52	62 564.37	61 711.22	59 220.90	58 289.16	56 583.09	51 659.10	49 469.53	45 989.49	88 074.63	714 240.39	238 517.69	-	1 555 119.09
STORMSRIVIER WEST (72)	486 463.33	243 297.42	239 463.68	206 442.29	180 203.10	235 039.82	236 321.86	175 750.63	190 205.20	372 638.50	9 731 668.21	3 955 557.49	9 013.20	16 262 064.73
WOODLANDS (73)	194 672.17	123 359.79	116 363.96	119 231.21	99 101.73	108 269.03	96 760.56	117 101.81	110 571.09	167 689.14	5 900 454.65	2 417 791.12	51 376.17	9 622 742.43
BLIKKIESDORP (74)	6 597.90	6 179.39	6 062.02	5 766.58	5 744.28	5 581.78	5 433.12	5 335.81	4 937.64	4 924.52	511 036.16	247 341.16	6 645.10	821 585.46
NOMPUMELELO VILLAGE (75)	390 309.77	189 079.72	189 319.16	208 859.09	186 902.56	249 930.16	189 570.01	156 525.38	179 213.89	158 719.94	10 849 163.23	4 696 012.33	100 271.50	17 743 876.74
COLDSTREAM (76)	129 380.16	129 380.16	128 924.72	128 899.47	128 674.90	128 464.36	128 464.36	128 464.36	128 531.31	210 139.58	4 913 931.24	1 902 038.57	92 830.57	8 278 123.76
CLARKSON (78)	90 110.69	91 314.10	91 314.10	91 300.87	91 240.61	91 240.61	91 240.61	91 240.61	91 240.61	113 331.77	5 689 488.54	2 582 357.97	2 931.88	9 208 352.97
DIE BLAAR (79)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	6 110 033.37	2 763 570.34	2 624 079.89	2 406 844.45	2 427 315.97	2 260 317.08	2 323 044.16	2 170 422.78	2 177 159.81	5 619 513.85	110 329 794.23	46 795 985.15	2 541 704.66	190 549 785.74

5.5. CREDITORS

The table below reflects the balance of trade creditors as at the end of June 2020.

Choose name from list - Supporting Table SC4 Monthly Budget Statement - aged creditors - M12 June (R'000')										
Description	NT Code	Budget Year 2019/20								Total
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100		477	249	26					752
Bulk Water	0200									-
PAYE deductions	0300									-
VAT (output less input)	0400									-
Pensions / Retirement deductions	0500									-
Loan repayments	0600									-
Trade Creditors	0700		551	7 582	2 508	685	506			11 832
Auditor General	0800		30	31	30	3 704				3 795
Other	0900									-
Total By Customer Type	1000	-	1 058	7 862	2 564	4 389	506	-	-	16 380

5.6 CONDITIONAL GRANTS AND SUBSIDIES RECEIVED

Table below reflects grants and subsidies received for the 2019/20 financial year

<u>GRANT NAME</u>	<u>Opening Balance - 1 July 2019</u>	<u>Unspent grants reverted back to NRF</u>	<u>Current Year Receipts</u>	<u>Additional funding received</u>	<u>Conditions met - Transfer to Revenue</u>	<u>Closing Balances at - June 2020</u>	<u>Percentage Of Funds Spent</u>
MIG- Municipal Infrastructure Grant	-4 414 643.09	-	-15 396 000.00	-	15 857 161.57	-3 953 481.52	80%
FMG - Finance Management Grant	-	-	-2 435 000.00	-	2 435 000.00	-	100%
DSRAC - Library subsidy	-	-	-1 300 000.00	-	957 325.09	-342 674.91	74%
WSIG - Water Service Infrastructure Grant	-16 917 967.31	3 593 003.00	-10 000 000.00	-	22 008 581.00	-1 316 383.31	82%
INEP - Integrated National Electrification Programme	-	-	-1 550 000.00	-	109 537.50	-1 440 462.50	7%
DEDEA - Waste Management Grant	-	-	-2 670 000.00	-	1 843 812.96	-826 187.04	69%
EHP - Environmental Health (SBDM)	-	-	-1 013 200.00	-	1 013 200.00	-	100%
Municipal Disaster Relief	-	-	-953 000.00	-	301 324.21	-651 675.79	32%
EPWP - Expanded Public Works Programme	-	-	-1 087 000.00	-	998 396.00	-88 604.00	92%
Other Grants (SBDM)	-	-	-213 433.00	-	213 433.00	-	100%
	-R 21 332 610.40	R 3 593 003.00	-R 36 617 633.00	R -	R 45 737 771.33	-R 8 619 469.07	79%

- FMG: Business plan implemented. 100% expenditure of allocation.
- Environmental health: R 1 013 200 funding available for the year, 100% expenditure as at year-end.
- Libraries: Subsidy received for library services. This covers salaries, operations and maintenance costs. 74% of the conditions of the grant were met.
- During the financial year, the municipality received R953 000 for Covid 19, at year end 32% was spent towards Covid related expenses
- 80% of MIG funding was spent at year end.
- WSIG was 82% spent at year end.
- Due to unforeseen challenges, the INEP project was delayed and only 7% was spent for the year.
- An allocation of R2 670 000 for DEDEA allocation was received and 69% of this allocation was spent.
- An amount of R1 087 000 was allocated for Expanded Public Works Programme and 92% of these funds were spent.

5.7 Long term Contracts entered into by the municipality

According to the MFMA section 33, subsection (3) (a) -

All contracts referred to in subsection (1) and all other contracts that impose a financial obligation on a municipality—

- (i) must be made available in their entirety to the municipal council; and
- (ii) may not be withheld from public scrutiny except as provided for in terms of the Promotion of Access to Information Act, 2000 (Act No. 2 of 2000).

Company Name	Commencement Date	End Date	Contract Value
Funithuba Investments	2018/02/01	2021/01/31	R4 698 720.95
De Jager Vervoer	2017/12/01	2020/11/30	R395 per hour, R20 per km
Trailways Transport	2017/12/01	2020/11/30	R386.46 per hour, R21.66 per km
Khulisa Business Consult	2018/07/04	2021/06/30	R745 549
Umhlaba Consulting grou	2019/03/19	2022/02/28	R531 000
Mailtronic Direct Market	2019/03/19	2022/02/28	R380 790.48

Component D: Other financial matters

5.8 Annual performance as per key performance indicators in financial viability *(this information is based on the 2019/20 Annual Financial Statements)*

No.	Indicator name	Indicator explained	Target / Norm	Results	Implications of results
1	Capital Expenditure to Total Expenditure	This Ratio is used to assess the level of Capital Expenditure to Total Expenditure, which indicates the prioritisation of expenditure towards current operations <i>versus</i> future capacity in terms of Municipal Services.	10% - 20%	8%	
2	Debtors Days	This ratio reflects the collection period. Debtor Days refers to the average number of days required to receive payment from Consumers for bills/invoices issued to them for services.	30 days	139 days	This is due to non-implementation of the credit control policy.
3	Annual collection rate	The Ratio indicates the collection rate; <i>i.e.</i> level of payments.	95%	34% (incl. rates)	
4	Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants)	The Ratio indicates the Municipality's ability to meet at least its monthly fixed operating commitments from cash and short-term investment without collecting any additional revenue, during that month.	1 - 3 Months	0 month	As seen from the results above this is based on the fact that billed revenue is not collected and the municipality has no

		The Ratio is adjusted for Unspent Conditional Grants as the cash is not available for normal Municipal day-to-day operational expenditure but rather reserved for Grant related expenditure.			other revenue streams.
5	Current Ratio	The Ratio is used to assess the Municipality's or Municipal Entity's ability to pay back its Short-term Liabilities (Debt and Payables) with its Short-term Assets (Cash, Inventory, Receivables).	1.5 - 2:1	1.61:1	The municipality is below the required norm; this highlights serious financial challenges for the municipality.
6	Revenue Growth (%)	This Ratio measures the overall revenue growth. In addition, this ratio will assist in determining if the increase in Expenditure will be funded by an increase in Revenue base or by some other means.	7%	28%	
8	Remuneration as % of Total Operating Expenditure	The ratio measures the extent of Remuneration to Total Operating Expenditure.	25% - 40%	35%	
9	Creditors payment period	This ratio indicates the average number of days taken for Trade Creditors to be paid.	30 days	89days	Due to cash flow problems, creditors cannot be paid on a timeous basis.

10	Contracted Services % of Total Operating Expenditure	This ratio measures the extent to which the municipalities resources are committed towards contracted services to perform Municipal related functions.	2% - 5%	5%	
11	Grant dependency	The Ratio measures the extent to which the municipality's Total Capital Expenditure is funded through Internally Generated Funds and Borrowings.	None	2%	As the municipality does not have alternative cash flow streams added with the low collection rate, the increases reliance on government grants.
12	Water losses			59%	
13	Electricity losses			28%	
<u>Budget Implementation</u>					
14	Capital Expenditure	These ratios measure the implementation of the budget.	95 – 100%	68%	
15	Operational Expenditure			88%	
16	Operating revenue			90%	
17	Property rates & service charges			105%	

5.9 OVERSIGHT AND OPERATIONAL CONTINUITY

5.9.1. AUDIT COMMITTEE FUNCTIONALITY

The Audit Committee is fully functional and is currently executing its advisory role to Council on financial matters as prescribed in section 166 of the Municipal Finance Management Act, 56 of 2003.

Chapter 6: Auditor- General audit findings

6.1. Auditor-General Report



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Final management report

KOU KAMMA LOCAL MUNICIPALITY

30 June 2020

Communicated to the accounting officer on: 03 March 2021





Management report

KOU-KAMMA LOCAL MUNICIPALITY 30 June 2020

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Management report to the accounting officer on the audit of the Kou-kamma Local Municipality for the year ended 30 June 2020

INTRODUCTION

1. The purpose of the management report is to communicate audit findings and other key audit observations to the accounting officer. The report does not constitute public information. This management report includes audit findings arising from the audit of the financial statements, performance information and compliance with legislation for the year ended 30 June 2020.
2. These findings were communicated to management. The report details management's response to these findings and includes information on the internal control deficiencies that we identified as the root causes of the matters reported. Addressing these deficiencies will help to improve the audit outcome.
3. In accordance with the terms of engagement, our responsibility in this regard is to:
 - express an opinion on the financial statements
 - express an opinion in the management report on the usefulness and reliability of the reported performance information for selected objectives, and report the material findings in the auditor's report
 - report on material findings raised on compliance with specific requirements in key applicable legislation, as set out in the general notice issued in terms of the Public Audit Act 25 of 2004 (PAA).
 - notify the accounting officer of any material irregularity or suspected material irregularities identified during the audit, and report on it in the auditor's report.









Our engagement letter sets out our responsibilities and those of the accounting officer in detail.

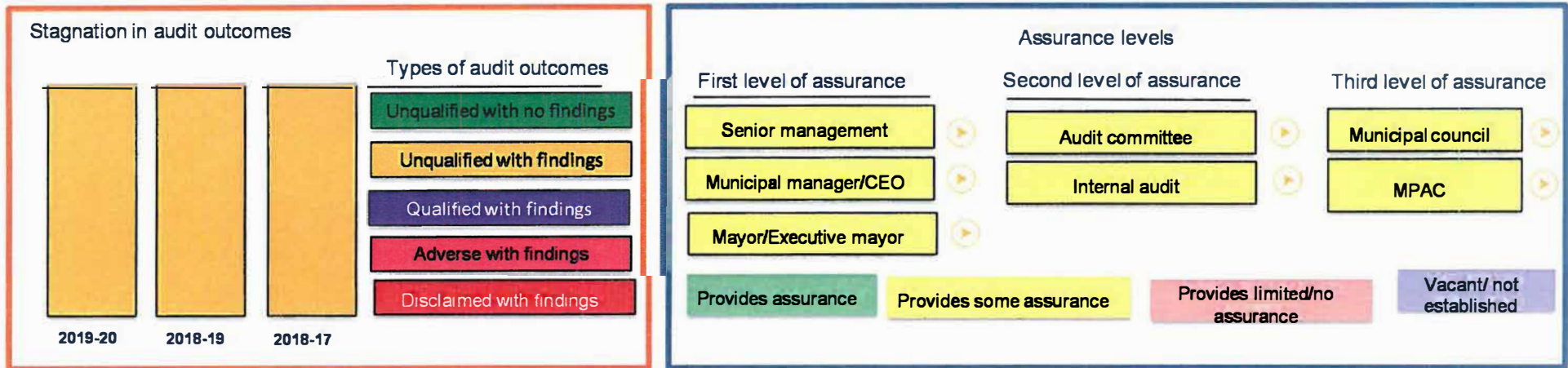
4. This management report consists of the overall message arising from the audit, summary of key findings and observations, annexures containing the detailed audit findings, annexures to the report on the audit of performance information, as well as the annexure to internal control deficiencies reported.
5. The auditor's report is finalised only after the management report has been communicated. All matters included in this report that relate to the auditor's report remain in draft form until the final auditor's report is signed. In adherence to section 50 of the PAA, we do not disclose any information obtained during the audit and contained in this management report.
6. Please note that the information contained in these documents is confidential, privileged and only for the information of the intended recipients. It may not be used, published or redistributed without the prior written consent of the Auditor-General of South Africa (AGSA). Any form of reproduction, dissemination, copying, disclosure, modification, distribution and/or publication of this material is strictly prohibited. Should the information be used or processed in a manner that contravenes any laws in the Republic of South Africa, the AGSA is fully indemnified from liability that may arise from such contravention.

7. The **figure** that follows provides a pictorial summary of the audit results and our key messages on how to improve the audit outcomes, with the focus on the following:

- Status of the audit outcomes
- Status of the level of assurance provided by key role players
- Status of the drivers of internal controls
- Status of risk areas
- Root causes to be addressed

Movement from the previous year is depicted as follows:

-  /  Improved
-    /  Unchanged / slight improvement / slight regression
-  /  Regressed



To improve the **audit outcomes** ...



... the key role players need to **assure** that ...



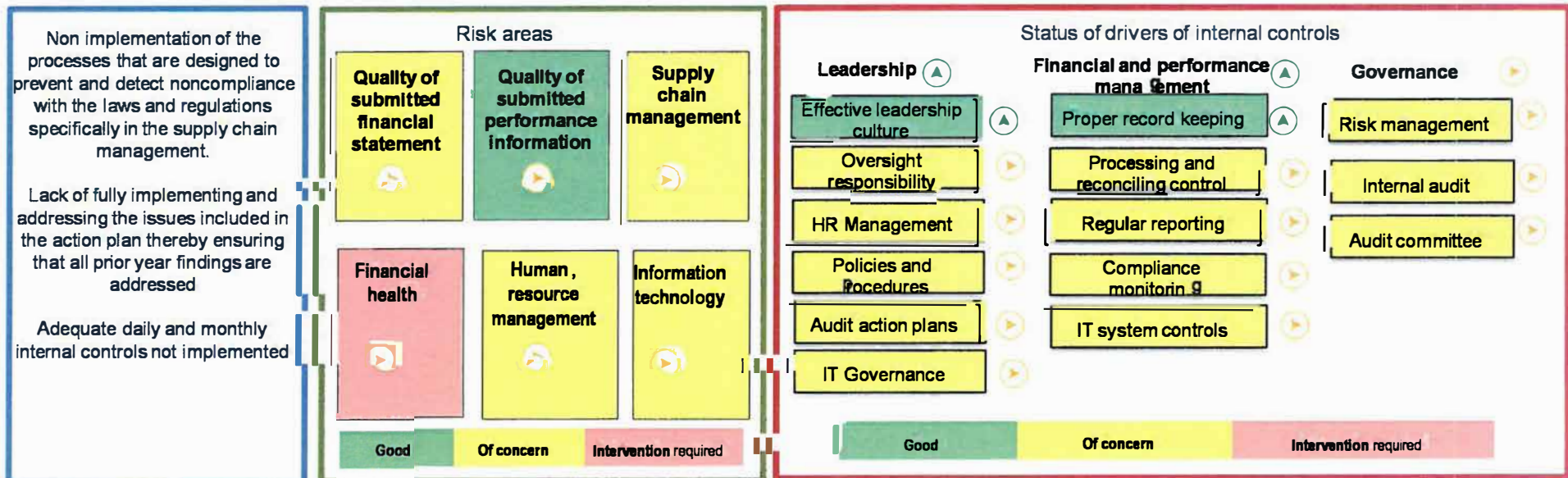
... the **root causes** are addressed



... the **risk areas** and ...



... attention is given to the **key controls** and ...



OVERALL MESSAGE

8. Management is commended for the quality of the annual performance report submitted for audit as no material misstatements relating to usefulness as well as reliability were identified for the development priority that was selected for audit. The municipality maintained the unqualified opinion relating to performance reporting for a number of consecutive years.
9. The trend in the audit outcomes over the last two financial years indicates that the municipality has been successful in maintaining a financially unqualified audit opinion with findings from 2016-17 to 2018-19 and this has remained the same in the current year with an unqualified opinion with findings on compliance with legislation being expressed.
10. Material misstatements were identified during the audit process due to lack of adequate review of the financial statements which were subsequently corrected by management. This maybe indicative of over-reliance on the audit process to identify material misstatements that should have been prevented or detected by the municipality’s internal control processes.
11. The municipality continued to incur irregular expenditure due to the composition of the adjudication committee not complying with the relevant regulation.
12. The municipality is still experiencing serious financial constraints resulting in suppliers not being paid within in 30 days.

SECTION 1: Interactions with stakeholders responsible for oversight and governance

13. During the audit cycle, we met with the following key stakeholders responsible for oversight and governance to communicate matters relating to the audit outcome and matters identified during our status of records review(s) of the municipality:

Key stakeholder	Purpose of interaction	Number of interactions
Municipal manager	Interactions held to communicate: 1) Audit strategy, 2) Progress of audit 3) Draft management report and issues that may impact the audit report 4) Draft audit report	4
Audit committee	Interactions held to communicate: 1) Audit strategy, 2) Draft management report and issues that may impact the audit report 3) Draft audit report	3

At these interactions, we highlighted the following key matters affecting audit outcomes.



14. Some stakeholders made commitments to implement initiatives that can improve the audit outcome. The commitments given and the progress of previous commitments are included in section 3, which deals with the assessment of assurance providers.

SECTION 2: Matters relating to the auditor’s report

Audit of the financial statements

15. We identified material misstatements in the financial statements during the audit. These misstatements were not prevented or detected by the municipality’s system of internal control. These material misstatements also constitute non-compliance with section 122 of the Municipal Finance Management Act (MFMA).

Material misstatement			Impact	Impact
Financial statement item	Finding (Include a brief description of the misstatement as per the findings and the auditor’s report. Include the reasons for the auditee not correcting the misstatement when applicable.)	Occurred in prior year (Insert Yes/No)	R current year	R previous year
Material misstatements corrected				
Current assets				
VAT receivable	Impact of impairment of receivables on VAT no correctly accounted for	No	10 422 640	0
Disclosure				
Irregular expenditure	BAC composition not correct, Local content regulation non-compliant	Yes	15 804 984	2 236 817
Capital Commitment	Capital commitments included operational commitments	No	16 160 465	0



Matters to be brought to the attention of users

Emphasis of matter paragraphs

16. The following emphasis of matter paragraphs will be included in our auditor's report to draw the users' attention to matters presented or disclosed in the financial statements:

Unauthorised expenditure

17. As disclosed in note 34.1 to the financial statements, unauthorised expenditure of R16 million (2018-19: R18 million) which has accumulated over the years and has not been recovered, written off or condoned.

Material impairments

18. As disclosed in note 3.2 to the financial statements, receivables from exchange transactions of R121,5 million (2018-19: R83,2 million) were impaired.
19. As disclosed in note 4 to the financial statements, receivables from non-exchange transactions of R38,8 million (2018-19: R27,7 million) were impaired.

Material losses

20. As disclosed in note 36 to the financial statements, the municipality incurred material losses relating to water of R11,5 million (2018-19: R11,3 million)

Material uncertainty relating to going concern

21. We draw attention to note 48 to the financial statements, which indicates that the municipality does not have enough cash resources available to meet its obligations when they are due. As a result, certain creditors have insisted on only providing services on a cash basis.
22. These conditions, along with other matters and mitigating strategies set forth in note 48 to the financial statements, indicate the existence of a material uncertainty that may cast doubt on the municipality's ability to continue operating as a going concern.

Other matter paragraph

23. The following other matter paragraph will be included in our auditor's report to draw the users' attention to a matter regarding the audit, the auditor's responsibilities and the auditor's report:

Unaudited disclosure notes

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

Audit of the annual performance report

25. In terms of the general notice issued in terms of the PAA, the opinion on the audit of reported information will be included in the management report. The report is included below to enable management and those charged with governance to see what the report will look like once it is published in the auditor's report. We will report all the audit findings included under the basis for opinion and the other matter sections of this report in the auditor's report.

Introduction and scope

26. We have undertaken a reasonable assurance engagement on the reported performance information for the following selected objective presented in the annual performance report of the municipality for the year ended 30 June 2020:

Development priorities	Pages in annual performance report	Opinion	Movement
<i>KPA 2: Basic Service Delivery and infrastructure investment</i>	x – x	Unqualified	Unchanged

27. We conducted our reasonable assurance engagement in accordance with the International Standard on Assurance Engagements, ISAE 3000(R): *Assurance engagements other than audits or reviews of historical financial information*.
28. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPA 2 – Basic Service Delivery and Infrastructure Investment

Opinion

29. In our opinion, the reported performance information for basic service delivery and infrastructure investment is useful and reliable, in accordance with the applicable criteria as developed from the performance management and reporting framework as set out in annexure D to this report.

Other matter

30. We draw attention to the matter below. Our opinion is not modified in respect of this matter.

Achievement of planned targets

31. Refer to the annual performance report on pages x to x for information on the achievement of planned targets for the year.

Responsibilities of the accounting officer for the reported performance information

32. The accounting officer is responsible for the preparation of the annual performance report in accordance with the prescribed performance management and reporting framework set out in annexure D to this report, and for such internal control as the accounting officer determines is necessary to enable the preparation of performance information that is free from material misstatement in terms of its usefulness and reliability.

Auditor-general's responsibilities for the reasonable assurance engagement on the reported performance information

33. Our objectives are to obtain reasonable assurance about whether the reported performance information for the selected development priority presented in the annual performance report is free from material misstatement, and to issue a management report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that the assurance engagement conducted in accordance with the relevant assurance standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if they could reasonably be expected to influence the relevant decisions of users taken on the basis of the reported performance information.
34. Our procedures address the usefulness and reliability of the reported performance information, which must be based on the approved performance planning documents of the municipality. We have not evaluated the appropriateness of the performance indicators established and included in the planning documents. Our procedures do not examine whether the actions taken by the municipality enabled service delivery. Our procedures also do not extend to any disclosures or assertions relating to planned performance strategies and information relating to future periods that may be included as part of the reported performance information. Accordingly, our opinion does not extend to these matters.
35. A further description of our responsibilities for the reasonable assurance engagement on reported performance information is included in annexure E to this report.

Audit of compliance with legislation

36. Included below are material findings on compliance with selected specific requirements of applicable legislation, as set out in the general notice issued in terms of the PAA Annual financial statements.

Annual financial statements

37. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of current assets and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

Expenditure management

38. Reasonable steps were not taken to prevent irregular expenditure of R15,8 million as disclosed in note 34.3 to the annual financial statements, as required by section 62(1)(d) of the MFMA.
39. Reasonable steps were not taken to prevent fruitless and wasteful expenditure of R289 020 as disclosed in note 34.2 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA.
40. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.

Consequence management

41. Some instances of unauthorised, irregular as well as fruitless and wasteful expenditure incurred by the municipality in prior financial years were not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) and (b) of the MFMA.

Procurement and contract management

42. Competitive bids were adjudicated by a bid adjudication committee that was not composed in accordance with SCM regulation 29(2). Similar non-compliance was also reported in the prior year.
43. Bid documentation for procurement of commodities designated for local content and production, did not stipulate the minimum threshold for local production and content as required by the 2017 preferential procurement regulation 8(2).

Other information

44. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report which includes the audit committee's report. The other information does not include the financial statements, the auditor's report and the selected development priority presented in the annual performance report that have been specifically reported in the auditor's report.
45. Our opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and we do not express an audit opinion or any form of assurance conclusion on it.
46. In connection with our audit, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected development priority presented in the annual performance report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.
47. We did not receive the other information prior to the date of this auditor's report. When we do receive and read this information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and request

that the other information be corrected. If the other information is not corrected, we may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal controls

48. The significant deficiencies in internal control that led to our overall assessment of the status of the drivers of key controls, as included in the figure in paragraph x, are described below. The detailed assessment of the implementation of the drivers of internal control in the areas of financial statements, performance reporting and compliance with legislation is included in annexure F.

Leadership

Effective leadership culture

49. Leadership set the correct tone at the top and understood their roles and responsibilities. However, it remains a concern that the municipality continued to incur irregular expenditure as a result of non-compliance with laws and regulations.
50. The municipality managed to investigate all the unauthorised, irregular as well as fruitless and wasteful expenditure incurred in prior financial years.
51. The slow response by leadership to some of the recommendations made by the external and internal auditors, has contributed to the recurrence of previously reported matters, specifically in compliance.

Oversight responsibility

52. Leadership did not exercise adequate oversight over compliance with applicable laws and regulations as there were a number of findings reported, indicating that controls are not in place to monitor compliance with laws and regulations.
53. The financial statements and the supporting schedules were not subjected to effective and adequate monitoring and review by leadership as evidenced by the material misstatements in the financial statements submitted for audit.
54. Leadership has not instituted all the disciplines necessary to enable oversight and monitoring that promotes effective and efficient financial management and reporting.

Human resource management

55. The municipality has an overall vacancy rate of 40% (decrease of 3% compared to the 2019 financial year) and a vacancy rate of 25% at senior management level which remained unchanged from the previous financial year.

Policies and procedures

56. The municipality has a number of policies and procedures that have been adequately designed, however the implementation there-of is a challenge in certain instances, e.g. assessment of useful lives of assets as contained in the asset management policy.
57. Leadership should improve the enforcement of the adherence to key internal controls, laws and regulations.

Action plans to address internal control deficiencies

58. The municipality developed a plan to address internal and external audit findings, but the appropriate level of management did not monitor adherence to the plan in a timely manner as evidenced by the repeat findings specifically on compliance and laws with regulations.

Information technology governance framework

59. A high level review of the IT governance framework was performed and the following identified:
- There is no appointed IT governance champion and the function had been delegated to the IT technician
 - The duties of IT security has also been delegated to the IT technician
 - There is an IT governance committee, but the committee did not meet during the year under review

Financial and performance management

Proper record keeping

59. There were no significant shortcomings noted in the record keeping and submission of requested information by the municipality. Requested information was submitted within the agreed upon time and where necessary extensions were negotiated and agreed upon.

Daily and monthly processing and reconciling of transactions

57. Management did not implement daily and monthly controls as designed for the municipality's business processes, such as:
- The fixed asset register is not reconciled to the ledger accounts on a monthly basis.
 - Cash and cash equivalent are reconciled on a daily and monthly basis.

Regular, accurate and complete financial and performance reports

60. The municipality regularly prepared reports on performance information and must be commended for an annual performance report free of material misstatements insofar as the selected development priority that we audited, is concerned.
61. The municipality has not made an improvement in terms of the accuracy of its financial reporting. The financial statements submitted for audit contained material misstatements which were adjusted by management. A number of the misstatements were identified during

the high-level review of the financial statements which then indicates that the review by management was not effective.

62. Furthermore, instances were noted where the financial statements did not reconcile back to the supporting documentation or schedules submitted for audit purposes.

Compliance monitoring

63. The municipality did not fully implement the processes in place that are designed to detect and prevent non-compliance with laws and regulations, specifically in the supply chain management, which has resulted in non-compliance findings as reported in the audit of compliance section of this report.

Information technology systems

64. The design and implementation of IT general controls is concerning as there were control weaknesses identified with regards to controls for user access management and IT continuity. These controls form the basis upon which an enabling IT environment is created to aid the municipality in fulfilling its operational and strategic initiatives which ultimately translate to service delivery.

Governance

Risk management activities and risk strategy

65. The risk committee conducted risk assessments during the year, however no formal fraud risk assessment was conducted. There is a risk management policy in place which includes a fraud prevention plan and risk implementation plan. In the absence of a formal fraud risk assessment, management may not be able to identify and adequately respond to possible fraud related risks. Management should continue to implement the fraud prevention plan in an effective manner and to exercise increased diligence in ensuring and enforcing all fraud detection and prevention mechanisms within the municipality.

Internal audit

66. The internal audit division was outsourced by the municipality and it has performed its duties as required by the MFMA. It is critical that leadership recognise the work of internal audit as a key partner in the accountability chain.
67. In addition leadership does not act on a timeous basis to internal audit's recommendations or reports thereby impacting their effectiveness as an assurance provider to leadership and also resulting in repeat external audit findings.
68. The number of findings flowing from the external audit high-level review of the annual financial statements may be an indication that the review performed by internal audit was not effective.

Audit committee

69. The audit committee was in place and they complied with the relevant legislation. The audit committee promoted accountability through the evaluation and monitoring of the responses to

risks and providing oversight over the effectiveness of the internal control environment, including financial and performance reporting.

70. As with internal audit, leadership does not act on a timeous basis to the audit committee recommendations or reports thereby impacting their effectiveness as an assurance provider and this has also led to repeat external audit findings.
71. The number of high-level findings relating to the financial statements is an indication that the review performed by the audit committee was not effective

Summary

72. The matters above, as they relate to findings on compliance with legislation, will be summarised in the auditor's report as follows:
- Management did not implement adequate daily and monthly controls in some instances and this contributed to misstatements in the annual financial statements submitted for audit purposes.
 - Leadership has not implemented all the disciplines necessary to enable effective oversight that promotes effective and efficient compliance with legislation.
 - The implementation of the audit action plan that was prepared to address the control deficiencies reported in the previous financial year's audit was not adequately monitored, resulting in repeat audit findings, mainly in the area of compliance with legislation.

SECTION 3: Assurance providers and status of implementation of commitments and recommendations

Assessment of assurance providers

73. The annual report is used to report on the financial position of auditees, their performance against predetermined objectives, and overall governance. One of the important oversight functions of the municipal council is to consider auditees' annual reports. To perform this oversight function, they need assurance that the information in the annual report is credible. To this end, the annual report includes our auditor's report, which provides assurance on the credibility of the financial statements and the annual performance report, as well as on the auditee's compliance with legislation.
74. Our reporting and oversight processes reflect on past events, as they take place after the end of the financial year. However, management, the leadership and those charged with governance contribute throughout the year to the credibility of financial and performance information and compliance with legislation by ensuring that adequate internal controls are implemented.
75. We assess the level of assurance provided by these assurance providers based on the status of internal controls (as reported in section 2.6) and the impact of the different role players on these controls. We provide our assessment for this audit cycle below.

First level of assurance

Senior management: provides **some assurance**

- The management had developed and implemented an effective project management for the preparation of annual financial statements, however there are still material misstatements that were identified during the audit due to breakdown in internal controls.
- Management also developed an audit action plan in order to address the prior year reported findings, however, the plan was not effectively implemented specifically the compliance with laws and regulations on supply chain management.

Accounting officer: provides **some assurance**

- The accounting officer supported the audit process from the outset and delegated some of his responsibilities to the CFO to assist him during the audit process. There were still material misstatements identified during the audit and material non-compliance specifically with the supply chain management regulations. The accounting officer needs to pay more attention to these areas in order to improve the audit outcome.

Mayor: provides **some assurance**

- The MFMA requires the mayor to take all reasonable steps to ensure the municipality performs its constitutional and statutory functions within the limits of the municipality's approved budget. The mayor has ensured that the Municipal Manager is held accountable for maintaining the control environment. However section 131 of the MFMA requires the mayor to ensure that the municipality addresses all the issues raised by the Auditor-General in the audit report. The number of repeat audit findings indicates that this was not done adequately.

Second level of assurance

Internal audit unit: provides **some assurance**

- Legislation in South Africa requires the establishment of, and provides for, the roles and responsibilities of internal audit units. Internal audit units must form part of the internal control and governance structures of the municipality and must play an important role in its monitoring activities. Internal audit must provide an independent assessment of the municipality's governance, risk management and internal control processes.
- The internal audit unit of a municipality must prepare a risk-based audit plan and internal audit programme for each financial year. It must advise the accounting officer and report to the audit committee on implementation of the internal audit plan and matters relating to internal audit; internal controls; accounting procedures and practices; risk and risk management; performance management; loss control and compliance with the MFMA. The internal audit unit must also perform such other duties as may be assigned by the accounting officer.
- The municipality outsourced the internal audit function. The function complied with the relevant laws and regulations relating to the internal audit function and conducted its audits in line with the Institute of Internal Auditors. Internal audit carried out the majority of their

risk based audit plan and reported findings to management. Management implemented some of the recommendations made by internal audit during the year. The review of the financial statements by the internal auditors appears not have been effective as the high level review performed by us identified a number of misstatements.

Audit committee: provides some assurance

- The audit committee must be an independent advisory body to the accounting officer and the management and staff of the municipality on matters relating to internal financial control and internal audits; risk management; accounting policies; the adequacy, reliability and accuracy of financial reporting and information; performance management; effective governance; the MFMA and any other applicable legislation; performance evaluation and any other issues.
- The audit committee is also expected to review the annual financial statements to provide an authoritative and credible view of the municipality, its efficiency and effectiveness and its overall level of compliance with the applicable legislation.
- Audit committee meetings were held regularly with attendance of the accounting officer and senior management. Management has implemented some of the recommendations made by audit committee. Furthermore the audit committee reviewed the financial statements and annual performance report prior to the signing and submission for the audit, however the effectiveness thereof is questioned due to the number of misstatements identified by our high level review of the financial statements hence the resulted assessment of the assurance level is assurance.

Third level of assurance

Municipal council: provides some assurance

- The council is responsible for monitoring of performance, policy implementation, outputs and outcomes on a continuous basis, making recommendations to address deficiencies and legislatively defined responsibilities in terms of annual reports, strategic plans and budgets. Council has fulfilled these responsibilities, however council did not ensure that all the irregular as well as fruitless and wasteful expenditure is prevented from reoccurrence in the current year under review.

Municipal public account committee (MPAC): provides some assurance

- The MPAC is responsible for ensuring that resolutions are taken to address deficiencies contained within the AGSA audit report. Additionally, MPAC is responsible for ensuring appropriate actions are taken by the municipality to improve financial and performance management. The MPAC have provided some assurance and have performed responsibilities in terms of their mandate.

Status of implementing commitments and recommendations

76. Below is our assessment of the progress in implementing the commitments made by the municipality to address the previous and current years' audit findings.

No.	Commitment	Made by	Date	Status
1	Ensure that all procurement is done in line with SCM regulations	MM and Mayor	27 November 2017	In progress
2	Investigate all irregular and fruitless and wasteful expenditure	MM and Mayor	27 November 2017	Partially completed

- 13 audit recommendations accepted by management in the previous year on matters included in the auditor's report and other important matters were implemented, or alternative actions were taken to resolve the finding.
- 8 recommendations are still being implemented and 4 have not been addressed, or very limited progress has been made.
- Details on the status of implementing the previous year's recommendations are provided in section 10, which summarises the detailed audit findings.

SECTION 4: Specific focus areas

Financial viability

Our audit included a high-level overview of the municipality's financial viability as at year-end. The financial viability assessment provides useful information for accountability and decision-making purposes and complements the financial statements by providing insights and perspectives thereon. The financial viability assessment is expected to enhance timely remedial decision-making and policy reforms where financial viability may be at risk. It will also highlight to management those issues that may require corrective action and the urgency and magnitude of the reforms and decisions necessary to maintain operations. The information should be used to complement, rather than substitute, management's own financial assessment.

FINANCIAL VIABILITY ASSESSMENT			
		As at 30 June 2020	As at 30 June 2019
Expenditure management			
1.1	Creditor-payment period	171 Days	195 Days
Revenue management			
2.1	Debt-collection period (after impairment)	213 Days	204 Days
2.2	Debt-impairment provision as a percentage of accounts receivable	76%	75%
	<ul style="list-style-type: none"> • Amount of debt-impairment provision • Amount of accounts receivable 	R160 299 975 R210 448 009	R122 689 410 R162 646 015
Asset and liability management			
3.1	A deficit for the year was realised (total expenditure exceeded total revenue)	No	Yes
	<ul style="list-style-type: none"> • Amount of the surplus / (deficit) for the year 	R20 983 859	(R2 128.908)
3.2	A net current liability position was realised (total current liabilities exceeded total current assets)	No	No
	<ul style="list-style-type: none"> • Amount of the net current assets / (liability) position 	R26 363 808	R16 122 077
3.3	A net liability position was realised (total liabilities exceeded total assets)	No	No
	<ul style="list-style-type: none"> • Amount of the net asset / (liability) position 	R336 860 060	R326 117 932
Cash management			
4.1	The year-end bank balance was in overdraft	No	No
	<ul style="list-style-type: none"> • Amount of year-end bank balance (cash and cash equivalents) / (bank overdraft) 	R9 916 850	R21 937 623

FINANCIAL VIABILITY ASSESSMENT			
		As at 30 June 2020	As at 30 June 2019
4.2	Net cash flows for the year from operating activities were negative	No	No
	<ul style="list-style-type: none"> Amount of net cash in / (out)flows for the year from operating activities 	R1 108 945	R37 990 561
4.3	Creditors as a percentage of cash and cash equivalents	322 %	117 %
	<ul style="list-style-type: none"> Amount of creditors (accounts payable) 	R31 910 323	R25 712 778
	<ul style="list-style-type: none"> Amount of cash and cash equivalents / (bank overdraft) at year-end 	R9 916 850	R21 937 623
4.4	Current liabilities as a percentage of next year's budgeted resources **	31%	58%
	<ul style="list-style-type: none"> Amount of current liabilities 	R44 507 491	R50 871 139
	<ul style="list-style-type: none"> Amount of next year's budgeted income ** 	R140 286 181	R88 810 000
Overall assessment			
Overall, the financial viability is assessed as:		Red (unfavourable – intervention required)	Red (unfavourable – intervention required)
<p>** This amount excludes the portion of next year's budgeted resources that is budgeted to be spent on employee costs and remuneration of councillors.</p>			

High-level comments

77. The table above supports management's disclosure in note 48 to the financial statement, where management states that there is a number of conditions that casts doubt over the going concern or financial sustainability of the municipality. Creditor days are alarmingly high and the total creditors at year-end exceeds the cash and cash equivalents. It must also be borne in mind that unspent conditional grants makes up 90% of the cash and cash equivalents. If that is to be taken out of the cash and cash equivalent, then only R1,1 million remains compared to creditors of R32 million.

Procurement and contract management

78. The audit included an assessment of procurement processes, contract management and the related controls in place. These processes and controls must comply with legislation to ensure a fair, equitable, transparent, competitive and cost-effective supply chain management (SCM) system and to reduce the likelihood of fraud, corruption, favouritism and unfair and other irregular practices. A summary of the findings from the audit are as follows:

Irregular expenditure

79. R15,8 million (100%) of the irregular expenditure incurred in the current financial year was as a result of the contravention of SCM legislation. 95% of this irregular expenditure was identified during the audit process and not detected by the municipality's monitoring processes. The root causes of the lack of effective prevention and detection are inadequate review and monitoring of compliance with applicable laws and regulations as well as result of technical interpretations of the government gazette No 43281. Of the irregular expenditure incurred, goods and services were received.

Procurement processes

80. The table below is a summary of findings identified on procurement processes:

	Total		Quotations		Contracts	
	Number	Value R	Number	Value R	Number	Value R
Awards selected for testing	29	R32 474 595	19	R2 065 546	10	R30 409 049
Expenditure incurred on selected awards – current year		R17 673 501		R2 065 546		R15 607 955
Awards where non-compliance was identified	11	R15 974 879	3	R366 924	8	R15 607 955
Irregular expenditure identified	11	R15 974 879	3	R366 924	8	R15 607 955

Procurement processes – general

- Invitations for competitive bids for the procurement of 1 contract to the value of R1 547 929 were not advertised for the required minimum number of days.
- 1 quotation to the value of R47 584 were awarded to a bidder who had not submitted a declaration on whether they are employed by the state or connected to any person employed by the state.
- 8 competitive bids to the value of R15 607 955 were adjudicated by adjudication committees that were not properly constituted.
- 1 quotation was awarded to a bidder who did not score the highest points in the bid evaluations, without justification for the deviation.

Local content and production (designated sectors)

- Specifications for 2 awards to the value of R197 029 did not stipulate the minimum threshold for local production and content.

Internal control deficiencies

81. The municipality did not have a fourth senior manager in the current year under review which led to bid adjudication committee not being properly constituted as required by SCM legislation. In addition management did not comply with requirement of Government Gazette No 43281.
82. The municipality does not have a compliance officer to review and advise on tender processes to ensure that goods procured are under local content to comply with the regulations.

Fraud and consequence management

83. The primary responsibility for preventing and detecting fraud rests with management and those charged with governance. We are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error, and for issuing an auditor's report that includes our opinion. Due to the inherent limitations of an audit, there is a risk that some material misstatements, including fraud, may not be detected.
 - We did not identify any fraud risk indicators during the audit other than the inherent fraud risk relating to procurement and contract management

The MFMA and its regulations clearly stipulate that matters such as incurring unauthorised, irregular and fruitless and wasteful expenditure; the possible abuse of the SCM system (including fraud and improper conduct); and allegations of financial misconduct should be investigated. Disciplinary steps should be taken based on the results of the investigations. Our audits included an assessment of the municipality's management of consequences.

Internal control deficiencies

- No control deficiencies noted

Conditional grants

84. For the financial year under review, the audit included an assessment of the effectiveness of the municipality's use of the following conditional grants received:
 - Water Service Infrastructure Grant (WSIG)
 - Municipal Infrastructure Grant (MIG)
85. No compliance findings were raised on the utilisation of selected grants.

86. For each of the grants tested as per the table above, we selected key projects funded by the grant and audited the use of grants for the projects. The audit findings raised on each project are reported in the table below and/or subsequent sections of the report.

Key projects/initiatives funded by the grant			
Summary of selected key project and result of testing	Details	Details	Details
Name of grant	MIG	WSIG	WSIG
Project/initiative funded by the grant	<i>Drilling of production boreholes in Clarkson</i>	<i>Refurbishment of Kareedow water treatment</i>	<i>Refurbishment of Misgund water treatment</i>
Audit findings			
Planned completion target for the selected project were not achieved	Not finding raised	Not finding raised	Not finding raised
Project stage of completion was not assessed	Not finding raised	Not finding raised	Not finding raised
Project stage of completion assessed by the municipality is incorrect	Not finding raised	Not finding raised	Not finding raised
Findings on the procurement of goods and services for the project	Not audited	Yes	Yes
Misstatements in the accounting for the expenditure relating to the project	Not finding raised	Not finding raised	Not finding raised
Payments were made for goods/services not received	Not finding raised	Not finding raised	Not finding raised

SECTION 5: Using the work of internal auditors

87. The auditing standards allow external auditors the option to use the work of internal audit for external audit purposes and for direct assistance. We have used internal audit as follows:
88. The internal audit reports were used for risk identification at the planning stage of the audit.

SECTION 6: Emerging risks

Accounting, performance management/reporting and compliance matters

New pronouncements

Standards of Generally Recognised Accounting Practice (GRAP)

The ASB has issued the following GRAP pronouncements, with effective dates as indicated:

GRAP pronouncement	Effective date
GRAP 18 on <i>Segment reporting</i>	1 April 2020
GRAP 34 on <i>Separate financial statements</i>	1 April 2020
GRAP 35 on <i>Consolidated financial statements</i>	1 April 2020
GRAP 36 on <i>Investments in associates and joint ventures</i>	1 Apr 2020
GRAP 37 on <i>Joint arrangements</i>	1 April 2020
GRAP 38 on <i>Disclosure of interests in other entities</i>	1 April 2020
GRAP 104 on <i>Financial instruments</i> (revised)	To be determined
GRAP 110 on <i>Living and non-living resources</i>	1 April 2020
IGRAP 20 on <i>Accounting for adjustments to revenue</i>	1 April 2020
Guideline on <i>Accounting for landfill sites</i>	To be determined
Guideline on <i>Application of materiality to financial statements</i>	Voluntary*
* The guideline was issued in April 2019. The guideline is available for immediate consideration to assist entities to apply the concept of materiality when preparing financial statements in accordance with Standards of GRAP. Although the application of the guideline is voluntary, application is encouraged.	

Subsequent events

89. No subsequent event identified to date

Audit findings on matters that may be recognised as material irregularities in future audits

Audit findings identified in the current year

90. The amendments to the PAA and the Material Irregularity Regulations issued in terms of the PAA became effective on 1 April 2019.

91. The amendments introduce the concept of a material irregularity. As per the definition in the PAA, a material irregularity means any non-compliance with, or contravention of, legislation, fraud, theft or a breach of a fiduciary duty, identified during an audit performed under the PAA that resulted in or is likely to result in a material financial loss, the misuse or loss of a material public resource or substantial harm to a public sector institution or the general public.
92. The AG has a statutory discretion to determine the manner in which, and the time frames within which, certain elements of the amendments are implemented. For the 2019-20 audits, the AG opted to apply a phased approach to the handling of material irregularities, which includes implementing the process only at selected auditees.
93. Although Kou-kamma Local Municipality was not selected in this phase of implementation, we highlight the following significant matter that came to our attention during the audit which may be recognised as material irregularities in future when the process is implemented at the municipality.
 - Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA. This gave rise to interest on overdue accounts being incurred.

Audit findings on the annual performance report that may have an impact on the audit opinion in future

94. The planned and reported performance information of selected objectives was audited against the following additional criteria as developed from the performance management reporting framework:
 - Presentation and disclosure – overall presentation:
 - Overall presentation of the performance information in the annual performance report is comparable and understandable.
 - Relevance – completeness of relevant indicators:
 - Completeness of relevant indicators in terms of the auditee’s mandate, including whether:
 - relevant core functions are prioritised in the period under review
 - relevant performance indicators are included for the core functions prioritised in the period under review
95. Material audit findings arising from the audit against the additional criteria do not have an impact on the audit opinion of the selected objectives in this report. However, they may have an impact on the audit opinion in future.
96. No material findings were identified in respect of the additional criteria.

SECTION 8: Ratings of detailed audit findings

97. For the purposes of this report, the detailed audit findings included in annexures A to C have been classified as follows:

- Matters to be included in the auditor's report: these matters should be addressed as a matter of urgency.
- Other important matters: these matters should be addressed to prevent them from leading to material misstatements of the financial statements or material findings on the performance report and compliance with legislation in future.
- Administrative matters: these matters are unlikely to result in material misstatements of the financial statements or material findings on the performance report and compliance with legislation.

SECTION 9: Conclusion

98. The matters communicated throughout this report relate to the three fundamentals of internal control that should be addressed to achieve sustained clean administration. Our staff remain committed to assisting in identifying and communicating good practices to improve governance and accountability and to build public confidence in government's ability to account for public resources in a transparent manner.

Yours sincerely



Andre Stapelberg

Senior Manager: Eastern Cape Business Unit

15 March 2021

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Distribution:

Audit committee

MM

CFO

6.2 Details on issues on issues raised the previous financial year

The report of the Auditor General (AG) on the financial statements and other legal and regulatory requirements for Koukamma Local Municipality for the year ended 30 June 2019

6.2.1 Material uncertainty relating to going concern

The AG indicated that the municipality does not have cash resources available to meet its obligation when they are due resulting to service providers insisting in providing services on cash basis. AG further stated that this condition and other matters set in note 49 of the financial statements, indicates the existence of a material uncertainty that may cast doubt on the municipality's ability to operate as a going concern.

6.2.2 Emphasis of matters

The AG has drawn her attention to the following matters:

6.2.2.1 Irregular expenditure

The AG stated that irregular expenditure of R127 million which was accumulated over the years and has not been covered, written off or condoned in note 34.3 of the financial statements, this includes the irregular expenditure of R7.7 million incurred in the current year in the amount disclosed.

6.2.2.2 Fruitless and wasteful expenditure

The AG stated that the fruitless and wasteful expenditure of R5,3million which has accumulated over the years and has not been covered, written off or condoned in note 34.2 of the financial statements. Irregular expenditure of R289 537 was incurred in the current year and is included in the amount disclosed.

6.2.2.3 Unauthorised expenditure

The AG stated that unauthorised expenditure of R18 million which had accumulated over the years has not been recovered, written off or condoned is disclosed in 34.1 note of the financial statements, including unauthorised expenditure incurred in the current year.

6.2.2.4 Material impairment

The AG indicated that receivables from exchange transaction amounting to R97 million were impaired as disclosed in note 3 of the financial statements. She further stated that receivables from non-exchange transactions

amounting to R34 8 million were impaired as disclosed in note 4 of the financial statements.

6.2.2.5 Material losses

The AG indicated that the municipality incurred material losses relating to water amounting to R11,3 million as disclosed in note 36 of the financial statements.

6.2.2.6 Restatement of corresponding figures

The AG made mention of corresponding figures for 30 June 2018 which were restated as a result of an error in the financial statements of the municipality a year ended 30 June 2019.

6.2.3 Other matters

The AG has drawn her attention on the following matters:

6.2.3.1 Unaudited disclosure notes

The AG recorded that in terms of Section 125 (2) (e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements but was not part of the financial statements and therefore could not express any opinion.

6.2.4 Audit of the annual performance report

6.2.4.1 Usefulness and reliability for the selected key performance areas presented in the report.

6.2.4.1.1 KPA 2: Basic service Delivery and Infrastructure investment

The AG indicated that she did not raise any material findings on the usefulness and reliability of the reported information for this key performance area.

6.2.5 Compliance with legislation

6.2.5.1 Financial statements, performance and annual report

The AG mentioned that the financial statements submitted for auditing were not prepared in all material respects in accordance with requirements of section 122 of the MFMA. She further indicated that material misstatements of non-current assets, current assets, current liabilities, revenue, expenditure and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

6.2.5.2 Consequence management

The AG stated that unauthorised, irregular as well as wasteful and fruitless expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure as required by section 32 (2) (a) and (b)

6.2.5.3 Expenditure management

Reasonable steps were not taken to prevent irregular expenditure of R7.7 million as disclosed in note 34.3 to the financial statements as required by section 61 (1) (d) of the MFMA. Furthermore, AG also stated that reasonable steps were not taken to prevent wasteful and fruitless expenditure of R289 537 as disclosed in note 34.2 to the financial statements, in contravention of section 61 (1) (d) of the MFMA.

AG also made mention of the fact that money owed by the municipalities was not paid within 30 days, and that this is in contravention of section 65 (2) (e) of the MFMA.

6.2.5.4 Procurement and contract management

The AG stated that competitive bids were adjudicated by an adjudication committee that was not composed in accordance with the SCM regulation 29(2). She also indicated that bid documentation for procurement of commodities designated for local content and production did not stipulate the minimum threshold for local production and content as required by the 2017 preferential procurement regulation 8(2)

6.2.5.5 Internal controls deficiencies

AG stated that the leadership of the municipality have not implemented all the disciplines necessary to enable effective oversight that promotes efficiency and effectiveness in compliance with laws and regulations. She also mentioned that effective leadership with regards to consequence management remained a challenge as unauthorised, irregular and fruitless and wasteful expenditure incurred in prior financial years were not investigated.

The AG further stated that there was lack of commitment by leadership to address key control deficiencies identified and that management was slow to respond to recommendations made by the internal and external auditors and this resulted in recurrence of previously reported matters specifically in compliance

6.3. Remedial action taken to address the above and preventative measures




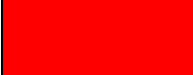
DRAFT AUDIT ACTION PLAN: 2019/20 FINANCIAL YEAR

STATUS OF AUDIT FINDINGS

Reporting date: 6 April 2021

	Number	%
Findings Completed	0	0
Findings: In progress	8	73
Findings: NA	1	9
Findings: Not yet started	2	18
TOTAL FINDINGS	11	100%

LEGEND

Status Completed	
Status: In progress	
Status: NA	
Status: Finding not yet addressed	

EMPHASIS OF MATTERS

1	Going Concern	The municipality does not have enough cash resources available to meet its obligations when they are due. As a result, creditors have insisted on providing services only on a cash basis. These conditions, along with other matters set forth in note 48 of the financial statements, indicate the existence of a material uncertainty that may cast doubt on the municipality's ability to continue operating as a going concern.	7	Review the revenue enhancement plan to improve the collection rate and to maximise all revenue streams.	MM	31/4/2021	6/04/2021	
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2	Unauthorised Expenditure	Unauthorised expenditure of R16 million accumulated over the years, has not been recovered, written off or condoned.	10	R16.1m unauthorised expenditure incurred during 2017/18 FY to be included in IA audit plan for 2019/20FY Report findings to the Audit Committee and MPAC for recommendation(s) Submit the investigation report with recommendations to Council for approval on Fruitless and wasteful expenditure	CFO IA	30/6/2021	6/04/2021	Expenditure reports submitted to IA
3	Material Impairments	Receivables from exchange transactions of R121.5 million (2018/19 R83.2million) and receivables from non-exchange transactions of R38,8 million (2018/19: R27.7 million) were impaired, respectively.	11 &1 2	Review the revenue enhancement plan to improve the collection rate and to maximise all revenue streams.	MM	Ongoing	6/04/2021	
4	Material Losses	The municipality incurred material losses relating to water of R11,5 million (2018/19 11.3 million).	13	Seek Funding for pre-paid water meters installation Activities in accordance with the revenue enhancement plan	Dir. Tech & Com Services	30/6/2021	6/04/2021	

5	Annual Financial Statements	The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of non-current assets, current assets, current liabilities, revenue, expenditure and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and resulting in the financial statements receiving an unqualified audit opinion.	28	An annual financial statement plan will be compiled with timeframes and responsible persons. The plan will allow for oversight by the Audit committee and A2A Kopano	CFO	31/8/2021	6/04/2021	N/A 2020/21 AFS
6	Expenditure Management	Irregular expenditure of R15.8 million (has not been recovered, written off or condoned).	29	<p>Irregular expenditure of R22.2 million incurred during 2017/18 FY, and R 22.2 million 2018/19 FY to be included in IA audit plan for 2019/20FY.</p> <p>Report findings to the Audit Committee and MPAC for recommendation(s)</p> <p>Submit the investigation report with recommendations to Council for approval on irregular expenditure</p>	CFO IA	30/6/2021	6/04/2021	Expenditure reports submitted to IA

7	Expenditure Management	Fruitless and wasteful expenditure of R289 020 has not been recovered, written off or condoned.	30	<p>Fruitless and wasteful expenditure of R1 million incurred during 2017/18 FY, and R289 537 during the 2018/19 FY to be included in IA audit plan for 2019/20 FY</p> <p>Report findings to the Audit Committee and MPAC for recommendation(s)</p> <p>Submit the investigation report with recommendations to Council for approval on Fruitless and wasteful expenditure</p>	CFO IA	30/6/2021	6/04/2021	Expenditure reports submitted to IA
8	Expenditure management	Money owed by the municipality was not always paid within 30 days, as required by section 65(2) (e) of the MFMA.	31	Creditors will be paid within legislative timeframes with immediate effect	CFO	On going	6/04/2021	
9	Consequence Management	Some of the unauthorised, irregular as well as fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) and (b) of the MFMA.	32	Refer to item 2,6 & 7	CFO	30/6/2021	6/04/2021	N/A
10	Procurement and contract management	Some competitive bids were adjudicated by a bid adjudication committee that was not composed in accordance with supply chain management regulation 29(2). Similar non-compliance was also reported in the previous year.	33	Request MEC to condone the composition of the BAC	MM	30/6/2021	6/04/2021	

11	Procurement and contract management	Bid documentation to procure commodities designated for local content and production did not stipulate the minimum threshold for local production and content, as required by the 2017 preferential procurement regulation 8(2).	34	Implementation of preferential procurement regulation 8(2).	CFO	Implemented with immediate effect	6/04/2021	
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7. Annual Performance Report

KPA 4 - FINANCIAL VIABILITY AND MANAGEMENT AND SUSTAINABILITY

Number of projects = 12

	PROGRESS	PERCENTAGE
	Number of projects On Target/Completed = 11	91.66%
	Number of projects Partially achieved = 1	8.3%
	Number of projects Lagging/Not started = 0	0%

Finance have achieved an 91.66% on target/complete projects in the 2019/20 FY.

In 2018/19 Finance has achieved a 92.3% on target/complete projects.

IDP REF	mSCOA LINK	OBJECTIVE	STRATEGY	KPI	BUDGET	YTD EXPENDITURE	% EPENDITURE	ANNUAL TARGET	QUARTERLY REPORT			
									Actual Performance vs Target and reasons for variance (WHY)	On Target In Progress Lagging	Remedial Actions for projects not On Target (HOW)	Prior Year Performance
FV01		Compliance with the MFMA and mSCOA Regulations	Implementation of the MFMA and mSCOA Circulars	mSCOA Compliant Financial System and Annual Budget	Operational	Operational	Operational	Accurate mSCOA Compliant Financial System and Annual Budget	Alignment of verifications complete and accurate	On Target		KKM financial system is Mscoa compliant and all datastrings is green for the 2017/18 financial year.
FV02		Annual Budget compiled inline with the MFMA	Compilation of the Annual Budget	Submission of Final Budget to Council and Treasury for 2020/21	Operational	Operational	Operational	Submission of Final Budget to Council and Treasury for 2020/21	Final Budget adopted by council on the 29/05/2020.	On Target		Tabled to council on the 29th May
FV03		Adjustments Budget compiled inline with the MFMA	Compilation of Adjustments Budget	Submission of Adjustments Budget to Council and Treasury	Operational	Operational	Operational	Submission of Adjustments Budget to Council and Treasury	Council adopted adjustments budget on the 26th Feb 2020	On Target		Tabled to council on the 27th Feb, submitted to NT and PT on the 27th Feb 2018

IDP REF	mSCOA LINK	OBJECTIVE	STRATEGY	KPI	BUDGET	YTD EXPENDITURE	% EPENDITURE	ANNUAL TARGET	QUARTERLY REPORT			
									Actual Performance vs Target and reasons for variance (WHY)	On Target In Progress Lagging	Remedial Actions for projects not On Target (HOW)	Prior Year Performance
FV04		Improvement of the revenue collection rate for the 2019/20 Financial year	Comply with the MFMA and Municipal Property Rates Act	Ensure Increase in Revenue collection by a certain percentage	Operational	Operational	Operational	Increase Service Revenue collection by 10% of the baseline of 18/19 for 2019/20	Collection is 24 249 287,07 for 2019/20, baseline of R22 086 330.06 for 2018/19 fy - collection rate decreased during the period of lockdown	Partially achieved		Not Achieved. Collection for this period R16 633 389 including FBS. Should be R21 727 298
FV05								Increase Rates Revenue collection by 10% of the baseline of 18/19 for 2019/20	Collection for rates is R11 440 853.20 for 2019/20 - baseline is R9 414 576 for 2018/19 fy	On Target		Not Achieved. Collection for this period R9 414 576 including FBS. Should be R14 826 800

IDP REF	mSCOA LINK	OBJECTIVE	STRATEGY	KPI	BUDGET	YTD EXPENDITURE	% EPENDITURE	ANNUAL TARGET	QUARTERLY REPORT			
									Actual Performance vs Target and reasons for variance (WHY)	On Target In Progress Lagging	Remedial Actions for projects not On Target (HOW)	Prior Year Performance
FV06								Increase Traffic Fines Revenue collection by 20% of the baseline of 18/19 for 2019/20	Collection for fines is R4 874 232,76 for 2019/20 - baseline is R1 252 431 for 2018/19 fy	On Target		Not achieved. Collection for this period R1 252 431 Should be R1 844 774
FV07		GRAP compliant Submissions in accordance with the MFMA	Accurate Reporting in Compliance with Legislation	Submit a number of Grap compliant AFS	Operational	Operational	Operational	Grap Compliant AFS	Final AFS submitted to the AGSA on the 29th November 2019	On target		Submitted to AG on the 31 August 2017
FV08				Populate the Schedule B returns and submit to treasury				Schedule B returns and submit to treasury	Submitted to treasury	On target		submitted to PT and NT on the 12th March 2018

IDP REF	mSCOA LINK	OBJECTIVE	STRATEGY	KPI	BUDGET	YTD EXPENDITURE	% EXPENDITURE	ANNUAL TARGET	QUARTERLY REPORT			
									Actual Performance vs Target and reasons for variance (WHY)	On Target In Progress Lagging	Remedial Actions for projects not On Target (HOW)	Prior Year Performance
FV09				Submit a number of reports to Treasury				Submission of 4 Section 52 Reports	Submitted to treasury within 30 days after the quarter ends.	On target		Submitted to PT and NT within 30 days after the end of each quarter
FV10				Submit a number of reports to Treasury				Submission of 12 Section 71 Reports	Submitted to treasury within 10 working days after the month end.	On target		Submitted 11, June not yet due
FV11				Submit a number of reports to Treasury				Submission of 1 section 72 Report	Council adopted s72 report on the 23rd Jan 2020	On target		submitted to PT and NT on the 25th January 2018

IDP REF	mSCOA LINK	OBJECTIVE	STRATEGY	KPI	BUDGET	YTD EXPENDITURE	% EPENDITURE	ANNUAL TARGET	QUARTERLY REPORT			
									Actual Performance vs Target and reasons for variance (WHY)	On Target In Progress Lagging	Remedial Actions for projects not On Target (HOW)	Prior Year Performance
FV12		Compliance to AG Findings of 2018/19 FY	Implementation of the Audit Action Plan	Implementation of the AG Findings in Audit Action Plan	Operational	Operational	Operational	100% implementation of the AG Findings in Audit Action Plan	100% implementation - Report submitted to Audit Committee Quarterly	On Target		100 % Audit plan compiled and implemented and on target

KPA 5 - GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Number of projects = 8

	PROGRESS	PERCENTAGE
	Number of projects On Target/Completed = 7	87.5%
	Number of Projects in Progress = 0	0%
	Number of Projects Lagging/Not Started = 1	12.5%

Good Governance has achieved 87.5% on target projects for the 2019/20 FY; in 2018/19 the department achieved 75% on target.

IDP REF	mSCOA LINK	OBJECTIVE	STRATEGY	KPI	BUDGET	YTD EXPENDITURE	% EXPENDITURE	ANNUAL TARGET	QUARTERLY REPORT			
									Actual Performance vs Target and reasons for variance (WHY)	On Target In Progress Lagging	Remedial Actions for projects not On Target (HOW)	Prior Year Performance 2018/19
GGPPO 1		IDP Review for the 2020/21 financial year	Implementation of the Municipal Systems Act	Reviewed IDP 2020/2021	Operational	Operational	Operational	Adoption of the reviewed IDP for the 2020/21 FY	Final IDP 2020/21 adopted by Council on the 29 May 2020	On Target		Final IDP 2019/20 FY approved by Council on the 28 May 2019
GGPPO 2		Establishment of 6 Ward Committees in Koukamma 2019/20	Implementation of the Municipal Systems Act	Number of Ward Committees Reports	Operational	Operational	Operational	24 Ward Committee Reports	24 Ward Committee reports received	On Target		23 Ward Committee Reports
GGPPO 3		Monitoring and application of Performance Management Systems	Compliance of the Performance Management Framework	Conclude a number of Performance Management Reports	Operational	Operational	Operational	Conclude and sign off 4 Performance Reviews	0 Performance reviews conducted	Lagging	Performance reviews to be conducted on the automated system - annual panel performance reviews to be concluded by the 31/10/2020	2 performance review sessions conducted (Quarter 1 and Quarter 2)

IDP REF	mSCOA LINK	OBJECTIVE	STRATEGY	KPI	BUDGET	YTD EXPENDITURE	% EXPENDITURE	ANNUAL TARGET	QUARTERLY REPORT			
									Actual Performance vs Target and reasons for variance (WHY)	On Target In Progress Lagging	Remedial Actions for projects not On Target (HOW)	Prior Year Performance 2018/19
GGPPO 4		Monitoring and application of Performance Management Systems	Compliance of the Performance Management Framework	Conclude a number of Performance Management Reports	Operational	Operational	Operational	Council approval of 4 SDBIP quarterly reports	4 SDBIP reports submitted to Council for approval (Annual Performance 2019/20 - 27/08/19; Q1 - 03/12/19 Q2 - 03/01/20 Q3 - 20/08/20)	On Target		4 SDBIP quarterly reports approved. Annual Performance Report 2017/18, Q1 Report, Q2 Report, S72 Report, Q3 Report have all been submitted to Audit Committee and Council.
GGPPO 5		Effective functioning of MPAC in the 2019/20 Financial Year	Improved oversight role of MPAC	Conduct a number of MPAC meetings	Operational	Operational	Operational	4 MPAC meetings	6 MPAC meetings held 1/07/2019; 18/07/2019; 23/08/2019; 19/11/2019; 28/01/2020; 30/01/2020; 14/02/2020	On Target		4 Meetings held - 12/09/2018, 20/11/2018, 05/02/2019, 21/06/2019

IDP REF	mSCOA LINK	OBJECTIVE	STRATEGY	KPI	BUDGET	YTD EXPENDITURE	% EXPENDITURE	ANNUAL TARGET	QUARTERLY REPORT			
									Actual Performance vs Target and reasons for variance (WHY)	On Target In Progress Lagging	Remedial Actions for projects not On Target (HOW)	Prior Year Performance 2018/19
GGPP06		Effective functioning of Audit Committee in the 2019/20 Financial Year	Improved advisory role Audit Committee	Conduct a number of Audit Committee meetings	Operational	Operational	Operational	4 Audit Committee meetings	5 Audit Committee meetings held on 20/08/2019, 17/10/2019, 26/10/2019, 05/03/2020, 22/05/2020	On Target		5 Meetings conducted - 27/07/2018, 28/08/2018, 16/10/2018, 25/02/2019, 16/05/2019
GGPP07		Effective Functioning of the internal Audit 2019/20	Implementation of the Internal Audit Plan	A number of internal Audit Reports	Operational	Operational	Operational	4 Internal Audit Reports	4 Internal audit reports submitted to AC (20/08/19; 26/10/19; 05/03/20; 22/05/20)	On Target		4 Internal Audit reports have been submitted to the Audit Committee Meetings

IDP REF	mSCOA LINK	OBJECTIVE	STRATEGY	KPI	BUDGET	YTD EXPENDITURE	% EXPENDITURE	ANNUAL TARGET	QUARTERLY REPORT			
									Actual Performance vs Target and reasons for variance (WHY)	On Target In Progress Lagging	Remedial Actions for projects not On Target (HOW)	Prior Year Performance 2018/19
GGPP08		Compliance to the Municipal Systems Act	Compilation of the Annual Report 2018/19	Development of the Annual Report 2018/19FY	Operational	Operational	Operational	Approved Annual Report for 2018/19 FY	Final Annual Report approved by Council on the 24 March 2020	On Target		Annual Report was approved by Council on the March 2018. On the 5 April submitted to all relevant departments as required by legislation.

OVERALL

Total number of projects = 58

	PROGRESS	PERCENTAGE
	Number of projects On Target/Completed = 37	63.8%
	Number of Projects Partially achieved / In Progress = 11	19%
	Number of Projects Lagging/Not Started = 10	17.2%

Total Budget versus Expenditure:

<u>Budget</u>	<u>Expenditure</u>	<u>Expenditure %</u>
R48 805 643.97	R 40 493 565.44	<u>82.96%</u>

In the 2019/20 financial year 63.8% of the set targets in the SDBIP were achieved, 19% are still in progress whilst 17.2% have not started/lagging.

Total budget expenditure is 82.96%

In the 2018/19 financial year 59.3% of the set targets were achieved.

1. CONCLUSION

The Koukamma Municipality herewith presents the Draft Annual Performance Report for the 2019/20 financial year.

Koukamma is depending largely on grants and external funding to execute and uphold the principle of Back to Basics; hence we acknowledge that not all the projects as indicated in the IDP could be implemented in this financial year. It is however important to note that the IDP is spread over a period of 5 years (2017-2022).

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

8. Annual Audit Committee Report

KOUKAMMA MUNICIPALITY

REPORT OF THE AUDIT COMMITTEE FOR THE YEAR ENDED 30 JUNE 2020

The Audit Committee (AC) is pleased to present its report for the financial year ended 30 June 2020, in accordance with sections 166(2) and (3) of the Local Government: Municipal Finance Management Act, No 56 of 2003 (MFMA) read with the related Treasury Regulations, National Treasury Internal Audit Framework, MFMA Circular 65 and applicable Council resolutions.

In line with its strategic commitment to be a well-governed municipality, Koukamma Municipality strives for effective oversight and monitoring of its governance structures. Critical to the achievement of this aim is a competent and independent Audit Committee that is supported by management and council.

AUDIT COMMITTEE'S LEGISLATIVE ROLES AND RESPONSIBILITIES

The Audit Committee is constituted in terms of sections 166(1) and (2) and 166(6)(b) of the Local Government: Municipal Finance Management Act, No 56 of 2003 (MFMA) read with the applicable Treasury Regulations. The Audit Committee is an independent advisory body which must advise the municipal council, the political office bearers, the accounting officer and the management and staff of the municipality on matters relating to :

- Internal financial control and internal audits
- Risk management
- Accounting policies
- The adequacy, reliability and accuracy of financial reporting, records and information
- Performance management
- Effective governance
- Compliance with the MFMA, the annual Division of Revenue Act and any other applicable legislation
- Performance evaluation
- Any other matter referred to it by the institution

Sections 166(2)(b), (c), (d) and (e) of the MFMA also requires the Audit Committee to review the Annual

Financial Statements and respond to Council on matters raised by the Auditor-General of South Africa (AGSA) in the management letter and audit report, carry out such investigations into the financial affairs of the municipality and to perform such other functions as may be prescribed by Council.

The role and responsibilities of the AC are set out in the AC Charter which was approved during September 2019. The Charter is reviewed annually, or when the need arises, by Council, taking into account relevant legislative precepts which may be applicable thereto and recommended good practice. The AC endeavours at all times to conduct its oversight role in compliance with its Charter and the provisions of the MFMA.

The advice tendered by the AC is recorded in the minutes of the various meetings and reports presented to the MPAC and Council.

AUDIT COMMITTEE MEMBERS AND ATTENDANCE

The Charter makes provision for three independent external members who have the relevant qualifications and experience to render the services associated with the committee’s functions. All the AC members are appointed on three year contracts, commencing at different times, allowing for continuity within the committee.

The Municipal Manager, Internal Audit, all Directors, the office of the Auditor-General of South Africa, the MPAC chairperson, National Treasury, SALGA and COGTA have standing invitations to all AC meetings. All committee members participate in meetings with commitment and objectivity.

During the year under review 4 ordinary committee meetings and 1 special committee meetings were held.

Below is a summary of the meeting attendance of the 3 members during the year ended 30 June 2020:

Member	Appointment date	Number of meetings attend
Ms M Wait (Previous Chairperson)	1 August 2016	Two
Ms R Shaw (Current Chairperson)	4 December 2019	Three
Mr D de Lange	1 January 2018	Five
Mr S Tandani	1 January 2018	Four

Ms Wait no longer serves on the Audit Committee since the end of November 2019

EFFECTIVENESS OF INTERNAL CONTROLS

The systems of internal control are the legislative responsibility of the accounting officer and senior executive management as required by the MFMA, read in conjunction with National Treasury Audit and Risk Framework, MFMA Circular 65 and International Standards for the Professional Practice of Internal Auditing.

The Internal Audit function is outsourced. The unit operates in terms of an Internal Audit Charter and an annually approved internal audit plan. The AC reviewed the three year rolling internal audit plan compiled by Internal Audit together with the annual internal audit plan. The annual internal audit plan is based on the outcomes of the annual Risk Assessment workshop facilitated by Internal Audit and was prepared taking cognizance of those identified emerging and residual risks identified by the Risk Management Unit.

Internal Audit did not perform any internal audit projects since lockdown was announced by President Cyril Ramaposa during March 2020 until the end of the financial year, with the result that only part of the approved 2019/20 internal audit plan was executed and completed. This could have the following negative consequences:

- That the risks identified in the risk assessment for 2019/2020 were not appropriately mitigated within the control environment resulting in the municipality not being sufficiently safeguarded against risks relating to internal control and compliance monitoring.

- Limiting Internal Audit’s ability to recommend internal control enhancements where necessary which could have an adverse effect on the municipality’s control environment?

- Potential fraud could go undetected

The AC would like to stress the importance of promptly implementing recommendations made by Internal Audit and AGSA's assurance reports as this will have a meaningful impact on the reported control environment whilst also mitigating the risk of potential fraud. Delayed management responses to exceptions raised by Internal Audit hampers the effectiveness of Internal Audit to enhance internal controls within the institution. Management is encouraged to address the internal control deficiencies in order to improve the audit outcomes of the municipality and ultimately achieve clean administration.

Management should promote a culture in which administrative controls are constantly improved and where evidence of accountability and consequence management remains a key focus

FINANCIAL REPORTING

Audit Action Plan

The AC did not receive a quarterly Audit Action Plan update for its consideration and input. It is imperative that addressing AGSA's findings is prioritized to avoid any repeat findings.

Debt Collection

The debt collection rate has dropped to an alarming 42.01% in the fourth quarter ending 30 June 2020. It is a well-known fact that the Covid-19 pandemic has had a devastating effect on people's ability to meet their financial commitments and this reality is putting immense pressure on the municipality's cash flow.

Addressing the outstanding debt of some staff members and councillors in line with the regulations as set out in the Local Government: Municipal Systems Act, 32 of 2000 should be prioritised. It is of paramount importance that the political leadership sets the correct tone at the top and lead by example and that the municipality applies its credit control policy consistently across the board without fear or favour .

Going Concern

As it is impossible to predict for how long the pandemic will still be around, it is not possible to forecast future cash flows with any amount of certainty and accuracy. The AC recommended that, to absorb and counter the impact of Covid-19 on its financial performance and deteriorating liquidity position, the municipality needs to:

- make a concerted effort to decrease its cash outflows by introducing stringent cost containment measures
- implement and apply its revenue collection strategy consistently and persistently
- undertake a long-term financial sustainability assessment to determine whether it will be able to meet its financial commitments in the medium to long-term and take the appropriate action where necessary

EVALUATION OF THE ANNUAL FINANCIAL STATEMENTS

The AC

- reviewed and discussed the municipality's annual financial statements for the 2019/20 financial year
- reviewed the draft annual performance report for the 2019/2020 financial year before submission to AGSA for audit purposes

The AC furthermore considered AGSA's management report and will monitor management's response thereto.

The AC concurs with and accepts AGSA's opinion and report on the municipality's annual financial statements for the 2019/20 financial year. The municipality has sustained its unqualified audit opinion with emphasis of matters.

RISK MANAGEMENT

The Risk Management function is a requirement in terms of the MFMA and guided by the principles as set out in the King 1V Report on Governance as well as the Public Sector Risk Management Framework issued by National Treasury. The AC, in terms of the MFMA section 166(2) (a)(II) is required to provide oversight of the risk management process of the municipality. To this end Risk Management is a standing item on the AC's agenda.

Internal Audit assisted the municipality with the risk management processes, it is important for management to ensure that the risks identified in the risk assessment are appropriately mitigated within the control environment, failing which the municipality will not be sufficiently safeguarded against risks relating to internal control and compliance monitoring

The Risk Management Committee keeps the AC abreast of strategic and operational risks that may impact the long-term sustainability of the municipality and reports to the AC on a quarterly basis. The AC recommended that Risk Management be incorporated on the performance scorecards of the directors to ensure ownership of risks. It is imperative that risk management be integrated in all activities of the municipality.

PERFORMANCE MANAGEMENT

The AC reviews the quarterly submitted on performances management. In reviewing performance management system, the committee focuses on performance targets set by the municipality as well as the risk to the municipality if targets are not attained. It is commendable that AGSA did not raise any material findings on the usefulness and reliability of the reported performance information that was under review.

THE EFFECTIVENESS OF THE INTERNAL AUDIT FUNCTION

Due to the lockdown, Internal Audit was unable to complete the audit projects planned for the 2019/2020 financial period and requested the carry-over of certain internal audit projects to the 2020/21 financial period

Internal Audit was not present at the virtual third quarter AC meeting. At the fourth quarter AC meeting, the AC was informed that due to the Covid-19 lockdown no internal audit work had been conducted from March 2020 till year end. This is disappointing as certain audit projects could have been done and completed remotely.

Internal audit had been requested to conduct the following ad hoc audits:

- Review of the banking of cash' at the request of Management as fraud was suspected
- Review of Overtime' at the request of the AC as abuse / potential excessive claims were suspected which resulted in the contravention of the Basic Conditions of Employment Act, 1997 neither of which were performed during the year under review.

EFFECTIVE GOVERNANCE AND ETHICS

Reported unauthorized, irregular and fruitless and wasteful expenditure continues to be significant wherein an emphasis of matter was once again raised by AGSA. Such expenditure has been allowed to accumulate over the years and has not been recovered, written off or condoned. It is of paramount importance that Unauthorised, Irregular, Fruitless and Wasteful Expenditure in future be addressed decisively in a timely and appropriate manner to prevent amounts from accumulating year on year. To avoid large accumulated balances at year-end, the AC recommended that these expenses be dealt with by the relevant structures on quarterly basis. Steps should be taken as required by section 62(1)(d) of the MFMA to address expenditure management deficiencies and to prevent irregular expenditure from being incurred.

The following non-compliance issues have come to the AC's attention

- Clear non-compliance with the Basic Conditions of Employment Act when it comes to overtime payments within the institution.

- Internal Audit found that the municipality was not complying with

Waste management laws and

Certain license requirements.

Leadership has not implemented all the disciplines necessary to enable effective oversight that promotes efficiency and effectiveness in compliance with laws and regulations.

When the AG, Tsakani Maluleke, presented the audit outcomes of the 2019/2020 financial year, she emphasized the following:

- Consequences for wrongdoing including failure to stick to laws or maintain internal controls, were key to good public finance management.

- Her office would not hesitate to issue certificates of debt if accounting officers wouldn't take action to curb wasteful and irregular expenditure

It is Management's responsibility to build an environment of ethical behaviour with visible discipline and accountability being auctioned where necessary. There is still an absence of swift, consistent and decisive consequence management to drive proper accountability within the institution

It is of the utmost importance to ensure that professional conduct and ethics are upheld at the highest level by both municipal staff and consultants at all times.

CONCLUSION

The AC fully supports the municipality in implementing its vision and strategies, giving due consideration to the economic and social challenges facing the municipality and its residents. The AC is mindful that sustained service delivery must be underpinned by good governance and sound administration

The AC wished to express its appreciation towards council, management, internal audit and AGSA who assist the committee in performing its functions effectively and efficiently.

A handwritten signature in black ink, consisting of a vertical line with a small loop at the top, followed by a horizontal line that ends in an arrowhead pointing to the right.

R Shaw CA (SA)

Chairperson Audit Committee

8 April 2021

APPENDIXES DESCRIPTIONS (A-T)

APPENDIX B: COMMITTEE AND COMMITTEE PURPOSE

PLEASE REFER TO CHAPTER 2 (2.4.7.1)

APPENDIX C: ORGANOGRAM

PLEASE REFER TO CHAPTER 4 (*Page 131-147*)

APPENDIX D: FUNCTIONS & POWERS OF MUNICIPALITY

8.3 General- (1) A municipality has the functions and powers assigned to it in terms of sections 156 and 229 of the Constitution.

(2) The functions and powers referred to in subsection (1) must be divided in the case of a district municipality and the local municipalities within the area of the district municipality, as set out in this Chapter.

(3) A district municipality must seek to achieve the integrated, sustainable and equitable social and economic development its area as a whole by-

- a) Ensuring integrated development planning for the district as a whole;
- b) Promoting bulk infrastructural development and services for the district as a whole;
- c) Building the capacity of local municipalities in its area to perform their functions and exercise their powers where such capacity is lacking; and
- d) Promoting the equitable distribution of resources between the local municipalities in its area to ensure appropriate levels of municipal services with in its area.

8.4. Division of functions and powers between district and local municipalities.-(1) A district municipality has the following functions and powers-

- a) Integrated development planning for the district municipality as a whole, including a framework for integrated development plans of all municipalities in the area of the district municipality.
- b) Potable water supply systems.
- c) Bulk supply of electricity, which includes for the purposes of such supply, the transmission, distribution and, where applicable, the generation of electricity.
- d) Domestic waste-water and sewerage disposal systems.
- e) Solid waste disposal sites, in so far as it relates to
 - i. The determination of a waste disposal strategy;
 - ii. The regulation of water disposal;
 - iii. The establishment, operation and control of waste disposal sites, bulk waste transfer facilities and waste disposal facilities for more than one local municipality in the district.
- f) Municipal roads which form an integral part of a road transport system for the area of the district municipal as a whole.
- g) Regulation of passenger transport services.
- h) Municipal airports serving the area of the district municipality as a whole.
- i) Municipal health services.
- j) Firefighting services serving the area of the district municipality as a whole, which includes-?
 - i. planning, co-ordination and regulation of fire services;
 - ii. specialised firefighting services such as mountain, veld and chemical fire services;

- iii. co-ordination of the standardization of infrastructure, vehicles equipment and procedures;
 - iv. training of fire officers.
- k) The establishment conduct and control of fresh produce markets and abattoirs services the area of a major proportion of the municipalities in the district.
 - l) The establishment conduct and control of cemeteries and crematoria serving the area of a major proportion of municipalities in the district.
 - m) Proportion of local tourism for the area of the district municipality.
 - n) Municipal public works relating to any of the above functions or any other functions assigned to the district municipality.
 - o) The receipt, allocation and, if applicable, the distribution of grants made to the district municipality.
 - p) The imposition and collection of taxes, levies and duties as related to the above functions or as may be assigned to the district municipality in terms of national legislation.

(2) A local municipality has the functions and powers referred to in section 83 (1), excluding those functions and powers vested in terms of subsection (1) of this section in the district municipality in whose area it falls.

(3) (a) The Minister may, by notice in the Government Gazette, and after consultation with the Cabinet member responsible for the functional area in question, and after consulting the MEC for local government in the province and, if applicable, subject to national legislation, authorize a local municipality to perform a function or exercise a power mentioned in subsection (1)(b), (c),(d) or (i) in its area or any aspect of such function or power.

(b) The Minister must in the notice referred to in paragraph (a) regulate the legal, practical and other consequences of the authorization, which may include-

- i. the transfer of staff.
- ii. the transfer of assets, liabilities, rights and obligations, and administrative and other records; and
- iii. the continued application of any by-laws and resolutions in the area of the municipalities concerned and the extent of such application.

(c) The Minister may-

- i. Amend a notice issued in terms of paragraph (a); and
- ii. Regulate the legal, practical and other consequences of such amendment.

(d) Whenever the Minister revokes an authorization envisaged by paragraph (a) the Minister must in the notice revoking that authorization regulate the legal, practical and other consequences of the revocation, which may include-

- i. the transfer of staff;

- ii. the transfer of assets, liabilities, rights, obligations and administrative and other records; and
- iii. the continued application of any by-laws and resolutions in the area of the municipalities in question and the extent of such application.

(e) The Minister must comply with the consultation requirements as set out in paragraph (a) when a power referred to in paragraph (c) or (d) is to be exercised.

(4) (a) Subject to paragraph (c), any authorization, amendment of an authorization or revocation of any authorization under subsection (3) takes effect on the commencement date of the municipal financial year following the date of publication of the notice effecting such authorization or amendment or revocation.

(b) The Minister must inform the Minister responsible for finance of his or her intention to publish a notice contemplated in paragraph (a) at least six months before the notice is to take effect in terms of that paragraph.

(c) Paragraph (a) does not apply if any authorisation, amendment of an authorization or revocation of an authorization under subsection (3) is to coincide with an election of the council of an affected municipality.

8.5. Adjustment of division of functions and powers between district and local municipalities. (1) The MEC for local government in a province may, subject to the other provisions of this section, adjust the division of functions and powers between a district and a local municipality as set out in section 84 (1) or (2), by allocating, within a prescribed policy framework, any of those functions or powers vested-

- a) in the local municipality, to the district municipality; or
in the district municipality (excluding a function or power referred to in section 84 (1)(a), (b),(c),(d),(i),(o), or (p), to the local municipality.

(2) An MEC may allocate a function or power in terms of subsection (1) only if-

- a) The municipality in which the function or power is vested lacks the capacity to perform that function or exercise that power; and
- b) The MEC has consulted the Demarcation Board and considered its assessment of the capacity of the municipality concerned.

(3) Subsection (2) (b) does not apply if the Demarcation Board omits to comply with subsection (4) within a reasonable period.

(4) The Demarcation Board must-

(a) Consider the capacity of a district or local municipality to perform the functions and exercise the powers vested in the municipality in terms of section 84 (1) or (2) when-

- i. Determining or re-determining the boundaries of the district and the local municipalities; or
- ii. Request in terms of subsection (2) (b) by the MEC for local government in the province concerned to do so; and

(b) Convey its assessment in writing to the relevant MEC.

(5) If an MEC disagrees with the Demarcation Board on the capacity of the district or local municipality and adjusts the division of the functions and powers between the district and local municipality, or refuses to adjust the division, contrary to the assessment of the Demarcation Board, the MEC must furnish reasons to the relevant municipalities and the Minister before finalizing and adjustment in terms of subsection (1).

(6) Any adjustment of the division of functions and powers by way of an allocation in terms of subsection (1) or re-allocation in terms of subsection (9) must be reflected in the notices referred to in section 12 which establish the municipalities concerned. Where applicable the legal, practical and other consequences of the allocation or re-allocation must be regulated, including-

- a) the transfer of staff;
- b) the transfer of assets, liabilities and administrative and other records; and
- c) the continued application of any by-laws, regulations and resolutions in the area or the municipalities concerned and the extent of such application.

(7) The Minister may by notice in the *Government Gazette* and after consulting the MEC for local government and the municipalities concerned-

- a) vary or withdraw any allocation of a function or power in terms of subsection (1) or re-allocation of a function or power in terms of subsection (9); or
- b) adjust the division of functions and powers between a district and local municipality if the MEC has refused to make an adjustment in accordance with the assessment of the Demarcation Board.

(8) The MEC must amend the relevant section 12 notice to give effect to any variation or withdrawal of any allocation or re-allocation in terms of subsection (7).

(9) (a) if a function or power has been allocated in term of subsection (1) the MEC for local government in the province must regularly review the capacity of the relevant municipality and re-allocate that function or power to that municipality when that municipality acquires the capacity to perform that function or exercise that power.

A re-allocation in terms of paragraph (a) must be made with the concurrence of the receiving municipality or, in the absence of such concurrence, after having consulted the Demarcation Board.

(9A) (a) Subject to paragraph (c), any adjustment of the division of functions and powers under this section takes effect on the commencement date of the municipal financial year following the date of publication of the notice effecting such adjustment.

(b) The MEC or Minister, as the case may be, must inform the national Minister responsible for finance of his or her intention to publish a notice contemplated in paragraph (a) at least four months before the notice is to take effect in terms of that paragraph.

(c) Paragraph (a) does not apply if any adjustment of the division of powers and functions under this section is to coincide with an election of the council of an affected municipality.

(d) The Minister of Finance may, in exceptional cases, including those referred to in section 87 of Municipal Structures

Act, 1998 (Act No. 117 of 1998), decide on a different or shorter period than the period referred to in a paragraph (a) and (b).

(10) This section does not apply before the date of the first elections of municipal councils in terms of this Act.

86 Resolution of disputes concerning performance of functions or exercise of powers-If a dispute arises between a district and a local municipality concerning the performance of a function or the exercise of a power, the MEC for local government in the province, after consulting them, may, by notice in the *Provincial Gazette*, resolve the dispute by defining their respective roles in the performance of that function or in the exercise of that power.

87. Temporary allocation of functions and powers.-(1) if the provision of basic services by a district or local municipality collapses or likely to collapse because of that municipality's lack of capacity or for any other reason, the MEC for local government in the province may, after written notice to the district or local municipality and with immediate effect, allocate any functions and powers necessary to restore or maintain those basic services, to a local municipality which falls within that district municipality or to the district municipality in whose area that local municipality falls, as the case may be.

(2) The district or local municipality may lodge a written objection against the allocation to the Minister, who may confirm, vary or withdraw the allocation after having consulted the Demarcation Board.

(3) If the district or local municipality does not lodge a written objection against the allocation to the Minister within 14 days of the notice referred to in subsection (1), the municipality is regarded as having consented to the allocation.

(4) The MEC for local government must re-allocate that function or power for the original municipality when that municipality is in a position to resume the provision of those basic services.

88. Co-operation between district and local municipalities.-(1) A district municipality and the local municipalities within the area of that district municipality must co-operate with one another by assisting and supporting each other.

(2)(a) A district municipality on request by a local municipality within its area may provide financial, technical and administrative support services to that local municipality to the extent that district municipality has the capacity to provide those support services.

(b) A local municipality on request of a district municipality in whose area that local municipality falls may provide financial, technical and administrative support services to that district municipality to the extent that local municipality has the capacity to provide those support services.

(c) A local municipality may provide financial, technical or administrative support services to another local municipality within the area of the same district municipality to the extent that it has the capacity to provide those support services, if the district municipality or that local municipality so requests.

(3) The MEC for local government in a province must assist a district municipality to provide support services to a local municipality

89. District management area.- In district management areas, the district municipality has all the municipal functions and powers.

Appendix “E” Ward Reporting

Ward	Ward Committee	Sector	Reports Submitted	Feedback	Challenges	Measures Taken	Comment
Ward 1	Zandisile Tshambu Anita Wildeman Antonie Miggels Mantombi Nketyana Christian Alven Gladys Soyi Lucinda Steenbok Ronnie Windvogel Marie Damons	Community Rep Health Disabled Louterwater Water & Sanitation Youth Women Sport Sport	Yes	No	Not calling constituency meeting as often as required	To ensure that constituency meetings are called quarterly to give feedback to communities	To organise induction training for all the Ward Committee Members in September 2018.
Ward 2	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ward 3	Suzie Jacobs Velile Koyo Jimmy Human Alfred Mazungula Unathi Mputo Christo Tana Dadley Maasdorp Evelyn Salmons Godfrey Bosman Madgelena Bukasi	Education Stock Farmers Religion Disability Youth Sport Business Health Community Rep Women	Yes				
Ward 4	Gerrit Jacobs Yvonne Ntombayiteti Nwabisa Stefaans Christo Herselman Kobus Pentrie Elvis Klaasen	Uitkyk New Rest Kagiso Heights Town Central Mountain View Business					

	Peter Kapank Nopinkie Mildred Hanise	Churches Youth Forum Women					
Ward 5	Eugene Afrika Zukiswa Nyanda Edward Prinsloo Channon May Elizabeth Williams Phindile Lebengu Caroline Marhaba Merencia Champion Winston Kettleidas Lumphile Hlela	Youth Women Church Hermanskraal Community Rep Clinic Rep Education Guava Juice Eersterivier Rep Snyklip					
Ward 6	Piet Mzalwane Bob Reed John Busakwe Clive Nelson Jacky Joseph Tandiswa Msizi Linton Cunningham Mcedi Tunzi Rico May Rensia Gillies	Mandela Park Ratepayers Stormsriver Thornham Blikkiesdorp Youth Komansboos Clinic/Health Tourism Woman					

APPENDIX F: PROJECTS PER WARD

APPENDIX G : RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE

**KOUKAMMA LOCAL MUNICIPALITY
EXTENT OF IMPLEMENTATION OF AUDIT COMMITTEE RECOMMENDATIONS**

<u>AUDIT COMMITTEE AGENDA ITEMS</u>	<u>DISCUSSIONS</u>	<u>RESOLUTIONS</u>	<u>BY-WHO</u>	<u>BY-WHEN</u>
1. MATTERS FOR DISCUSSION				
1.1 THE RISK MANAGEMENT COMMITTEE FEEDBACK TO THE AUDIT COMMITTEE.	The functioning of the Risk Management Committee of Koukamma Municipality was reported in. It was reported that was the Risk Committee discussed , updated and completed the Risk Register at its meeting held on 15 April 2019	Resolved That the Risk Register be annexed to future reports so that the Committee could keep track of the identified Risks. That the top 10 risks be identified and tabled at the next meeting.	Internal Audit	Next meeting
1.2 FEEDBACK FROM MANAGEMENT ON ANTI-CORRUPTION AND FRAUD PROGRAMMES TO THE AUDIT COMMITTEE.	The Municipality had developed and implemented a Anti-Corruption and Fraud prevention Policy, and an Annual programme was developed to deal with the creation of awareness amongst all employees.	Resolved 1. That the Municipality must have in place, a free reporting hotline by the 2020/21 financial year.	Accounting Officer	ASAP

		<p>2. That the Municipal Manager ensure the development of Anti-Corruption and Fraud Programmes.</p> <p>3. That the Committee consider a Whistle Blowing Policy.</p>		
1.3 IMPLEMENTATION OF THE INFORMATION TECHNOLOGY AND COMMUNICATION (ICT) GOVERNANCE FRAMEWORK STRATEGY.	The Committee considered a report on the Implementation of the Municipality's Information Technology And Communication (ICT) Strategy.	Resolved That the ICT Strategy be reviewed and aligned to the IDP objectives by August 2019.	Director: Corporate Services	31 August 2019
1.4 MINUTES OF THE ICT STEERING COMMITTEE.	The Audit Committee expressed the view that it needed to be regularly provided with the minutes of the ICT Steering Committee.	Resolved That the Minutes and Terms of Reference of the ITC Steering Committee be made available at next meeting of the Audit Committee	Director: Corporate Services	N/A
1.5 THE DISASTER RECOVERY PLAN TO THE AUDIT COMMITTEE.	The Committee considered the report on the Disaster Recovery Plan which needed to be reviewed as a review was long overdue.	Resolved That the Sarah Baartman District Municipality, be requested to assist with the review process, with the Disaster Recovery Plan of the Municipality being reviewed before the end of the financial year.	Director: Corporate Services	30 November 2019

1.6 THE THIRD QUARTER ON THE IMPLEMENTATION OF THE BUDGET.(SECTION 52)	The Committee considered the report from Finance and noted that a roll-over application would have to made for the WSIG grants as the money was received late.	Resolved That the report be noted	CFO	31 June 2019
1.8 REPORT ON 2017/2018 AUDIT ACTION PLAN AND MATTERS OF EMPHASIS	The Committee considered the report attached hereto as ANNEXURE A, in order to address the matter.	Resolved That the report be noted	CFO	31 June 2020
1.9 SUPPLY CHAIN REPORT ON CONTRACTS AWARDED ABOVE R200 000 AND THE SCM DEVIATIONS MADE	The Committee considered the report from Finance and suggested that the SCM Unit should update the Contracts register quarterly.	Resolved That the report be noted	CFO	31 June 2020
1.10 REPORT ON FRUITLESS WASTEFUL AND IRREGULAR EXPENDITURE AS AT MARCH 2019	The Committee considered the report from Finance.	Resolved That the report be noted	CFO	31 June 2020
1.11 REPORT ON UNACCOUNTED FOR WATER LOSSES AND LOSS OF POTENTIAL REVENUE BY THE MUNICIPALITY AS AT 31 MARCH 2018	The Committee considered the report from Finance on water losses and the related potential revenue losses.	Resolved That the report be noted	CFO	31 June 2020

1.12 REPORT ON ELECTRICITY LOSSES BY THE MUNICIPALITY AS AT 31 MARCH 2019	The Committee considered the report from Finance on electricity losses and noted that there was an awareness campaign to users highlighting the consequences of meter tampering.	Resolved That the report be noted	CFO	31 June 2020
1.13 REPORT ON SECTION 72 AS AT END OF DECEMBER 2018	The Committee considered the Section 72 report from Finance	Resolved That the report be noted	CFO	31 June 2020
1.14 REPORT ON ADJUSTMENTS MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK FOR 2018/19	The Committee considered the Adjustments MTERF report from Finance.	Resolved That the report be noted	CFO	31 June 2020
1.15 LIST OF MUNICIPAL POLICIES	The Committee considered the list of Koukamma Policies and stated that the future lists should include the date of approval and the planned date of review of said policies.	Resolved That the report be noted and that the future lists should include the date of approval and the planned date of review of said policies.	Accounting Officer.	31 June 2020
1.16 REPORT ON THIRD MUNICIPAL QUARTER PERFORMANCE	The Committee considered the Third Quarter Performance Report from the Performance Management Coordinator in the MM's Office.	Resolved That the report be noted	Accounting Officer.	N/A

APPENDIX H: LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIP

(REFER TO FINANCIAL STATEMENTS

APPENDIX I: MUNICIPAL ENTITY/SERVICE PROVIDER PERFORMANCE SCHEDULE

(REFER TO FINANCIAL STATEMENTS)

APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST

(N/A)

APPENDIX K: REVENUE COLLECTION PERFORMANCE

(i) REVENUE COLLECTION PERFORMANCE BY VOTE (REFER TO FINANCIAL STATEMENTS)

(N/A)

(ii) REVENUE COLLECTION PERFORMANCE BY SOURCE (REFER TO FINANCIAL STATEMENTS)

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG (REFER TO FINANCIAL STATEMENTS)

**APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL
PROGRAMMES: INCLUDING MIG (REFER TO FINANCIAL STATEMENTS)**

- (i) CAPITAL EXPENDITURE – NEW ASSETS PROGRAMME**
- (ii) CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME**

APPENDIX N: CAPITAL PROGRAMME BY PROJECT CURRENT YEAR

(REFER TO FINANCIAL STATEMENTS)

APPENDIX O: CAPITAL PROGRAMME BY PROJECT BY WARD CURRET YEAR

Project	Area	Cost	Funding Source	Progress
Refurbishment of wwtw	Misgund	R1 325 950	WSIG	Complete
Refurbishment of wwtw	Coldstream	R3 116 100	WSIG	In progress
Refurbishment of wwtw	Twee Riviere	R4 230 993	MIG	In progress

APPENDIX P: SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

N/A

APPENDIX Q: SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION
technical

Government Sphere	Backlog
Department of Human Settlement	+/- RDP houses
Eskom	960 shacks in informal settlements electrified

**APPENDIX R: DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY
(REFER TO FINANCIAL STATEMENTS)**

**APPENDIX S: DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA
Section 71 (REFER TO FINANCIAL STATEMENTS)**

APPENDIX T: NATIONAL AND PROVINCIAL OUTCOME FOR LOCAL GOVERNMENT